

Company registration number: 3848164

Nameco (No. 412) Limited

Report and financial statements 31 December 2004

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Nameco (No. 412) Limited

Company information

Directors

J R H Evans
Nomina plc

Company Secretary

Hampden Legal PLC

Registered Office

12/13 Lime Street
London
EC3M 7AB

Auditors

Littlejohn Frazer
Chartered Accountants
and Registered Auditors
1 Park Place
Canary Wharf
London
E14 4HJ

Accountants

Axiom Consulting Limited
Lloyds Chambers
1 Portsoken Street
London E1 8DF

Bankers

Butterfield Bank (UK) Ltd.
99 Gresham Street
London
EC2V 7NG

Solicitors

Jones Day Gouldens
10 Old Bailey
London
EC4M 7NG

Nameco (No. 412) Limited

Report of the directors

The directors submit their report together with the financial statements of the company for the year ended 31 December 2004.

Principal activities and business review

The principal activity of the Company is that of trading as a Lloyd's corporate capital member. The Company's result for the year is in line with expectations given the market results for the closing 2002 year of account

The Company continues to trade in 2005 and the Directors expect this year's result to be better than years currently being reported.

Results and dividends

The results for the year are set out on pages 6 to 7 of the financial statements. The directors do not propose to pay a dividend.

Directors and directors' interests

The directors who served at any time during the year and their interests in the share capital of the company were as follows:

	At 31 December 2004 Ordinary £1 shares	At 1 January 2004 Ordinary £1 shares
J R H Evans	-	-
Nomina plc	1	1

Nomina plc holds the above share as trustee for M.D. Paisner

Nameco (No. 412) Limited

Report of the directors (continued)

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the 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
- state whether applicable accounting standards have been applied
- 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.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, have been used in the preparation of the financial statements and that applicable accounting standards have been followed.

By Order of the Board



Hampden Legal PLC
Secretary

30th June 2005

Nameco (No. 412) Limited

Independent Auditors' report

To the Shareholders of Nameco (No. 412) Limited

We have audited the Financial Statements of Nameco (No. 412) Limited for the year ended 31 December 2004 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the accounting policies and the related notes on pages 6 to 25. These Financial Statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the Financial Statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Financial Statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of Opinion

We conducted our audit in accordance with United Kingdom 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.

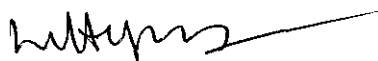
Nameco (No. 412) Limited

Independent Auditors' report (continued)

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 2004, and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

CLB 

CLB Littlejohn Frazer

Chartered Accountants
and Registered Auditors

7th July 2005

1 Park Place
Canary Wharf
London E14 4HJ

Nameco (No. 412) Limited

Profit and loss account

Technical account – general business

For the year ended 31 December 2004

	Note	2004 £	2003 £
Earned premiums, net of reinsurance			
Gross premiums written	3	727,503	598,140
Outward reinsurance premiums		(101,185)	(99,002)
Net premiums written		626,318	499,138
Allocated investment return transferred from the non-technical account		22,352	20,080
Total technical income		648,670	519,218
Claims paid			
Gross amount		(307,307)	(340,915)
Reinsurers' share		117,494	142,557
Net claims paid		(189,813)	(198,358)
Change in provision for claims			
Gross amount		(247,674)	16,781
Reinsurers' share		36,457	(159,928)
Claims incurred net of reinsurance		(401,030)	(341,505)
Net operating expenses	4	(196,556)	(218,926)
Investment expenses and charges		(648)	(780)
Total charges		(598,234)	(561,211)
Balance on technical account – general business		50,436	(41,993)

The accounting policies and notes on pages 11 to 25 form part of these financial statements.

Nameco (No. 412) Limited**Profit and loss account****Non - technical account****For the year ended 31 December 2004**

	Note	2004 £	2003 £
Balance on technical account – general business		50,436	(41,993)
Investment income	5	22,390	20,151
Allocated investment return transferred to the Technical account – general business		(22,352)	(20,080)
Profit (loss) on disposal of syndicate capacity		2,284	1,682
Other charges		(6,278)	(7,531)
Profit (loss) on ordinary activities before taxation	6	46,480	(47,771)
Tax on profit (loss) on ordinary activities	7	1,643	11,306
Profit (loss) for the financial year		48,123	(36,465)
Dividends paid and proposed		-	-
Retained profit (loss) for the financial year	11	48,123	(36,465)

The Company has no recognised gains or losses other than the profit or (loss) on ordinary activities after taxation stated above. There is no material difference between the reported profit or (loss) for the period and the profit or (loss) for the period restated on a historical cost basis.

All amounts above relate to continuing operations.

The accounting policies and notes on pages 11 to 25 form part of these financial statements.

Nameco (No. 412) Limited

Balance sheet

As at 31 December 2004

		31 December 2004			31 December 2003		
	Note	Held Directly £	Held through Syndicate Participation £	Total £	Held Directly £	Held through Syndicate Participation £	Total £
Assets							
Intangible assets							
Syndicate participation rights	8	9,438	-	9,438	10,554	-	10,554
Investments							
Financial investments	9	533	689,091	689,624	-	623,393	623,393
Deposits with ceding undertakings		-	574	574	-	970	970
		533	689,665	690,198	-	624,363	624,363
Reinsurers' share of technical provisions							
Claims outstanding		-	462,280	462,280	-	604,569	604,569
Debtors							
Arising out of direct insurance operations							
- Intermediaries		-	134,754	134,754	-	136,244	136,244
- Policyholders		-	19,869	19,869	-	3,062	3,062
Arising out of reinsurance operations		-	339,960	339,960	-	422,947	422,947
Funds at Lloyd's		482	-	482	521	-	521
Other debtors		23,674	57,630	81,304	90,737	54,544	145,281
		24,156	552,213	576,369	91,258	616,797	708,055
Other assets							
Cash at bank and in hand		10	134,918	134,928	3	86,400	86,403
Other		-	73,620	73,620	-	68,551	68,551
		10	208,538	208,548	3	154,951	154,954
Prepayments and accrued income							
Other prepayments and accrued income		-	4,923	4,923	-	3,840	3,840
Total assets							
		34,137	1,917,619	1,951,756	101,815	2,004,520	2,106,335

The accounting policies and notes on pages 11 to 25 form part of these financial statements.

Nameco (No. 412) Limited

Balance sheet

As at 31 December 2004

		31 December 2004			31 December 2003		
	Note	Held Directly £	Held through Syndicate Participation £	Total £	Held Directly £	Held through Syndicate Participation £	Total £
Liabilities and shareholders' funds							
Capital and reserves							
Called up share capital	10	1	-	1	1	-	1
Share premium account		-	-	-	-	-	-
Profit and loss account	11	(246,739)	57,640	(189,099)	(132,763)	(104,459)	(237,222)
Shareholders' funds – attributable to equity interests	12	(246,738)	57,640	(189,098)	(132,762)	(104,459)	(237,221)
Technical provisions							
Claims outstanding – gross amount		-	1,762,993	1,762,993	-	1,925,308	1,925,308
Provisions for other risks and charges							
Provision for taxation		-	-	-	-	-	-
Creditors							
Arising out of direct insurance operations		-	11,853	11,853	-	12,033	12,033
Arising out of reinsurance operations		-	60,572	60,572	-	89,654	89,654
Other creditors	13	249,185	53,519	302,704	218,216	49,617	267,833
		249,185	125,944	375,129	218,216	151,304	369,520
Accruals and deferred income							
Accruals		-	2,732	2,732	-	2,961	2,961
Lloyd's solvency transfer		31,690	(31,690)	-	16,361	29,406	45,767
		31,690	(28,958)	2,732	16,361	32,367	48,728
Total liabilities		34,137	1,917,619	1,951,756	101,815	2,004,520	2,106,335

Approved by the board of directors on 30th June 2005
and signed on its behalf by:

Nomina plc
Director

The accounting policies and notes on pages 11 to 25 form part of these financial statements.

Nameco (No. 412) Limited

Cash flow statement

For the year ended 31 December 2004

	Note	2004 £	2003 £
Operating activities			
Net cash inflow/(outflow) from operating activities	14	183	(1,976)
Returns on investments		-	-
Capital expenditure			
Purchase of syndicate capacity		(2,149)	(1,054)
Proceeds from sale of syndicate capacity		3,678	2,609
Taxation			
Corporation tax (paid) refunded		(1,101)	(282)
Financing			
Issue of shares		-	-
Share issue expenses		-	-
Net cash inflow/(outflow) for the year		<u>611</u>	<u>(703)</u>
Cash flows were invested as follows:			
Increase/(decrease) in cash holdings		7	(703)
Purchase of financial investments		604	-
Sale of financial investments		-	-
Net investment of cash flows		<u>611</u>	<u>(703)</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 25 form part of these financial statements.

Nameco (No. 412) Limited

Notes to the financial statements

For the year ended 31 December 2004

1 Accounting policies

1.1 Accounting convention

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

1.2 Basis of accounting for underwriting results

The company participates in insurance business as an underwriting member of various syndicates at Lloyd's. 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 syndicates. 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.

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 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" 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' share of claims) to remove this intersyndicate reinsurance.

Outward reinsurance premiums may include "reinsurance to close" 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.

Nameco (No. 412) Limited

Notes to the financial statements

For the year ended 31 December 2004

1.5 Provision for claims (technical provisions)

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 that for each underwriting year 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.

The provision is based on the returns and reports from the managing agents and the company's members' agent.

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 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:

- (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.

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.

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Notes to the financial statements

For the year ended 31 December 2004

1.6 Reinsurance to close (continued)

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 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.

1.7 Run-off years

Where an underwriting year of account is not closed at the end of the third year (a "run-off" year of account) a provision is made for the estimated cost of all known and unknown outstanding liabilities for that year. The provision is determined initially by the managing agent on a similar basis to the reinsurance to close. However, any subsequent variation in the ultimate liabilities for that year remains with the corporate member participating therein. As a result any run-off year will continue to report movements in its results after the third year until such time as it secures a reinsurance to close.

1.8 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.

Nameco (No. 412) Limited

Notes to the financial statements

For the year ended 31 December 2004

1.9 Investment income

Investment income comprises interest receivable and dividends received plus realised gains and losses on the disposal of investments. Realised gains and losses arise from the difference between sale proceeds and either the valuation at the previous year end, or purchase cost if the investment was purchased during the current year.

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.

1.10 Investment expenses and charges

Investment expenses and charges comprise investment management expenses.

1.11 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. Also included in operating expenses is any managing agent profit commission due on the results for the year. Members agent profit commission is accounted for in the year it is paid.

1.12 Other charges

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

1.13 Foreign currencies

The company's share of syndicate assets, liabilities, income and expenditure expressed in US dollars, Canadian dollars and Euros (where accounted by syndicates under the Lloyd's direct settlement scheme) are translated at rates of exchange ruling at the balance sheet date. Underwriting transactions in Euros (where accounted by syndicates under the Lloyd's conversion scheme) and other foreign currencies are included in the financial statements at historical rates. All exchange differences relating to syndicates are dealt with in the technical account.

1.14 Syndicate participation rights

Where the company has purchased the right to participate on Syndicates, the cost is capitalised, less any provision for permanent diminution in value, and amortised on a straight line basis over its estimated economic life. It is intended that purchased capacity will be amortised over 5 years. No amortisation is charged until the first year of account in which profits or losses are normally recognised.

Nameco (No. 412) Limited

Notes to the financial statements

For the year ended 31 December 2004

1.15 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 2004 account will be declared for tax purposes in the calendar year 2007.

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.

1.16 Deferred taxation

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities have not been discounted.

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Notes to the financial statements For the year ended 31 December 2004

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, and the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers in November 2003.

An underwriting member of Lloyd's is obliged to maintain Funds at Lloyd's (FAL) sufficient not only to support its continuing underwriting, but also to meet the whole of its liabilities as determined in the solvency test carried out each year as at 31 December. Where closed year deficits have been transferred to the distribution process, which is normally in the year following the closure of the underwriting year concerned, those deficits are normally funded by one or both of the company's own retained funds and the funds of the shareholders being made available to the company in the form of either further capital or debt.

Any losses incurred by the company are therefore funded by the FAL, by any retained reserves of the company, and by further capital or debt introduced by the shareholders. On this basis, the accounts of the company have been prepared on the basis that the company is a going concern.

2.2 Recognition of insurance transactions

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

The company has delegated sole management and control of its underwriting through each syndicate to the managing agent of the syndicate 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).

Accordingly, for each such syndicate, the company's proportion of the underwriting transactions, investment return and operating expenses has been reflected within the company's technical account. Similarly, its proportion of the syndicate's assets and liabilities has been reflected in its balance sheet (under the column heading "Held through Syndicate Participation"). 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 each syndicate's total capacity.

**Notes to the financial statements
For the year ended 31 December 2004**

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 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 of the Companies Act 1985.

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 2004.

2.4 Debtors/creditors arising from insurance/reinsurance operations

The amounts shown in the Balance Sheets in respect of the above include the totals of all the syndicate’s outstanding debit and credit transactions as processed by the central facility used by Lloyd’s; no account has been taken of any offsets which may be applicable in calculating the net amounts due between the syndicates and each of their counter party insurers, reinsurers or intermediaries as appropriate.

Nameco (No. 412) Limited

Notes to the financial statements

For the year ended 31 December 2004

3 Segmental information	Gross premiums written £	Gross claims incurred £	Gross operating expenses £	Reinsurance balance £	Total £
2004					
Direct business					
Accident and health	17,456	(6,808)	(6,116)	(617)	3,915
Motor – third party liability	16,740	(3,807)	(13,700)	879	112
Motor – other classes	18,158	(3,268)	(6,313)	(1,216)	7,361
Marine, aviation and transport	38,165	(16,950)	(12,635)	(7,211)	1,369
Fire and other damage to property	188,637	(81,527)	(55,091)	(8,088)	43,931
Third party liability	192,236	(200,904)	(48,919)	65,431	7,844
Credit and suretyship	17,265	(12,341)	(5,835)	(2,782)	(3,693)
Legal expenses	(794)	(1,890)	105	1,349	(1,230)
Assistance	-	-	-	-	-
Other	(1,421)	(1,535)	878	2,913	835
Total direct	486,442	(329,030)	(147,626)	50,658	60,444
Reinsurance business					
Other reinsurance acceptances	87,492	(64,289)	(12,773)	(20,156)	(9,726)
Reinsurance to close	153,569	(161,662)	-	22,264	14,171
	727,503	(554,981)	(160,399)	52,766	64,889

Gross premiums in respect of direct business written in:

	2004 £
United Kingdom	476,204
Other EU Member states	-
Rest of the world	10,238
	<u>486,442</u>

Nameco (No. 412) Limited

Notes to the financial statements For the year ended 31 December 2004

3 Segmental information (continued)

2003	Gross premiums written £	Gross claims incurred £	Gross operating expenses £	Reinsurance balance £	Total £
Direct business					
Accident and health	11,210	(4,548)	(5,128)	(1,644)	(110)
Motor – third party liability	3,386	(3,635)	(2,446)	(65)	(2,760)
Motor – other classes	19,287	(3,994)	(6,004)	(2,784)	6,505
Marine, aviation and transport	20,630	40,454	(14,382)	(33,234)	13,468
Fire and other damage to property	105,923	16,162	(48,082)	(53,621)	20,382
Third party liability	182,809	(198,515)	(59,404)	(15,913)	(91,023)
Credit and suretyship	4,280	(21,582)	(4,413)	(413)	(22,128)
Legal expenses	4,478	(2,712)	(2,131)	(560)	(925)
Assistance	(2)	2	(1)	12	11
Other	124	6,154	(1,429)	(4,383)	466
Total direct	352,125	(172,214)	(143,420)	(112,605)	(76,114)
Reinsurance business					
Other reinsurance acceptances	171,475	33,254	(58,036)	(130,154)	16,539
Reinsurance to close	74,540	(250,423)	-	126,386	(49,497)
	598,140	(389,383)	(201,456)	(116,373)	(109,072)

Gross premiums in respect of direct business written in:

	2003 £
United Kingdom	352,125
Other EU Member states	-
Rest of the world	-
	352,125

Nameco (No. 412) Limited

Notes to the financial statements For the year ended 31 December 2004

4 Net operating expenses	2004 £	2003 £
Syndicate operating expenses	23,448	23,723
Exchange adjustment	38,272	46,749
Costs of acquisition – commission and brokerage	98,679	130,984
	<hr/> 160,399	<hr/> 201,456
Members personal expenses	28,951	14,690
Other operating expenses	7,206	2,780
	<hr/> 196,556	<hr/> 218,926

5 Investment income	2004 £	2003 £
Investment income	28,591	27,162
Realised investment gains less losses	(6,130)	(7,011)
Unrealised gains less losses on investments	(71)	-
	<hr/> 22,390	<hr/> 20,151

6 Profit/(loss) on ordinary activities before taxation

The auditor's remuneration of £120 is charged to Nomina plc and then recharged to the company as part of the Nomina plc management fee included within other charges in the non-technical account.

The company has no employees and no director's fees have been paid in the period.

7 Taxation	2004 £	2003 £
Analysis of charge in period		
Current U.K. corporation tax at 19%	1,101	282
Prior year	-	-
	<hr/> 1,101	<hr/> 282
Deferred tax at 19%	(2,744)	(11,588)
	<hr/> (1,643)	<hr/> (11,306)

Factors affecting tax charge for period

The tax assessed for the period is different than the standard rate of Corporation Tax in the UK of 19%. The differences are shown below:

Nameco (No. 412) Limited

Notes to the financial statements For the year ended 31 December 2004

7 Taxation (continued)

	2004 £	2003 £
Profit/(loss) on ordinary activities before tax	46,480	(47,771)
Tax on above multiplied by the standard rate of 19%	8,831	(9,196)
Effects of:		
Underwriting results subject to timing differences for taxation	16,085	13,769
Utilisation of tax losses	(25,198)	(4,336)
Deferred tax asset not recognised	-	-
Amortisation and other tax computation adjustments	1,383	(237)
Marginal or starting rates of taxation	-	282
Current tax charge for the period	1,101	282

The balance sheet deferred tax asset in respect of losses available was 2004: £14,332 (2003: £11,588).

8 Intangible assets – held directly

Syndicate participation rights	2004 £	2003 £
Cost		
At 1 January 2004	22,125	22,564
Additions	2,149	1,054
Disposals	(2,159)	(1,493)
At 31 December 2004	22,115	22,125
Amortisation		
At 1 January 2004	11,571	8,868
Charge for the period	1,873	2,933
Disposals	(767)	(230)
At 31 December 2004	12,677	11,571
Net book value		
At 31 December 2004	9,438	10,554
At 1 January 2004	10,554	13,696

As required by FRS 10 and 11, an annual impairment review of the carrying value of the above intangible assets is carried out. As a result of this review, the above syndicate participation is carried out at no more than the latest weighted average values obtained at the Lloyd's capacity auctions during 2004.

No impairment provision is required for the period.

Nameco (No. 412) Limited

Notes to the financial statements For the year ended 31 December 2004

9 Financial investments

	2004 Historic cost £	2004 Market Value £	2003 Historic cost £	2003 Market Value £
Syndicate participations				
Shares and other variable yield securities	54,901	45,685	51,423	52,231
Debt securities and other fixed income securities	583,975	597,764	610,605	548,241
Participation in investment pools	12,279	6,216	5,357	2,561
Loans guaranteed by mortgage	-	-	174	174
Other loans	-	11	-	-
Deposits with credit institutions	9,873	39,370	9,749	19,127
Other	43	45	30	1,059
	661,071	689,091	677,338	623,393
Other				
Shares and other variable yield securities	604	533	-	-

Analysis of market value	2004 £	2003 £
Syndicate participations		
Listed on the stock exchange	446,665	481,773
Other listed	194,797	34,578
Unlisted	47,629	107,042
	689,091	623,393
Other		
Listed on the stock exchange	533	-
Unlisted	-	-
	533	-

Nameco (No. 412) Limited**Notes to the financial statements****For the year ended 31 December 2004**

10 Share capital	2004	2003
	£	£
Authorised		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
1 Ordinary share of £1 each	1	1
	<hr/>	<hr/>
11 Statement of movements on reserves	2004	2003
	£	£
Balance at 1 January 2004	(237,222)	(200,757)
Retained profit/(loss) for the year	48,123	(36,465)
	<hr/>	<hr/>
Balance at 31 December 2004	(189,099)	(237,222)
	<hr/>	<hr/>
The reserves included above shown as being held directly represent the accumulated results of the Company's corporate activities, the results for any closed/run-off years that have been settled and anticipated losses on open years. The reserves shown as held through syndicate participation represent closed/run-off year results not yet settled.		
12 Reconciliation of movements in shareholders' funds	2004	2003
	£	£
Profit for the financial year	48,123	(36,465)
Proceeds from issue of shares	-	-
Share premium on new share capital	-	-
Expenses paid in connection with share issue	-	-
	<hr/>	<hr/>
Net addition to shareholders' funds	48,123	(36,465)
Opening shareholders' funds	(237,221)	(200,756)
	<hr/>	<hr/>
Closing shareholders' funds	(189,098)	(237,221)
	<hr/>	<hr/>
13 Other creditors including taxation and social security – held directly	2004	2003
	£	£
Corporation tax	-	-
Amount due to parent undertaking	-	-
Proprietors' loan accounts	212,761	188,688
Third party funds	-	-
Other creditors	36,424	29,528
	<hr/>	<hr/>
	249,185	218,216
	<hr/>	<hr/>

Nameco (No. 412) Limited

Notes to the financial statements

For the year ended 31 December 2004

14 Cash flow statement

	2004	2003
	£	£
Reconciliation of profit or loss on ordinary activities before tax to net cash inflow from operating activities:		
Profit/(loss) on ordinary activities before tax	46,480	(47,771)
(Profit)/loss attributable to syndicate transactions	(162,099)	2,899
(Increase)/decrease in debtors	69,846	42,800
Increase/(decrease) in creditors and technical provisions	46,298	(1,491)
(Profit)/loss on disposal of intangible assets	(2,285)	(1,681)
Amortisation of syndicate capacity	3,782	4,214
Impairment of syndicate capacity	(1,910)	(946)
Unrealised (gain)/loss on revaluation of investments	71	-
Net cash inflow/(outflow) from operating activities	183	(1,976)

15 Related party disclosure

The company's 2000, 2001, 2002, 2003 and 2004 underwriting is supported by the assets of or guarantees made interavailable to it by M D Paisner. These assets or guarantees are also available to Lloyd's to meet the personal underwriting liabilities of M D Paisner for underwriting years in run-off commencing prior to 1 January 2000, where applicable.

M D Paisner is the beneficial owner of the company's share.

Mr J.R.H. Evans, a director of the company, is also a director of Nomina plc which administers the conversion scheme in which the company participates. Nomina plc charges a fixed management fee of £2,250 (2003: £2,250) to cover all the costs of basic administration of the company.

Nameco (No. 412) Limited

Notes to the financial statements

For the year ended 31 December 2004

16 Syndicates

The principal syndicates or members' agent pooling arrangements ("MAPA") in which the company participates as an underwriting member are as follows:

Syndicate or MAPA Number:	Managing Agent	2005 Allocated Capacity £	2004 Allocated Capacity £	2003 Allocated capacity £	2002 Allocated Capacity £
386	Limit Underwriting Ltd	30,000	50,000	54,120	36,080
510	R J Kiln & Co Ltd	56,211	52,290	49,800	40,000
557	R J Kiln & Co Ltd	35,000	30,841	30,841	26,248
570	Atrium Underwriters Limited	22,728			
623	Beazley Furlonge Ltd	70,008	70,008	80,000	60,000
727	S A Meacock & Company Ltd	50,000	35,145	32,665	28,405
807	R J Kiln & Co Ltd	20,000			
958	Omega Underwriting Agents Ltd	50,000	25,000		
1003	Catlin Underwriting Agencies Ltd				35,593
1007	SVB Syndicates Ltd				27,718
1200	Heritage Managing Agency Ltd		15,000	10,000	
1245	Heritage Managing Agency Ltd		20,932	20,000	20,000
2020	Wellington U/W Agencies Ltd.	31,285	31,285	30,000	40,000
2791	Managing Agency Partners Ltd.	25,000			
3245	Heritage Managing Agency Ltd	15,000	17,000		
4040	Illium Managing Agency Ltd	20,000	25,000		
7071	Members' Agents Pooling Arrangement				167,256
7200	Members' Agents Pooling Arrangement	24,354	24,354	22,997	
7201	Members' Agents Pooling Arrangement	129,217	129,217	113,150	
7202	Members' Agents Pooling Arrangement	47,358	52,619	47,835	