

CATHEDRAL CAPITAL (2000) LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2012**



Registered No. 4039209

CATHEDRAL CAPITAL (2000) LIMITED

CONTENTS	Page
Directors and Advisors	2
Report of the Directors	3
Report of the Independent Auditors	6
Profit and Loss Account	8
Balance Sheet	9
Notes to the Financial Statements	10

CATHEDRAL CAPITAL (2000) LIMITED

DIRECTORS AND ADVISORS

Chairman	L A Holder
Directors	J A Lynch P D Scales
Company Secretary	J A Lynch
Auditors	Mazars LLP Tower Bridge House St Katharine's Way London E1 W 1DD
Company Number	4039209
Registered Office	5 th Floor Fitzwilliam House 10 St Mary Axe London EC3A 8BF

CATHEDRAL CAPITAL (2000) LIMITED

REPORT OF THE DIRECTORS

The Directors present herewith their annual report, together with the audited financial statements of the Company for the year ended 31 December 2012

Company Registration Number

The Company registration number is 4039209

Review of the Business

Cathedral Capital (2000) Limited is the immediate parent company of Cathedral Underwriting Limited. The Company is solely a holding company and, as such, does not participate in any trade of its own.

Cathedral Underwriting Limited's principal activity is that of a Lloyd's Managing Agency and it manages capacity of circa £350 million in respect of Syndicate 2010 for the 2013 year of account (2011 £350 million in respect of the 2012 year of account). Syndicate 2010 specialises in non-marine and aviation reinsurance, and direct and facultative property and contingency insurance. Cathedral Underwriting Limited also manages Syndicate 3010 with a capacity of £30 million for the 2013 year of account (2011 £30 million in respect of the 2012 year of account). Syndicate 3010 currently specialises in marine cargo insurance and also writes two quota shares from Syndicate 2010.

This company intends to expand and develop its operations within the Lloyd's Insurance Market as opportunities and market conditions allow.

Principal risks

The Company is the immediate parent company of Cathedral Underwriting Limited. Accordingly the principal risks to the business are its subsidiary ceasing to trade or the Lloyd's Market being downgraded by the Rating Agencies such that the volume and quality of insurance and reinsurance business underwritten by the syndicates managed by its managing agent subsidiary is materially reduced.

Financial instruments

The Company's principal financial instrument is intercompany debt. The Directors are not aware of anything to suggest that the amounts owed by the Cathedral group are not recoverable.

Share Capital

The authorised share capital is £1,000. The authorised share capital comprises 1 A voting ordinary £1 share and 999 B non-voting ordinary £1 shares. The B shares own the entire economic interest of the Company.

Holding Company

Cathedral Capital Holdings Limited is the immediate parent company of the Company.

CATHEDRAL CAPITAL (2000) LIMITED

Results and Dividends

The results attributable to shareholders for the period are shown on page 8

During the year, the Company paid an interim dividend of £6,000,000 to its parent company (2011 £nil) equating to £1,500,000 per share (2011 £nil per ordinary share)

Directors

The Directors who served during the year are shown on page 2

Information on Directors' interests in transactions is shown in Note 11 on pages 12 and 13

Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Directors' and Officers' Insurance

Cathedral Capital Limited has, in accordance with the provisions of its articles, purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of itself and all of its subsidiary companies. All Directors and Officers of the Company are covered by this insurance.

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow

CATHEDRAL CAPITAL (2000) LIMITED

Directors, each Director has taken all the steps that he is obliged to take as a Director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information

Going Concern

After making reasonable enquiries the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the accounts

Auditors

Mazars LLP have expressed their willingness to continue in office for the coming year

By order of the Board

A handwritten signature in black ink, appearing to read 'J A Lynch', with a stylized flourish at the end.

J A Lynch
22 March 2013

CATHEDRAL CAPITAL (2000) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CATHEDRAL CAPITAL (2000) LIMITED

We have audited the financial statements of Cathedral Capital (2000) Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of Directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit 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 is made solely to 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 it 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 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 matters prescribed by the Companies Act 2006

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

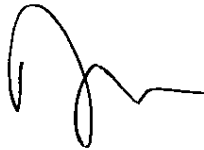
CATHEDRAL CAPITAL (2000) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CATHEDRAL
CAPITAL (2000) LIMITED (CONTINUED)**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Andrew Heffron (Senior Statutory Auditor)
for and on behalf of Mazars LLP, Chartered Accountants (Statutory Auditor)
Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

22 March 2013

CATHEDRAL CAPITAL (2000) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

		<u>Year ended</u> <u>31 December</u> <u>2012</u> £	<u>Year ended 31</u> <u>December</u> <u>2011</u> £
	<u>Notes</u>		
Turnover – continuing operations	2	6,000,000	-
Administrative expenses		-	-
Operating profit – continuing operations		6,000,000	-
Interest receivable and similar income		-	-
Profit on ordinary activities before tax		6,000,000	-
Taxation	3	-	-
Profit on ordinary activities after taxation	9	6,000,000	-

All activities relate to continuing operations

The Company has no recognised gains and losses other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented

During the year, the Company paid an interim dividend of £6,000,000 (2011: £nil), as set out in Note 5.

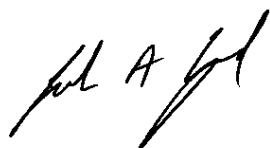
The Notes on pages 10 to 13 form an integral part of these financial statements

CATHEDRAL CAPITAL (2000) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2012

	Notes	<u>31 December</u> <u>2012</u> £	<u>31 December</u> <u>2011</u> £
Fixed assets: Investments (in subsidiaries)	4	974,738	974,738
Current assets: Debtors	6	20,815,750	27,799,267
Creditors: Amounts falling due within one year	7	(21,790,483)	(28,774,000)
Net Assets		<u>5</u>	<u>5</u>
Capital and reserves			
Called up equity share capital	8	5	5
Profit and loss account		-	-
Equity shareholders' funds	9	<u>5</u>	<u>5</u>

Approved and authorised by the Board of Directors on 22 March 2013 and signed on their behalf by -



J A Lynch

The Notes on pages 10 to 13 form an integral part of these financial statements

CATHEDRAL CAPITAL (2000) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Practice (UK GAAP) and the Companies Act 2006

(b) Fixed asset investments

Fixed asset investments are carried at the lower of cost or Directors' valuation

(c) Cashflow Statement

Cathedral Capital (2000) Limited is exempt from preparing a cashflow statement under FRS1 Cathedral Capital Holdings Limited (its immediate parent company) and Cathedral Capital Limited (its ultimate parent company) prepare consolidated cashflow statements

(d) Consolidation

The Company has not produced consolidated accounts as it is exempt under Section 400 of the Companies Act 2006. Consequently these financial statements present information as an individual entity and not as a group

2. Turnover – continuing operations

	<u>Year ended</u> <u>31 December</u> <u>2012</u> £	<u>Year ended</u> <u>31 December</u> <u>2011</u> £
Dividends from group companies	<u>6,000,000</u>	<u>-</u>

3. Tax charge on profit on ordinary activities

	<u>Year ended</u> <u>31 December</u> <u>2012</u> £	<u>Year ended</u> <u>31 December</u> <u>2011</u> £
<i>Current tax</i>		
UK corporation tax on profits for the year	<u>-</u>	<u>-</u>
<i>Factors affecting the tax charge for the year</i>		
Profit on ordinary activities before tax	<u>6,000,000</u>	<u>-</u>
Current tax at 24.5% (2011 26.5%)	<u>1,470,000</u>	<u>-</u>
Income not taxable	<u>(1,470,000)</u>	<u>-</u>
Current tax charge for the year	<u>-</u>	<u>-</u>

CATHEDRAL CAPITAL (2000) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

4. Investments

	<u>31 December</u> <u>2012</u> £	<u>31 December</u> <u>2011</u> £
Investments in Cathedral Underwriting Limited	<u>974,738</u>	<u>974,738</u>

Cathedral Capital (2000) Limited owns the entire issued share capital of Cathedral Underwriting Limited, a company incorporated in England

5. Dividends

	<u>31 December</u> <u>2012</u> £	<u>31 December</u> <u>2011</u> £
Dividend of £1,500,000 per B ordinary share (2011 £m1 per B ordinary share)	<u>6,000,000</u>	<u>-</u>

6. Debtors

	<u>31 December</u> <u>2012</u> £	<u>31 December</u> <u>2011</u> £
Amounts falling due within one year		
Amounts owed by group undertakings	<u>20,815,750</u>	<u>27,799,267</u>

7. Creditors

	<u>31 December</u> <u>2012</u> £	<u>31 December</u> <u>2011</u> £
Amounts falling due within one year		
Amounts owed to group undertakings	<u>21,790,483</u>	<u>28,774,000</u>

8. Called up equity share capital

	<u>31 December</u> <u>2012</u> £	<u>31 December</u> <u>2011</u> £
Issued, allotted and fully paid		
1 A Ordinary Share of £1	1	1
4 B Ordinary Shares of £1 each	<u>4</u>	<u>4</u>
	<u>5</u>	<u>5</u>

The A shares have voting rights but are not entitled to the economic interests of the Company. The B shares have no voting rights but are entitled to the economic interests of the Company. All shares are owned by Cathedral Capital Holdings Limited.

CATHEDRAL CAPITAL (2000) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

9. Reconciliation of movements in equity shareholder's funds	31 December 2012 £	31 December 2011 £
Profit for the year	6,000,000	-
Dividends	(6,000,000)	-
Movement in shareholder's funds	-	-
Shareholder's funds at 1 January	5	5
Equity shareholder's funds at 31 December	5	5

10. Ultimate parent undertaking

The immediate parent company is Cathedral Capital Holdings Limited and the ultimate parent company is Cathedral Capital Limited. Cathedral Capital Limited is the largest group and Cathedral Capital Holdings Limited is the smallest group which includes the Company and for which consolidated financial statements are prepared. All Group companies are registered in England & Wales.

Copies of the consolidated financial statements for both Cathedral Capital Holdings Limited and Cathedral Capital Limited can be obtained from Fitzwilliam House, 10 St Mary Axe, London, EC3A 8BF.

11. Related party transactions

(i) Transactions with other entities in the Cathedral group

The Company's parent undertaking prepares consolidated financial statements that are publicly available. Accordingly, the Company has taken advantage of an exemption in Financial Reporting Standard 8 and does not disclose transactions with other entities in the Cathedral group.

(ii) Directors' interest in transactions

During the year, the Directors and their families received dividends on the Preference shares issued by Cathedral Capital Limited at 6.44% per annum and interest on their Manager Loan Notes issued by Cathedral Capital (Investments) Limited at 9.2% per annum.

The Preference shares and Manager Loan Notes held by the Directors and their families at 31 December (according to the registers of Directors' interests) were as follows:

	31 December 2012		31 December 2011	
	Preference £1 shares number	Manager Loan Notes £	Preference £1 shares number	Manager Loan Notes £
L A Holder	800,104	1,600,454	800,104	1,600,454
J A Lynch	822,639	1,645,531	822,639	1,645,531
P D Scales	822,639	1,645,531	822,639	1,645,531

CATHEDRAL CAPITAL (2000) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2012

11. Related party transactions (continued)

The Cathedral Group has an Employee Share Ownership Plan ("ESOP") in which all full time employees are potential beneficiaries. As such, all Directors who are full time employees of Cathedral Group have a potential interest in the shares (and other assets) held by the ESOP.

The ESOP also received dividends on the Preference shares and interest on the Investor Loan Notes and Manager Loan Notes. The ESOP holdings of "A" ordinary shares, "B" ordinary shares and Preference shares of Cathedral Capital Limited and Investor Loan Notes and Manager Loan Notes of Cathedral Capital (Investments) Limited at 31 December were as follows:

	<u>Year ended</u> <u>31 December</u> <u>2012</u> <u>number</u>	<u>Year ended</u> <u>31 December</u> <u>2011</u> <u>number</u>
Cathedral Capital Limited		
"A" Ordinary shares	751	-
"B" Ordinary shares	12,212	12,212
Preference £1 shares	684,374	652,162
	<u>£</u>	<u>£</u>
Cathedral Capital (Investments) Limited		
Investor Loan Notes	64,469	-
Manager Loan Notes	1,304,524	1,304,524