Company No: 6022662

ATRIUM GROUP SERVICES LIMITED

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2011

Registered Office
Room 790
Lloyd's
1 Lime Street
London
EC3M 7DQ

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A07 05/05/2012 #52
COMPANIES HOUSE

ATRIUM GROUP SERVICES LIMITED

DIRECTORS
A Baddeley
S Cook
N Marsh

SECRETARY
M Bruce
David Venus & Company Limited
Thames House
Portsmouth Road
Esher
Surrey KT10 9AD

AUDITORS
Ernst & Young LLP
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BANKERS
Lloyds TSB Bank plc
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London EC3A 4AX

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Room 790, Lloyd's
1 Lime Street
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ATRIUM GROUP SERVICES LIMITED

DIRECTORS' REPORT

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

Results and dividends

The profit for the year, after taxation, amounted to $1,007,010 (2010 $3,302,925) The directors do not recommend a final dividend, making the total dividends paid in the year $nil (2010 $nil)

Principal activities and review of the business

Atrium Group Services Limited (AGSL) is a wholly owned subsidiary of Atrium Underwriting Group Limited (AUGL), and acts as a service company on behalf of the Atrium Group

At the end of 2010, following an earlier decision to consolidate the group's underwriting operations into a single corporate name, the Directors decided it was an appropriate time to consider the most effective group structure going forward.

The new group structure, put in place during the year, simplifies the management and operations of the group, achieving an effective and efficient group structure This has involved the transfer within the group, of various companies and the dissolution of surplus companies.

The Company measures the following Key Performance Indicators

	2011 $	2010 $	Change %
Total assets less current liabilities	4,309,936	3,302,926	30 5
Profit/(loss) before tax	209,174	(7,204)	N/M

The Company receives a fee from other group companies as it acts as a service company All expenses are recharged to these entities with the exception of foreign exchange revaluation of monetary assets, amounting to a gain of $67,404 in the current year. As the employing company within the Atrium Group, the Company has received a tax credit in relation to relief for the expenses incurred in respect of the group share schemes

Principal risks & uncertainties

Governance
The Board recognises the critical importance of having efficient and effective risk management systems in place but also recognises that it can only mitigate risks, and not remove them completely The Atrium Group has established a risk management framework encompassing a risk register, a programme of internal control testing and the risk policies which set out the risk appetite, controls and business conduct standards in order to manage the risks to which the Atrium Group is exposed. The Audit Committee, on behalf of the AUGL Board, has approved this framework and meets regularly to discuss risk management and approve any amendments to the framework.

The principal risk and uncertainty facing the Company is as follows

Credit Risk
Credit risk is the exposure to loss if another party fails to perform its financial obligations to the Company, including failing to perform them in a timely manner. The key aspect of credit risk to which AGSL is exposed is the risk of default by one or more of the other Atrium Group companies whereby they would not be able to meet their debts as they fall due

Future developments

It is intended that the Company continues to be a service company for the Atrium Group

Ariel Holdings Limited Transactions
On 1 March 2012, Ariel Holdings Limited (AHL), the Atrium Group's ultimate holding company announced a transaction by which an affiliate of Goldman Sachs will acquire the Bermuda operations of Ariel Reinsurance Company Ltd (Ariel Re) another subsidiary in the Ariel Group

On 3 March 2012, it was announced that Arch Capital Group Ltd intended to acquire Ariel Re's Switzerland-based reinsurance operations

Further to this Goldman Sachs is acquiring the name and brand Ariel, and therefore shortly after completion AHL has been renamed Arden Holdings Limited and Ariel Re has been renamed Arden Reinsurance Company Limited

The Atrium Group is not part of these transactions and continues to be owned by AHL On the 5th April 2012, the Goldman Sachs transaction completed and George Rivaz has stepped down as Chairman from the AUGL Board, with Richard Lutenski taking up this position On 9 April 2012, the Arch Capital Group Ltd transaction completed

ATRIUM GROUP SERVICES LIMITED

DIRECTORS' REPORT *(continued)*

Events since the balance sheet date

Other than the changes mentioned above, there have been no significant events since the balance sheet date

Going concern

After making 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 continue to adopt the going concern basis in preparing the financial statements

Directors of the Company

The current Directors of the Company are disclosed on page 1

Charitable and political donations

During the year, the Company made charitable donations amounting to $18,682 (2010 $19,302) The Company made no political donations during the year (2010 $nil)

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 directors and the Company's auditor, 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

Re-appointment of auditors

The Company's auditors will be deemed to be reappointed in accordance with Section 487 of the Companies Act 2006

By order of the board

A Baddeley
Director
20 April 2012

ATRIUM GROUP SERVICES LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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 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

ATRIUM GROUP SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATRIUM GROUP SERVICES LIMITED

We have audited the financial statements of Atrium Group Services Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders Funds the Balance Sheet, and the related notes 1 to 14 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on 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 2011 and of its profit for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

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

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

Ernst & Young LLP

Angus Millar (Senior statutory auditor)
for and on behalf of Ernst & Young LLP,
Statutory Auditor
London,
20 April 2012

ATRIUM GROUP SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2011

	Notes	2011 $	2010 $
Turnover	2,3	**40,064,823**	36,476,418
Administrative expenses		**(39,861,445)**	(36,489,410)
Operating Profit/(Loss)	4	**203,378**	(12,992)
Interest receivable		**5,796**	5,788
Profit/(Loss) On Ordinary Activities Before Tax		**209,174**	(7,204)
Tax on Profit/(Loss) on ordinary activities	8	**797,836**	3,310,129
Profit On Ordinary Activates After Tax		**1,007,010**	3,302,925

The profit and loss account relates entirely to continuing activities

There are no recognised gains and losses other than the profit or loss for the period

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
for the year ended 31 December 2011

	Share Capital $	Profit and Loss account $	Total Shareholders' funds $
2011			
At 1 January 2011	1	3,302,925	3,302,926
Profit for the year	-	1,007,010	1,007,010
At 31 December 2011	1	4,309,935	4,309,936
2010			
At 1 January 2010	1	-	1
Profit for the year	-	3,302,925	3,302,925
At 31 December 2010	1	3,302,925	3,302,926

ATRIUM GROUP SERVICES LIMITED

BALANCE SHEET
As at 31 December 2011

	Notes	2011 $	2010 $
Intangible Fixed Assets	9	**107,216**	181,451
Tangible Fixed Assets	10	**248,303**	449,029
Current Assets			
Debtors due within one year	11	**14,172,019**	18,529,874
Cash at bank and in hand		**2,180,709**	3,382,675
		16,352,728	21,925,549
Creditors due within one year	12	**(12,398,311)**	(19,240,103)
Net Current Assets		**3,954,417**	2,672,446
Total Assets Less Current Liabilities		**4,309,936**	3,302,926
Capital and Reserves			
Called up share capital	13	**1**	1
Profit and loss account		**4,309,935**	3,302,925
Shareholders' Funds		**4,309,936**	3,302,926

The financial statements were approved by the Board of Directors on 20 April 2012 and signed on its behalf by

A Baddeley
Director

1. ACCOUNTING POLICIES

(a) Basis of preparation and change in accounting policy

The financial statements have been prepared in accordance with applicable UK accounting standards and law, section 396 of, and schedule 4 to, the Companies Act 2006, under the historical cost convention rules

As a wholly owned subsidiary of AHL, the Company has applied the exemption available in FRS 1 from the requirement to prepare a cash flow statement

As a wholly owned subsidiary of AHL, the Company has applied the exemption available in FRS 8 from the requirement to disclose transactions with related parties

The Company's functional and presentational currency is US Dollars

There have been no changes made to the accounting policies in the current year

(b) Turnover

Turnover represents amounts derived from the Company's activity as a group service company and consists of fee income, charge for use of assets and expenses recharged to other group companies

(c) Share based incentive schemes

During the financial year, AHL operated a number of executive and employee share based incentive schemes for the staff and directors of the Company. The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instrument at the date at which it was granted The expense is recognised in the profit and loss account over the performance period of the share based incentive scheme

The fair value of the equity-settled transactions granted was set by the Board of Directors of AHL

(d) Income Tax

The tax expense represents the sum of the current tax and deferred tax

Current income tax the current tax charge is based on the taxable profit for the year Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible The Company's liability for current tax is calculated using tax rates enacted or substantively enacted at the balance sheet date

Current income tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the current tax is also included in equity

(d) Income tax *(continued)*

Deferred income tax deferred income tax is generally provided in full, on timing differences arising between the tax bases of assets and liabilities and their carrying value in the financial statements Deferred income tax is determined using tax rates enacted or substantively enacted at the balance sheet date and which are expected to apply when the related tax is payable or receivable

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be used. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all of part of the asset to be recovered

Deferred income tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the current tax is also included in equity

(e) Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring into use the specific software These costs are amortised on a straight line basis over the expected useful life of the software which is 3 years.

All other costs associated with developing or maintaining computer software programmes are recognised as an expense in the profit and loss account as incurred

(f) Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses

Depreciation is calculated to write off the cost of all tangible fixed assets, in equal annual instalments over their estimated useful lives at the following rates

Fixtures, fittings and equipment	20% per annum
Computer equipment	$33^{1}/_{3}$% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

(g) Foreign currencies

Items in the profit and loss account have been translated into the functional currency of US Dollars at the average rate for the quarter in which the transaction takes place, whilst the Balance Sheet has been translated at the exchange rate on the balance sheet date as per the following table, with translation differences being recognised through the profit and loss account

	Balance sheet rate at 31 December 2011	Average rate for Quarter 1 2011	Average rate for Quarter 2 2011	Average rate for Quarter 3 2011	Average rate for Quarter 4 2011
Sterling	1 5456	1 6012	1 6165	1 6120	1 5729
Canadian Dollar	0 9807	1 0142	1 0239	1 0229	0 9776
Euro	1 2950	1 3671	1 4032	1 4159	1.3493
Singapore Dollar	0 7701	0 7831	0 7950	0 8177	0 7773

2. SEGMENTAL INFORMATION

The fee income within turnover relates to service fees paid by the Group companies, namely, Atrium Underwriters Limited; Atrium Underwriting Group Limited; Atrium Insurance Agency Limited and Atrium Insurance Agency (Asia) The fee income is paid to the Company for its services provided as a service company to the relevant group companies to which it recharges expenses The fee income has been treated as one geographical segment for the purposes of Statement of Standard Accounting Practice No 25

3. TURNOVER

	2011 $	2010 $
Fee income	**157,680**	158,191
Charge for use of assets	**379,904**	672,473
Expenses recharged	**39,527,239**	35,645,754
	40,064,823	36,476,418

4. OPERATING PROFIT/(LOSS)

	2011 $	2010 $
This is stated after charging		
Auditors' remuneration – statutory audit	**12,005**	11,864
Depreciation	**254,096**	348,002
Amortisation intangible assets	**125,807**	291,992
Foreign exchange (gain)/loss	**(67,404)**	173,715

No fees were paid to the Company's auditor for services other than the statutory audit of the Company (2010 $nil)

5. STAFF COSTS

	2011 $	2011 $
Staff costs including directors' emoluments		
Wages and salaries	**15,554,823**	13,228,651
Share based payments recharge	**4,415,214**	3,849,658
Social security costs	**2,614,795**	2,605,198
Defined contribution pension costs	**2,795,452**	2,132,341
	25,380,284	21,815,848
Recharged to group companies	**(25,380,284)**	(21,815,848)
	-	-

As at the balance sheet date, there were pension contributions outstanding of $nil (2010 $nil)

The average monthly number of persons including executive directors employed by the Company during the year was 136 (2010 128)

6. DIRECTORS' EMOLUMENTS

The Company is the employing company within the Atrium Group The disclosure below relates to directors within the Atrium Group Directors' remuneration is recharged to other group companies for the use of their services

	2011 $	2010 $
Directors' emoluments		
Executive services	**9,502,360**	8,344,483
Pension contributions	**557,080**	528,603
	10,059,439	8,873,086
Recharged to group companies	**(10,059,439)**	(8,873,086)
	-	-

6. DIRECTORS' EMOLUMENTS *(continued)*

During 2011 ten group Directors benefitted from the vesting of long term incentive plan awards

During 2011, certain group Directors were awarded shares under the Ariel Long Term Incentive Plan and received shares under the Ariel Matching Share Plan

	2011	2010
Number of group Directors who received shares under the Ariel Long Term Incentive Plan	**8**	8
Number of group Directors who received shares under the Ariel Matching Share Plan	**8**	8
Number of group Directors to whom retirement benefits are accruing under a defined contribution pension scheme	**9**	9

	2011 $	2010 $
In respect of the highest paid group Director, the following emoluments were paid		
Executive services	**1,663,786**	1,646,962
Pension contribution	**81,100**	77,364
	1,744,886	1,724,326
Recharged to group companies	**(1,744,886)**	(1,724,326)
	-	-

The highest paid group Director received a grant of shares under the Ariel Long Term Incentive Plan and the Ariel Matching Share Plan during the period

7. SHARE BASED INCENTIVE SCHEMES

FRS 20 'Share-based payments' requires all share-based payments that were granted after 7 November 2002, but that had not yet vested at 1 January 2005, to be expensed based on their fair value at the date of grant The expense is recognised in the profit and loss account over the vesting period of the share-based payment

AHL, the ultimate parent company, operates two share based incentive schemes for the employees of the Atrium Group, as set out below Fair value was initially established with reference to a valuation study completed by an independent valuation firm, Duff & Phelps For awards granted and vesting in 2011, AHL determined that fair value would be based on fully diluted book value per Ariel share. The Directors are of the opinion that the recharge is not materially different from amounts that would be calculated under FRS 20

7. SHARE BASED INCENTIVE SCHEMES *(continued)*

Long Term Incentive Plan (LTIP)

Following acquisition of the Atrium Group by AHL, a new LTIP share award scheme was established in 2008 On 4 February 2010 AHL declared a dividend of $40 per share Under the terms of the AHL LTIP scheme, additional awards were made, attaching to the relevant unvested original award to reflect the value of that dividend On 3 June 2011 the 2008 LTIP Awards vested in full on satisfaction of performance conditions There are Conditional Awards over 127,638 Ariel shares in respect of the 2009, 2010 and 2011 LTIP Awards 128,371 Ariel shares are held in trust on behalf of participants On 29 February 2012 the 2009 LTIP Awards vested in full on satisfaction of performance conditions

In March 2011 further awards were made under the AHL LTIP scheme An award is a conditional award of shares in AHL The grantee only actually receives the shares if over a three year period they remain an employee of the Atrium Group and the performance conditions are satisfied, over the three years ending 31 December 2011, 2012 and 2013 respectively, at which points, on evaluation of the performance criteria, the grantee will be given fully paid ordinary shares in AHL The performance conditions are based on the Atrium Group's return on capital and therefore ensure that any rewards received are commensurate with the Atrium Group's performance over the performance period AHL declared a dividend of $33 per share on 19 January 2011 Under the terms of the AHL LTIP scheme, additional awards were made, attaching to the relevant original awards made in June 2008, February 2009 and March 2010 to reflect the value of that dividend

Matching Share Plan (MSP)

The MSP was introduced in 2008 as a replacement for previous Atrium Group all employee share incentive plans which were in place prior to the acquisition of the Atrium Group by AHL The MSP was made available to all permanent employees of the Atrium Group in 2008, 2009, 2010 and again in 2011 The MSP allows permanent employees to purchase annually the US$ equivalent value of up to £8,000 of AHL shares at unrestricted market value The shares purchased are registered in an Atrium employee benefit trust with EES Trustees International Limited, with participating employees having full beneficial ownership of the shares For each AHL share purchased, Atrium grant participating employees a matching award over further AHL shares on a one for one basis Participating employees are only entitled to receive the shares subject to the matching award three years after grant if they remain an Atrium employee for the three year period AHL declared a dividend of $40 per share on 4 February 2010 and a further dividend of $33 per share on 19 January 2011 Under the terms of the MSP scheme, additional matching awards over further AHL shares were granted to reflect the value of that dividend in respect of the 2008, 2009 and 2010 MSP Matching Awards The 2008 MSP Matching Awards vested in August 2011 Participants could either exercise their 2008 MSP Matching Award, thereby acquiring the beneficial ownership of the relevant shares or alternatively, not exercise their option, thereby retaining their 2008 Matching Award as a Nil Cost Option

The Company has been recharged $4,415,214 during 2011 (2010 $3,849,658) in respect of the above awards and is included within Staff costs (see Note 5)

7. SHARE BASED INCENTIVE SCHEMES *(continued)*

These were the following movements in the number of share awards held by employees

	Year ended 31 December 2011 Number	Weighted average fair value US$	Year ended 31 December 2010 Number	Weighted average fair value US$
Outstanding at 1 January	**165,416**	**126.81**	141,337	137.26
Granted	**25,906**	**108.32**	41,833	102 57
Dividend Adjustment	**43,752**	**-**	47,467	-
Vested	**(85,398)**	**83.09**	(65,221)	130 59
Forfeited	**-**	**-**	-	-
Outstanding at 31 December	**149,676**	**88.10**	165,416	126 81

8. TAXATION

(a) Tax on profit on ordinary activities

	2011 $	2010 $
The tax credit is made up as follows		
Current tax		
Tax underprovided in previous years	**176,119**	-
Group relief	**(827,967)**	(1,814,008)
Total current tax	**(651,848)**	(1,814,008)
Deferred tax		
Origination and reversal of timing differences	**(272,221)**	(1,551,533)
Effect of decreased tax rate	**126,233**	55,412
Total deferred tax (note 8(d))	**(145,988)**	(1,496,121)
	(797,836)	(3,310,129)

(b) Factors affecting the current tax charge

	2011 $	2010 $
Profit/(loss) on ordinary activities before tax	**209,174**	(7,204)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 5% (2010 – 28%)	**55,431**	(2,017)
Permanent differences	**3,108**	(2,953,873)
Amounts (overprovided)/underprovided in previous years	**176,119**	-
Timing differences	**(886,506)**	1,141,882
Total current tax (note 8(a))	**(651,848)**	(1,814,008)

8. TAXATION *(continued)*

(c) Factors that may affect future tax charges

The Company profits are taxable in the UK under the standard rate of corporation tax being 26 5% for 2011 (2010. 28%). The Company is expected to continue to attract the standard rate of UK corporation tax The UK government legislated during 2011 to reduce the main rate of corporation tax to 25%, applicable from 1 April 2012, which has been reflected in the closing deferred tax position on the balance sheet. Furthermore, the Government announced in March 2012 as part of the Budget a further reduction of 1% to 24% to apply from 1 April 2012, with additional reductions of 1% per annum falling to 22% with effect from 1 April 2014 These reductions have not been reflected in the closing deferred tax liability as they were not substantively enacted at the balance sheet date It is anticipated that the impact of the future changes on the closing deferred tax position is $102,000

(d) Deferred Taxation

	2011 $	2010 $
The deferred tax included in the balance sheet is as follows		
Employment provisions	**1,323,998**	1,080,673
Capital allowances	**318,111**	415,448
	1,642,109	1,496,121

	$
At 1 January 2011	1,496,121
Deferred tax credit in profit and loss account (note 8(a))	145,988
At 31 December 2011	1,642,109

It is anticipated that group relief will be available to the Company to absorb any losses as they arise

9. INTANGIBLE ASSETS

2011	**Computer Software**	**Total**
COST	$	$
At 1 January 2011	4,632,632	4,632,632
Additions	51,572	51,572
At 31 December 2011	4,684,204	4,684,204
DEPRECIATION		
At 1 January 2011	4,451,181	4,451,181
Provided for the year	125,807	125,807
At 31 December 2011	4,576,988	4,576,988
NET BOOK VALUE		
At 31 December 2011	**107,216**	**107,216**
At 31 December 2010	181,451	181,451

ATRIUM GROUP SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2011

10. TANGIBLE ASSETS

2011	Computer Equipment	Fixtures, Fittings & Equipment	Total
COST	$	$	$
At 1 January 2011	2,860,499	549,193	3,409,692
Additions	53,369	-	53,369
At 31 December 2011	2,913,868	549,193	3,463,061
DEPRECIATION			
At 1 January 2011	2,560,569	400,094	2,960,663
Provided for the year	206,844	47,251	254,095
At 31 December 2011	2,767,413	447,345	3,214,758
NET BOOK VALUE			
At 31 December 2011	**146,455**	**101,848**	**248,303**
At 31 December 2010	299,930	449,029	449,029

11. DEBTORS

	2011	2010
	$	$
Amounts owed by group undertakings	**10,625,137**	15,906,621
Trade debtors	**705,617**	528,113
Prepayments and accrued income	**874,076**	591,284
Other debtors	**325,079**	7,735
Deferred tax	**1,642,110**	1,496,121
	14,172,019	18,529,874

12. CREDITORS

	2011	2010
	$	$
Amounts owed to group undertakings	**9,539,974**	15,738,137
Other taxes and social security	**1,673,882**	1,916,212
Accrual and deferred income	**1,182,690**	1,544,444
Trade creditors	-	37,948
Other creditors	**1,765**	3,362
	12,398,311	19,240,103

13. AUTHORISED AND ISSUED SHARE CAPITAL

			Allotted, called up and fully paid	
	2011	**2010**	**2011**	**2010**
	No.	**No.**	**$**	**$**
Ordinary shares of £1 each	**1**	1	**1**	1
	1	1	**1**	1

			Allotted, called up and fully paid	
	2011	**2010**	**2011**	**2010**
	No.	**No.**	**£**	**£**
Ordinary shares of £1 each	**1**	1	**1**	1
	1	1	**1**	1

The ordinary shares confer upon the holders the right to receive dividends from the profits made by the Company which are available for distribution, the right to receive notice of and to attend general meetings of the Company and to one vote per share at such meetings

14. ULTIMATE HOLDING COMPANY

The Company's immediate parent undertaking and controlling party is Atrium Underwriting Group Limited, incorporated in Great Britain, which does not prepare group financial statements

The ultimate holding company of Atrium Group Services Limited is Arden Holdings Limited, formerly Ariel Holdings Limited, registered in Bermuda, number 37470

The consolidated financial statements of Arden Holdings Limited, within which this Company is included, can be obtained from that Company's offices at Pervis House, 29 Victoria Street, Hamilton HM10, Bermuda