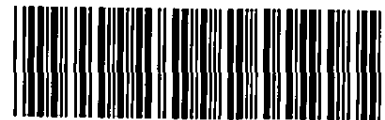


FURNESS UNDERWRITING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2009

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COMPANIES HOUSE

Company Registration Number 6308306

RSM Tenon Limited

Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

FURNESS UNDERWRITING LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2009

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FURNESS UNDERWRITING LIMITED
OFFICERS AND PROFESSIONAL ADVISERS
YEAR ENDED 31 DECEMBER 2009

The board of directors	P Molyneaux B Gozzi M L Glover
Company secretary	Callidus Secretaries Limited
Business address	Boundary House 7-17 Jewry Street London EC3N 2HP
Registered office	Boundary House 7-17 Jewry Street London EC3N 2HP
Auditor	RSM Tenon Audit Limited Sumner House St Thomas's Road Chorley Lancashire PR7 1HP
Accountants	RSM Tenon Limited Sumner House St Thomas's Road Chorley Lancashire PR7 1HP

FURNESS UNDERWRITING LIMITED
THE DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2009

The directors present their report and the financial statements of the company for the year ended 31 December 2009

Principal activities

The principal activity of the company during the year was the provision of insurance underwriting services

Directors

The directors who served the company during the period were as follows

P Molyneux
B Gozzi
M L Glover

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 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, 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 proper 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.

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FURNESS UNDERWRITING LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2009

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

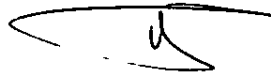
Auditors

Our auditors have changed their name to RSM Tenon Audit Limited and have signed the audit report in their new name

RSM Tenon Audit Limited are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Registered office
Boundary House
7-17 Jewry Street
London
EC3N 2HP

Signed on behalf of the directors



Michael Glover for and on behalf of
Callidus Secretaries Limited
Company Secretary

Approved by the directors on 12 MAY 2010

FURNESS UNDERWRITING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FURNESS
UNDERWRITING LIMITED *(continued)*
YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Furness Underwriting Limited for the year ended 31 December 2009 on pages 6 to 12. 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 Sections 495 and 496 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 2, 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 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 directors, and the overall presentation of the financial statements.

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 2009 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 matters prescribed

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.

FURNESS UNDERWRITING LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FURNESS
UNDERWRITING LIMITED *(continued)*
YEAR ENDED 31 DECEMBER 2009

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

Anthony Steiner, Senior Statutory Auditor
For and on behalf of

RSM Tenon Audit Limited

RSM Tenon Audit Limited
Statutory Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP

Date *18 May 2010*

FURNESS UNDERWRITING LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 DECEMBER 2009

	Note	Year ended 31 Dec 09 £	Period from 10 Jul 07 to 31 Dec 08 £
Turnover	2	1,741,348	761,720
Administrative expenses		(832,115)	(255,167)
Operating profit	3	<u>909,233</u>	<u>506,553</u>
Interest receivable		648	4,347
Profit on ordinary activities before taxation		<u>908,881</u>	<u>510,900</u>
Tax on profit on ordinary activities	6	(255,477)	(142,014)
Profit for the financial period		<u>654,404</u>	<u>368,886</u>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the period as set out above

The notes on pages 8 to 12 form part of these financial statements

FURNESS UNDERWRITING LIMITED*Registered Number 6308306***BALANCE SHEET****31 DECEMBER 2009**

	Note	31 Dec 09 £	31 Dec 08 £
Current assets			
Debtors	8	8,217,790	6,216,661
Cash at bank		803,114	436,956
		<u>9,020,904</u>	<u>6,653,617</u>
Creditors Amounts falling due within one year	9	<u>(8,192,614)</u>	<u>(6,234,731)</u>
Net current assets		<u>828,290</u>	<u>418,886</u>
Capital and reserves			
Called-up share capital	11	50,000	50,000
Profit and loss account	12	778,290	368,886
Shareholders' funds	13	<u>828,290</u>	<u>418,886</u>

These financial statements were approved by the directors and authorised for issue on 12 MAY 2010 and are signed on their behalf by


B Gozzi
Director

The notes on pages 8 to 12 form part of these financial statements

FURNESS UNDERWRITING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small

Turnover

Turnover represents commission on policies earned during the period. Commission is deemed to be earned at the date that risk attaches to the policy.

Deferred taxation

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs

The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2. Turnover

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below.

	Year to	<i>Period from</i>
	31 Dec 09	10 Jul 07 to
	£	31 Dec 08
	£	£
United Kingdom	<u>1,741,348</u>	<u>761,720</u>

FURNESS UNDERWRITING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

3 Operating profit

Operating profit is stated after charging

	Year to 31 Dec 09	Period from 10 Jul 07 to 31 Dec 08
	£	£
Auditor's remuneration	4,450	4,450
Net loss on foreign currency translation	15,070	-
Management charges	<u>225,000</u>	<u>225,000</u>

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to

	Year to 31 Dec 09	Period from 10 Jul 07 to 31 Dec 08
	£	£
Number of administrative staff	<u>8</u>	<u>-</u>

The aggregate payroll costs of the above were

	Year to 31 Dec 09	Period from 10 Jul 07 to 31 Dec 08
	£	£
Wages and salaries	349,902	-
Social security costs	33,246	-
Other pensions costs	27,196	-
	<u>410,344</u>	<u>-</u>

5 Director's remuneration

The directors' aggregate remuneration in respect of qualifying services were

	Year to 31 Dec 09	Period from 10 Jul 07 to 31 Dec 08
	£	£
Aggregate remuneration	102,517	-
Value of company pension contributions to money purchase schemes	15,238	-
	<u>117,755</u>	<u>-</u>

FURNESS UNDERWRITING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

6. Taxation on ordinary activities

(a) Analysis of charge in the period

	Year to 31 Dec 09 £	<i>Period from 10 Jul 07 to 31 Dec 08 £</i>
UK Corporation tax	<u>255,477</u>	<u>142,014</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the period is lower than the standard rate of corporation tax in the UK of 28% (2008 - 28%)

	Year to 31 Dec 09 £	<i>Period from 10 Jul 07 to 31 Dec 08 £</i>
Profit on ordinary activities before taxation	<u>909,881</u>	<u>510,900</u>
Profit on ordinary activities by rate of tax	254,767	143,052
Effects of		
Expenses not deductible	710	-
Tax chargeable at higher rates	-	2,541
Small companies relief	-	(3,579)
Total current tax (note 5(a))	<u>255,477</u>	<u>142,014</u>

(c) Factors that may affect future tax charges

There are no factors expected to affect the future tax charge

7. Dividends

Equity dividends

	Year to 31 Dec 09	<i>Period from 10 Jul 07 to 31 Dec 08</i>
Paid during the year		
Equity dividends on ordinary shares	<u>245,000</u>	<u>-</u>

During the year the company paid dividends amounting to £4 90 per share (2008 £nil)

FURNESS UNDERWRITING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

8. Debtors

	31 Dec 09	31 Dec 08
	£	£
Insurance debtors	8,184,040	6,216,661
Prepayments and accrued income	33,750	-
	<u>8,217,790</u>	<u>6,216,661</u>

9. Creditors: Amounts falling due within one year

	31 Dec 09	31 Dec 08
	£	£
Insurance creditors	7,675,571	5,887,517
Amounts owed to group undertakings	200,000	200,000
Other taxation and social security	12,616	-
Corporation tax	255,477	142,014
Accruals and deferred income	48,950	5,200
	<u>8,192,614</u>	<u>6,234,731</u>

10. Related party transactions

During the period the company paid management charges of £225,000 (2008 £225,000) to International Professional Risks Limited, a fellow subsidiary undertaking

At 31 December 2009, creditors included £200,000 (2008 £200,000) owed to International Professional Risks Limited

During the period £44,500 (2008 £7,749) was paid to Callidus Solutions Limited, which is related by virtue of the common directorship of M L Glover, in respect of professional fees

During the period £20,000 (2008 £nil) was paid to M L Glover, a director of the company, in relation to non executive services provided

11. Share capital

Authorised share capital:

	31 Dec 09	31 Dec 08
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	No	£	No	£
	50,000	50,000	50,000	50,000
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

FURNESS UNDERWRITING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2009

12. Profit and loss account

	Year ended 31 Dec 09	<i>Period from 10 Jul 07 to 31 Dec 08</i>
	£	£
Balance brought forward	368,886	-
Profit for the financial year/period	654,404	368,886
Equity dividends	(245,000)	-
Balance carried forward	<u>778,290</u>	<u>368,886</u>

13 Reconciliation of movements in shareholders' funds

	31 Dec 09	31 Dec 08
	£	£
Profit for the financial year/period	654,404	368,886
New ordinary share capital subscribed	-	50,000
Equity dividends	(245,000)	-
Net addition to shareholders' funds	<u>409,404</u>	<u>418,886</u>
Opening shareholders' funds	418,886	-
	<u>828,290</u>	<u>418,886</u>

14. Ultimate parent company

The directors consider the ultimate parent company to be Manderley Holdings Limited, a company incorporated in the United Kingdom, which is the only undertaking that prepares group accounts including the financial statements of the company

15. Control

Throughout the year the company was under the immediate control of Manderley Holdings Limited and ultimately controlled by its directors who control the whole of the ordinary share capital of Manderley Holdings Limited