



**VENTON UNDERWRITING AGENCIES  
LIMITED**

**Report and Financial Statements  
31st December 1995**

## REPORT AND FINANCIAL STATEMENTS 1995

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## **REPORT AND FINANCIAL STATEMENTS 1995**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

R N Alwen (Non-executive Chairman)  
D M Slade (Managing Director)  
C N R Atkin  
A L Brooks  
P C Churchill  
P H Cowell  
W F Hotchkiss (Non-executive)  
R D Montgomerie  
L W Nichols  
P M O'Brien (Non-executive)  
J H Venton

#### **SECRETARY**

Mrs J S Clouting

#### **REGISTERED OFFICE**

36-38 Botolph Lane  
London EC3R 8DE

#### **AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Stonecutter Court  
1 Stonecutter Street  
London EC4A 4TR

#### **BANKERS**

Lloyds Bank Plc  
113-116 Leadenhall Street  
London EC3A 4AX

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31st December 1995.

## PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is that of a Lloyd's Underwriting Agency which manages the affairs of Non-Marine Syndicates 376 and 1038, Marine Syndicate 1183 and the parallel corporate Syndicate 2376. The directors have reviewed the company's development during the year and consider it to be satisfactory.

## RESULTS AND DIVIDEND

The directors do not recommend the payment of a dividend (1994 - nil). The retained profit of £141,845 (1994 - £67,306) has been transferred to reserves.

## FUTURE PROSPECTS

The directors are confident of the future prospects of the company.

## DIRECTORS

The directors holding office during the year, except as otherwise stated, were:

R N Alwen	(Chairman)
D M Slade	(Managing Director)
C N R Atkin	
A L Brooks	(Appointed 6th September 1995)
J D Fenn	(Resigned 31st July 1995)
P C Churchill	(Appointed 6th September 1995)
P H Cowell	(Appointed 6th September 1995)
W F Hotchkiss	(Appointed 3rd May 1995)
R D Montgomerie	
L W Nichols	
P M O'Brien	
J H Venton	

No directors had any interest in the share capital of the company at any time during the year.

At 31st December 1995 and 1994 R N Alwen, C N R Atkin, R D Montgomerie, L W Nichols, P M O'Brien, D M Slade and J H Venton had interests in the parent company, New Street Holdings Limited. These interests are disclosed in its accounts. A L Brooks and P C Churchill had interests in New Street Holdings Ltd at 31st December 1995 and at the date of appointment as follows:

	Options	
	1995	Date of Appointment
A L Brooks	1,000	1,000
P C Churchill	1,000	1,000

## **DIRECTORS' REPORT (CONTINUED)**

### **INSURANCE FOR OFFICERS**

It has not been possible to obtain cover for the company's officers at a reasonable rate.

### **AUDITORS**

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name.

Deloitte & Touche have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



**Mrs J S Clouting**  
**Secretary**

1st April 1996

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year 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 followed; 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 which 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 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.

By order of the Board



**Mrs J S Clouting**  
Secretary  
1st April 1996

## AUDITORS' REPORT TO THE MEMBERS OF VENTON UNDERWRITING AGENCIES LIMITED

We have audited the financial statements on pages 6 to 9 which have been prepared following the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with 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.

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.

### Fundamental Uncertainty - Contingent Liabilities

In forming our opinion, we have considered the adequacy of the disclosures made in Note 6 to the financial statements concerning the possible impact on the company of the implementation of the "Reconstruction and Renewal Plan" by Lloyd's. The implementation of the "Reconstruction and Renewal Plan" could result in additional liabilities. The financial statements do not include any adjustment which might arise from the implementation of the "Reconstruction and Renewal Plan" by Lloyd's. Our opinion is not qualified in this respect.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche*

DELOITTE & TOUCHE

CHARTERED ACCOUNTANTS  
and Registered Auditors

Stonecutter Court  
1 Stonecutter Street  
LONDON  
EC4A 4TR

1st April 1996

**PROFIT AND LOSS ACCOUNT**

Year ended 31st December 1995

	Note	1995 £	1994 £
<b>TURNOVER</b>	1	1,002,903	844,948
Operating expenses		(861,058)	(738,707)
<b>OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	141,845	106,241
Tax on profit on ordinary activities	5	-	(38,935)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		141,845	67,306
<b>PROFIT AND LOSS ACCOUNT BROUGHT FORWARD</b>		118,879	51,573
<b>PROFIT AND LOSS ACCOUNT CARRIED FORWARD</b>		260,724	118,879

All activities derive from continuing operations. There are no recognised gains or losses in either the current or preceding years other than the profit for the financial year. Accordingly, no statement of recognised gains and losses is given.

There are no movements in shareholders' funds other than the profit for the year in both current and prior years.



**BALANCE SHEET**

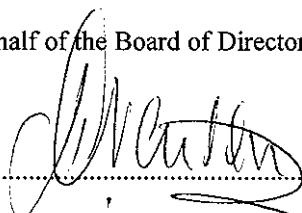
	<b>Note</b>	<b>1995</b>	<b>1994</b>
		<b>£</b>	<b>£</b>
<b>CURRENT ASSETS</b>			
Amounts owed by parent company		510,326	407,714
Other debtors		16,132	100
		<u>526,458</u>	<u>407,814</u>
<b>CREDITORS: amounts falling due within one year</b>			
Corporation tax		(15,734)	(38,935)
		<u>(15,734)</u>	<u>(38,935)</u>
<b>NET CURRENT ASSETS</b>		<u>510,724</u>	<u>368,879</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	250,000	250,000
Profit and loss account		260,724	118,879
		<u>510,724</u>	<u>368,879</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>		<u>510,724</u>	<u>368,879</u>

**As at 31st December 1995**

These financial statements were approved by the Board of Directors on 1st April 1996.

Signed on behalf of the Board of Directors

J H Venton

 (Director)

# NOTES TO THE ACCOUNTS

Year ended 31st December 1995

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

### i Accounting convention

The financial statements are prepared under the historical cost convention.

### ii Turnover

Turnover consists of net underwriting agency salaries and profit commission received from insurance underwriting activities at Lloyd's.

## 2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995	1994
	£	£
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration - audit fees	4,400	4,500

## 3. DIRECTORS' EMOLUMENTS

No directors received any emoluments from this company during the year (1994 - nil). The directors received emoluments from New Street Holdings Limited, the ultimate parent company, and these are detailed in that company's financial statements.

## 4. CALLED UP SHARE CAPITAL

	£	£
Authorised, allotted and fully paid		
250,000 ordinary shares of £1 each	250,000	250,000

## 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1995	1994
	£	£
United Kingdom corporation tax (1994 - 33%)		
based on the profit for the year	-	38,935

No corporation tax is payable on the profit for the year due to group relieving the entire taxable profit with the ultimate holding company, New Street Holdings Limited, for no consideration.

**6. CONTINGENT LIABILITIES**

In May 1995 the Lloyd's "Reconstruction and Renewal" document was released which contained various proposals to resolve the market's problems. Many details of the settlement initiative remain to be negotiated and clarified during 1996 and prospects for the success of Lloyd's proposals, together with those for the successful implementation of the overall reconstruction and renewal of the market remain uncertain and will continue to do so until at least the middle of 1996.

The settlement proposals envisage a levy of £200 million to the market, to be made compulsory under Lloyd's byelaws, and to which all Lloyd's agents still active for the 1993, 1994 and 1995 underwriting accounts will be required to contribute. The exact quantum and details of this levy have been finalised by Lloyd's but a basis of apportionment of a potential £200 million market levy has not yet been agreed and recommended by Lloyd's Underwriting Agents' Association. To date the Company has only been given a provisional indication of the levy. Using present syndicate result forecasts the directors are satisfied that the company will be able to fund the levy out of profit commission receipts during 1996.

No provision has been made in the accounts for the potential levy described above. Payment could only be made out of the future profit commission receipts and is only likely to be agreed by the board of Venton Underwriting Agencies Limited if the Lloyd's "Reconstruction and Renewal" plan is successfully implemented in its entirety. In addition there are various ancillary issues, such as tax deductibility, which remain to be resolved before any contributions would be agreed.

**7. ULTIMATE PARENT COMPANY**

The ultimate parent company is New Street Holdings Limited, a company registered in England and Wales. Group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.