

CHRISTIE BROCKBANK SHIPTON LIMITED

Report and Financial Statements

Christie Brockbank Shipton Limited

Registered Number: 2829315

31 December 2004



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CHRISTIE BROCKBANK SHIPTON LIMITED

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CHRISTIE BROCKBANK SHIPTON LIMITED

Report of the Directors

The directors present their report and financial statements for the year ended 31 December 2004.

Review of the Business and Future Developments

The activities of the business were transferred to CBS Private Capital Limited, a fellow subsidiary of CBS Insurance Holdings PLC, on 1 January 2001. Previously Christie Brockbank Shipton Limited had acted as a Lloyd's members' agent.

Results and Dividends

The results for the year and the state of the company's affairs as at 31 December 2004 are shown in the financial statements. The directors do not recommend the payment of a dividend (2003:£64,993).

Directors

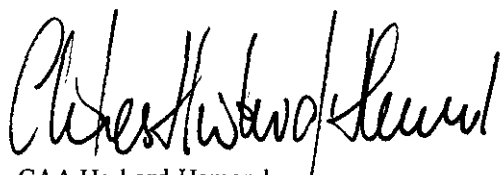
The following have served as directors during the period from 1 January 2004 to the date of this report.

Mrs FMT Bennett	(resigned 8/4/04)
CAA Harbord-Hamond	
GJ White	(appointed 8/4/04)

Directors' Interests

No director has had an interest in the shares of the company. The directors' interests in CBS Insurance Holdings PLC are disclosed in the directors' report of that company, of which they are also directors.

BY ORDER OF THE BOARD



CAA Harbord-Hamond
Director
Peninsular House
36 Monument Street
London EC3R 8LJ

25 May 2005

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 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;
- comply with applicable accounting standards, 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 maintaining 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.

CHRISTIE BROCKBANK SHIPTON LIMITED

Independent auditor's report to the members of Christie Brockbank Shipton Limited

We have audited the financial statements on pages 4 to 7.

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 are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

Basis of audit 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.

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.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London

25 May 2005

CHRISTIE BROCKBANK SHIPTON LIMITED

Profit and Loss Account for the year ended 31 December 2004

	Note	12 months to 31.12.04 £	12 months to 31.12.03 £
Turnover		-	-
Administrative expenses		-	(857)
OPERATING LOSS	2	-	(857)
Interest receivable		-	12,172
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	11,315
Taxation on profit on ordinary activities	4	-	(3,395)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		-	7,920
Dividends	5	-	(64,993)
RETAINED LOSS ON ORDINARY ACTIVITIES AFTER TAXATION	8	-	(57,073)

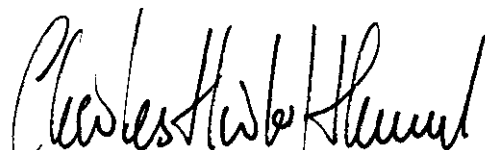
There are no recognised gains or losses in the year, other than those included in the profit and loss account, and therefore no statement of total recognised gains and losses is presented.

CHRISTIE BROCKBANK SHIPTON LIMITED

Balance Sheet as at 31 December 2004

	Note	31.12.04 £	31.12.03 £
CURRENT ASSETS			
Debtors	6	583,055	583,055
NET ASSETS		<u>583,055</u>	<u>583,055</u>
CAPITAL AND RESERVES			
Called up share capital	7	392,936	392,936
Share premium	8	190,119	190,119
EQUITY SHAREHOLDERS' FUNDS		<u>583,055</u>	<u>583,055</u>

Approved by the board on 25 May 2005 and signed on its behalf by



CAA Harbord-Hamond
Director

CHRISTIE BROCKBANK SHIPTON LIMITED

Notes to the Financial Statements for the year ended 31 December 2004

1. Accounting Policies

- a) The financial statements are prepared under the historical cost convention and in accordance with applicable Financial Reporting Standards and Statements of Standard Accounting Practice.
- b) The company has relied on the exemption given in Financial Reporting Standard 1 (Revised) not to prepare a cashflow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.
- c) The company has taken advantage of the exemption contained in FRS 8 not to disclose related party transactions or balances with certain entities which form part of the group. The consolidated financial statements of CBS Insurance Holdings PLC, within which this company's affairs are included, can be obtained from the address shown in note 11.
- d) The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2. Operating Loss

Auditors' remuneration is borne by CBS Private Capital Limited.

3. Directors' Emoluments

The directors did not receive any remuneration in respect of the work performed for the company during the year.

4. Taxation On Profit On Ordinary Activities

	12 months to 31.12.04 £	12 months to 31.12.03 £
i) Analysis of tax charge in the year		
UK corporation tax at 30%	-	(3,395)
	-	(3,395)
ii) Factors affecting tax charge for the year		
Profit on ordinary activities for the year	-	11,315
Tax charge at 30%	-	(3,395)
	-	(3,395)

5. Dividends

	Year ended 31.12.04 £	Year ended 31.12.03 £
Paid		
Ordinary shares (2003:£64,993)	-	64,993

CHRISTIE BROCKBANK SHIPTON LIMITED

Notes to the Financial Statements for the year ended 31 December 2004 (continued)

6. Debtors

	31.12.04 £	31.12.03 £
Amounts due from group undertakings	583,055	583,055
	<u>583,055</u>	<u>583,055</u>

7. Share Capital

	31.12.04 £	31.12.03 £
Authorised: 1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
Called up, Issued and fully paid: 392,936 ordinary shares of £1 each	392,936	392,936

8. Reserves

	Share Premium £
At 1 January 2004 and 31 December 2004	<u>392,937</u>

9. Reconciliation of Movements in Shareholders' Funds

	Year ended 31.12.04 £	Year ended 31.12.03 £
Shareholders' fund brought forward	583,055	640,128
Result for the financial year	-	7,920
Dividends paid in year	-	(64,993)
Shareholders' funds carried forward	<u>583,055</u>	<u>583,055</u>
Represented by Equity	<u>583,055</u>	<u>583,055</u>

10. Contingent Liabilities

The company is part to a guarantee given to CBS Underwriting 2001 Ltd and CBS Underwriting 2002 PLC, fellow subsidiaries of CBS Insurance Holdings PLC, and Arch (2004) Ltd, a former subsidiary of CBS Insurance Holdings PLC, in respect of the letters of credit supporting their Funds at Lloyd's.

11. Ultimate Parent Company

The company is a subsidiary of CBS Insurance Holdings PLC, a company registered in England & Wales. The company's results are consolidated in the group accounts of CBS Insurance Holdings PLC, copies of which are available at Peninsular House, 36 Monument Street, London EC3R 8LJ.