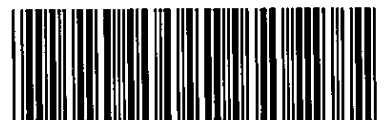


Syndicate Capital (No. 5) Limited

**Directors' report and financial
statements**

**Registered number 2842678
31 December 2008**



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DIRECTORS' REPORT

Principal activity and status

The company, a wholly owned subsidiary of Mayheld Limited, was formed to take advantage of the opportunity provided by the admission of corporate capital to the Lloyd's insurance market. It is a corporate member of Lloyd's and entered into underwriting commitments by participating in Lloyd's syndicates.

The company ceased underwriting from the end of the 1998 underwriting account and has no open year participations.

Business Review

The directors present their report and financial statements for the year ended 31 December 2008.

The results of the company for the year ended 31 December 2008 are set out on page 7.

No final preference dividend has been paid or proposed (2007: £nil). No ordinary dividend has been paid or proposed (2007: £nil).

Going concern

Notwithstanding the deficit in shareholder's funds the company has been treated as a going concern as the company continues to receive financial and other support from its immediate parent company Mayheld Limited.

Directors and directors' interests

The current directors and those who held office during the year were as follows:

J C R Batty (resigned 5 January 2009)
O R P Corbett (appointed 5 January 2009)
M A Hudson (appointed 5 January 2009)
J M Massey (resigned 5 January 2009)
C L Murray (appointed 5 January 2009)
M J Turvey (appointed 5 January 2009)

No director holding office at 31 December 2008 had any shares in the company at that date.

Registered office

The registered office of the company is situated at 71 Fenchurch Street, London EC3M 4HH.

Auditor

Pursuant to a shareholder's resolution, the company is not obliged to reappoint its auditor annually and KPMG Audit Plc will therefore continue in office.

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Principles).

The financial statements are required by law to 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By order of the Board



M J Turvey
Company Secretary

71 Fenchurch Street
London
EC3M 4HH

1 May 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SYNDICATE CAPITAL (NO. 5) LIMITED

We have audited the financial statements of Syndicate Capital (No. 5) Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, the Reconciliation of Movements in Shareholder's Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's member, 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 member those matters we are required to state to it in an auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Principles) are set out in the Statement of Directors' Responsibilities on page 4.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
8 Salisbury Square
London
EC4Y 8BB

1 May 2009

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2008

		2008 £	2007 £
Turnover		-	-
Administration expenses	2	-	-
		<hr/>	<hr/>
Result on ordinary activities before tax		-	-
Tax on result / (loss) on ordinary activities	3	-	-
		<hr/>	<hr/>
Result for the financial year		-	-
		<hr/>	<hr/>

The company ceased underwriting with effect from the 1998 year of account.

All results for the year and prior year relate to discontinued activities.

The notes on pages 10 to 13 form part of these financial statements.

BALANCE SHEET
As at 31 December 2008

		2008 £	2007 £
ASSETS			
Total assets		-	-
		<hr/>	<hr/>
LIABILITIES			
Capital and reserves			
Called up share capital	4	3	3
Profit and loss account	4	(57,389)	(57,389)
Shareholder's funds		<hr/> (57,386) <hr/>	<hr/> (57,386) <hr/>
Creditors			
Other creditors including taxation	5	57,386	57,386
Total liabilities		<hr/> - <hr/>	<hr/> - <hr/>

These financial statements were approved by the Board of directors on 1 May 2009 and were signed on its behalf by:



M A Hudson
 Director

The notes on pages 10 to 13 form part of these financial statements.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
For the year ended 31 December 2008

	Notes	2008 £	2007 £
Result for the financial year		-	-
Opening shareholder's funds		(57,386)	(57,386)
Closing shareholder's funds		<u>(57,386)</u>	<u>(57,386)</u>

The notes on pages 10 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

1. Accounting policies

Basis of preparation

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

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

Notwithstanding the deficit in shareholder's funds the Company has been treated as a going concern as the Company continues to receive financial and other support from its immediate parent company Mayheld Limited.

Deferred tax

No deferred tax asset has been recognised as the company has ceased underwriting and consequently has no future profits to utilise such an asset.

Related party transactions

As the company is a wholly owned subsidiary of Mayheld Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements of Mayheld Limited, within which this company is included, can be obtained from the address given in note 7.

Cash Flow Statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

2. Administration expenses

The fee for the audit of the Company of £1,200 (2007: £1,200) has been fully borne by another group company.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

3. Taxation

	2008 £	2007 £
Current tax	-	-
	<hr/>	<hr/>

There is no current tax charge as the company has no taxable profits.

	2008 £	2007 £
Current tax reconciliation		
Result before tax	-	-
Corporation tax at 28.5% (2007: 30%)	-	-
Losses not recognised	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

No deferred tax asset has been recognised as the company has ceased underwriting and consequently has no anticipated future profits to utilise such an asset. The amount of unrecognised deferred tax asset is £2,300 (2007: £2,000).

4. Share capital and reserves

	2008 £	2007 £
Share capital - authorised:		
99 ordinary shares of £1 each	99	99
1 preference share of £1	1	1
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>
Share capital - allotted, called up and fully paid:		
2 ordinary shares of £1 each	2	2
1 preference share of £1	1	1
	<hr/>	<hr/>
	3	3
	<hr/>	<hr/>

The preference share entitles the holder to a return of capital and any undistributed underwriting profits on winding up. It carries no voting rights.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

Profit and loss account	2008	2007
	£	£
Result for the financial year	-	-
As at beginning of year	(57,389)	(57,389)
As at end of year	(57,389)	(57,389)

5. Other creditors including taxation

	2008	2007
	£	£
Amounts due to parent undertaking	57,386	57,386

6. Contingent liabilities

There are fourteen other corporate member subsidiaries of Mayheld Limited. If one of these subsidiaries fails to meet any of its Lloyd's obligations, Lloyd's will:

- (i) be entitled to require the other subsidiaries to cease or reduce their underwriting (none of the Mayheld subsidiaries continued underwriting beyond 1999 in any event); and/or
- (ii) having regard to the fact that the Central Fund may be applied to discharge the obligations of the defaulting subsidiary, be entitled to require each of the other corporate member subsidiaries to make contributions to the Central Fund up to the amount of their respective net profits held from time to time in premiums trust funds, sufficient to reimburse the Central Fund in full for any payment made on behalf of the defaulting member.

At the date of these financial statements the directors are not aware of any other corporate member subsidiary of Mayheld Limited failing to meet any of its Lloyd's obligations.

Where the company participates on a syndicate which closes, it pays a reinsurance to close premium to other Lloyd's Names or an insurer external to Lloyd's to assume its ongoing liabilities. The nature of this arrangement is that of reinsurance, such that the company retains liability in the event of failure of these Lloyd's Names and the Lloyd's chain of security or that external insurer. There is no mechanism for the group to quantify its exposure in this regard and the Directors consider that the possibility of having to re-assume these liabilities is remote.

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

7. Ultimate parent company

The company's immediate parent company is Mayheld Limited, a company registered in England and Wales. Mayheld Limited's registered address is 71 Fenchurch Street, London, EC3M 4HH.

As at 31 December 2008 the company's ultimate parent company was Ogier Trustee (Jersey) Limited, as trustee for the Mayheld Charitable Trust.

12. Event after the balance sheet date

On 5 January 2009, Novae Holdings Limited acquired the company and its immediate parent undertaking. From that date the company's ultimate parent company is Novae Group plc, a company registered in England & Wales. A copy of Novae Group plc's consolidated financial statements can be obtained from that company's registered office which is located at 71 Fenchurch Street, London EC3M 4HH.