

Syndicate Capital (No 5) Limited

Directors' report and financial statements

Registered number 2842678

Year ended
31 December 2009

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DIRECTORS' REPORT

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

Principal activities 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 consolidated financial statements for the year ended 31 December 2009.

The results of the company for the year ended 31 December 2009 are set out on page 6.

No final preference dividend has been paid or proposed (2008: £nil). No ordinary dividend has been paid or proposed (2008: £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 ultimate parent company, Novae Group plc.

Directors

The directors 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 2009 had any shares in the Company at that date.

Auditors

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

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
- 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 2006. 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

6 April 2010



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 2009 (set out on pages 6 to 11). The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 members, as a body, for our audit work for this report or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

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 result for the year then ended,
- have been properly prepared in accordance with UK 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.



Rees Aronson (Senior Statutory Auditor)

For and on behalf of KPMG Audit Plc, Statutory Auditor


Chartered Accountants

8 Salisbury Square

London

EC4Y 8BB

6 April 2010



PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2009

	Note	2009 £	2008 £
Turnover		-	-
Administration expenses	2	-	-
Result on ordinary activities before tax		-	-
Tax on result on ordinary activities	3	-	-
Result for the financial year		-	-

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

There were no gains or losses other than those included in the profit and loss account for the year and prior year

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

The notes on pages 9 to 11 form part of these financial statements

BALANCE SHEET
at 31 December 2009

	Note	2009 £	2008 £
ASSETS			
Total assets		-	-
<hr/>			
LIABILITIES			
Capital and reserves			
Called up share capital	4	3	3
Profit and loss account	4	(57,389)	(57,389)
Shareholder's funds		(57,386)	(57,386)
<hr/>			
Creditors			
Other creditors	5	57,386	57,386
Total liabilities		-	-
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These financial statements were approved by the board of directors on 6 April 2010 and were signed on its behalf by



M A Hudson
Director

The notes on pages 9 to 11 form part of these financial statements

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS
at 31 December 2009

	2009	2008
	£	£
Retained profit for the financial year	-	-
Opening shareholder's funds	<u>(57,386)</u>	<u>(57,386)</u>
Closing shareholder's funds	<u>(57,386)</u>	<u>(57,386)</u>

The notes on pages 9 to 11 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
at 31 December 2009

1 Basis of preparation of Financial Statements

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. The financial statements have been prepared on a going concern basis.

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 Novae Group plc, 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 Novae Group plc, 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 £1,000 (2008: £1,200) has been fully borne by another group company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3 Tax on result on ordinary activities

There is no current tax charge as the company has no taxable profits for the year ended 31 December 2009 (2008: none)

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 (2008: £2,300)

4 Share capital and reserves

	2009 £	2008 £
Authorised		
99 ordinary shares of £1 each	99	99
1 preference share of £1 each	1	1
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>
	£	£
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2
1 preference share of £1 each	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	2009	2008
	£	£
Result for the financial year	-	-
As at the beginning of the year	(57,389)	(57,389)
As at the end of the year	(57,389)	(57,389)

5 Other creditors

	2009	2008
	£	£
Amounts due to group undertakings	57,386	57,386

Other group companies have confirmed they will not seek repayment of sums due within the next 12 months

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.

7 Ultimate parent undertaking

The Company's immediate parent undertaking is Mayheld Limited, a company registered in England & Wales. The Company's ultimate holding 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.