
Limit (No.4) Limited

Annual Report

31 December 2010

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Registered Number 2852608

LIMIT (NO.4) LIMITED

ANNUAL REPORT

for the year ended 31 December 2010

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LIMIT (NO.4) LIMITED

DIRECTORS AND OFFICERS

Directors

I D Beckerson
S P Burns
D J Winkett

Company secretary

S M Boland

Registered office

Plantation Place
30 Fenchurch Street
London
EC3M 3BD

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

LIMIT (NO.4) LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2010

Principal activity

The principal activity of the Company was to act as a corporate member of Lloyd's and to participate in the Lloyd's insurance market through the provision of underwriting capacity to various Lloyd's syndicates that underwrite insurance and reinsurance business. The Company has been running off its syndicate participations. During 2008 an RITC contract was concluded enabling the open 1999 underwriting year for Syndicate 205 to close.

The Company does not intend to participate in the Lloyd's insurance market in the future. As a result all underwriting business is treated as discontinued.

Business review and future developments

The results for the Company are set out in the profit and loss account on page 6. The profit after taxation for the year was £nil (2009: £1,000). During the year the directors paid a dividend of £2,024,000 (2009: £nil).

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The Company no longer has any participation in open years in Lloyd's syndicates.

Principal risks and uncertainties

The Company is a wholly owned subsidiary of QBE International Holdings (UK) plc, which is the holding company for the European Operations ("QBE EO") division of QBE Insurance Group Limited ("QBE"). The Company is managed together at the QBE EO division level.

The Company's activities expose the business to a number of key risks which have the potential to affect the Company's ability to achieve its business objectives. The Board is responsible for ensuring that an appropriate structure for managing these risks is maintained. The Board acknowledges that it is not realistic or possible to eliminate risk entirely, and therefore seeks to ensure that the appropriate controls are in place to effectively manage risks in line with the agreed tolerance.

The Company, as part of QBE EO, continues to develop its risk management capability to ensure that an effective framework exists to support the management of all types of risk. Elements of this framework include the regular identification and assessment of key risks and controls and clearly defined ownership of both the risks and controls.

Directors

Details of the directors that served during the year are shown on page 2.

LIMIT (NO.4) LIMITED

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities in respect of the Annual Report and the financial statements

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the directors are required to

- Select suitable accounting policies and then apply them consistently, with the exception of changes arising on the adoption of new accounting standards in the year,
- Make judgments and estimates that are reasonable and prudent,
- State whether applicable 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 confirm they have complied with the above requirements in preparing the financial statements

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 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.

Statement of disclosure of information to auditors

Each person who is a director at the date of this report confirms that

- so far as the director is aware, there is no information relevant to the audit of the Company's financial statements for the year ended 31 December 2010 of which the auditors are unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

This confirmation is given, and should be interpreted, in accordance with the provisions of s418 of the Companies Act 2006

By order of the board



S M Boland
Company Secretary
Limit (No 4) Limited
Registered Number 2852608
London
20 April 2011

LIMIT (NO.4) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIMIT (NO. 4) LIMITED

We have audited the financial statements of Limit (No 4) Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. 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).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities 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 and express an opinion on 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 the 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 2010 and of its result 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 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.



Claire Stockhausen (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
21 April 2011

LIMIT (NO.4) LIMITED

PROFIT AND LOSS ACCOUNT

NON-TECHNICAL ACCOUNT

for the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Balance on technical account – general business		-	-
Investment income		-	1
Profit on ordinary activities before taxation	4	-	1
Tax on profit on ordinary activities		-	-
Profit on ordinary activities after taxation		-	1

The results above are derived from discontinued operations

There is no difference between profit on ordinary activities after taxation and the retained profit for the current and preceding financial year stated above and their historical cost equivalents

There are no recognised gains and losses for the current and preceding financial year other than those included in the profit and loss account above and therefore no statement of total recognised gains and losses has been prepared

The notes set out on pages 8 to 9 form an integral part of these financial statements


LIMIT (NO.4) LIMITED

BALANCE SHEET

as at 31 December 2010

	Notes	2010 £'000	2009 £'000
Assets			
Debtors			
Amounts owed by group undertakings		-	2,082
Total assets		-	2,082
Liabilities			
Capital and reserves			
Called up share capital	5	-	-
Profit and loss account	6	-	2,024
	6	-	2,024
Creditors			
Corporation tax		-	58
Total liabilities		-	2,082

These financial statements were approved by the board of directors on 20 April 2011 and signed on its behalf by



D J Winkett
Director

The notes set out on pages 8 to 9 form an integral part of these financial statements

LIMIT (NO.4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

1. Accounting policies

(a) Basis of preparation

These financial statements are prepared on the going concern basis, in accordance with The Large and Medium-Sized Companies and Groups (Accounts and reports) Regulations 2008, the accounting policies set out below, and in accordance with applicable accounting standards. The Company has adopted the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers dated December 2005 (amended December 2006), except that foreign exchange gains and losses are taken to the profit and loss technical account, and Technical Release 1/99 "Accounting by Lloyd's Corporate Capital Vehicles" issued by the Institute of Chartered Accountants in England and Wales.

(b) Cash flow statement and related party disclosure

The Company is included in the consolidated financial statements of QBE Insurance Group Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard (FRS) 1 (revised 1996). The Company is also exempt under the terms of FRS 8 (revised 2008) from disclosing related party transactions with entities that are wholly owned by QBE Insurance Group Limited.

(c) Exchange rates

Income and expenditure in US dollars and Canadian dollars are translated at the average rates of exchange for the period. Underwriting transactions denominated in other foreign currencies are included at the rate of exchange ruling at the date the transaction is processed.

Syndicate monetary assets and liabilities are translated into sterling at the rates of exchange at the balance sheet dates unless contracts to sell currency for sterling have been entered into prior to the year end, in which case the contracted rates have been used.

Exchange gains or losses are recognised in the profit and loss non-technical account.

(d) Investment return

Investment return comprises all investment income, realised investment gains and losses and movements in unrealised gains and losses, net of investment expenses, charges and interest.

Realised gains and losses on investments carried at market value are calculated as the difference between net sale proceeds and purchase price.

Unrealised gains and losses on investments represent the difference between the valuation at the balance sheet date and their purchase price, or if they have previously been valued, their valuation at the previous balance sheet date, together with a reversal of unrealised gains and losses recognised in earlier accounting periods in respect of investment disposals in the current year.

(e) Taxation

The charge for taxation is based on the result for the year adjusted for disallowable items. Deferred taxation is provided in full on all timing differences at the rate rates that have been substantially enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

LIMIT (NO.4) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2010

2. Employees

The Company does not employ any staff. All staff were employed QBE Management Services (UK) Limited, a fellow group undertaking. No recharge has been made to the Company for the services provided by these staff.

3. Directors' emoluments

The emoluments of the directors are paid by QBE Management Services (UK) Limited for their services to the UK group as a whole. No emoluments were payable to the directors in respect of their services to this Company for the year ended 31 December 2010 (2009: £nil).

4. Profit on ordinary activities before taxation

Remuneration receivable by the Company's auditors for the auditing of these accounts of £nil (2009: £5,285) is borne by QBE Management Services (UK) Limited. Fees for the supply of other services are also borne by group companies and are disclosed in total in the QBE International Holdings (UK) plc group financial statements.

5. Called up share capital

	2010 £	2009 £
Called up, allotted and fully paid		
1 Ordinary Share of £1 each	1	1

6. Reconciliation of movements in shareholders' funds

	Share capital £'000	Profit and loss account £'000	Total 2010 £'000	2009 £'000
At 1 January	-	2,024	2,024	2,023
Profit for the year	-	-	-	1
Dividend Paid	-	(2,024)	(2,024)	-
At 31 December	-	-	-	2,024

7. Parent undertakings

The Company's ultimate parent undertaking and controlling entity is QBE Insurance Group Limited, which is incorporated in Australia. This is the largest group of undertakings into which the Company's financial statements are consolidated. The smallest group of undertakings into which the Company's financial statements are consolidated is headed by QBE International Holdings (UK) plc, which is incorporated in the United Kingdom. The consolidated financial statements for QBE Insurance Group Limited and QBE International Holdings (UK) plc are available from the Company's registered office at Plantation Place, 30 Fenchurch Street, London, EC3M 3BD.

The Company's immediate parent company is Limit Corporate Members Limited, which is incorporated in the United Kingdom.