
Limit Corporate Members Limited

Annual Report

31 December 2011

Registered Number 2854076

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LIMIT CORPORATE MEMBERS LIMITED

ANNUAL REPORT

for the year ended 31 December 2011

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LIMIT CORPORATE MEMBERS LIMITED

DIRECTORS AND OFFICERS

Directors

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
7 More London Riverside
London
SE1 2RT

LIMIT CORPORATE MEMBERS LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31 December 2011

Principal activity

The principal activity of the Company is to act as a holding company for its Lloyd's corporate member. This will continue to be the principal activity of the Company for the foreseeable future.

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

Business review and future developments

The results for the Company are set out in the profit and loss account on page 6. The profit for the year was £191,360,326 (2010: £60,798,000). The dividend paid on the ordinary shares for the year was £192,151,713 (2010: £54,000,000).

During the year, the Company disposed its entire shareholdings in Ensign Dedicated (No 1) Limited, Limit (No 1) Limited, Limit (No 3) Limited, Limit (No 4) Limited, Limit (No 5) Limited, Limit (No 6) Limited and Torch Dedicated Corporate Members Limited. These were disposed for £nil consideration and a loss on disposal of £107 was recognised in the profit and loss account.

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.

Principal risks and uncertainties

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 desirable 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. These are disclosed within QBE European Operations plc's annual report, which does not form part of this report. Copies of QBE European Operations plc's annual report are available from the Company's registered office.

Directors

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

LIMIT CORPORATE MEMBERS LIMITED

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities

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 Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 accounting 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2011 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 Corporate Members Limited
Registered Number 2854076
London
27 April 2012

LIMIT CORPORATE MEMBERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIMIT CORPORATE MEMBERS LIMITED

We have audited the financial statements of Limit Corporate Members Limited for the year ended 31 December 2011 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. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 and of its profit 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

30 April 2012

LIMIT CORPORATE MEMBERS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2011

	Notes	2011 £	2010 £
Income from shares in group undertakings		191,360,331	60,798,000
Disposal of shares in group undertakings		(107)	-
Profit on ordinary activities before taxation	4	191,360,224	60,798,000
Tax on profit on ordinary activities	5	-	-
Profit for the financial year		191,360,224	60,798,000

The results above are all derived from continuing operations

There is no difference between profit on ordinary activities after taxation and the retained profits 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 10 form an integral part of these financial statements

LIMIT CORPORATE MEMBERS LIMITED

BALANCE SHEET

as at 31 December 2011

	Notes	2011 £	2010 £
Fixed assets			
Shares in group undertakings	6	5	112
Current assets			
Amounts owed by group undertakings		6,224,029	7,015,147
Creditors: amounts falling due within one year			
Amounts due to group undertakings		(264)	-
Net current assets		6,223,765	7,015,147
Net assets		6,223,770	7,015,259
Capital and reserves			
Called up share capital	7,8	10	10
Profit and loss account	8	6,223,760	7,015,249
Total shareholders' funds	8	6,223,770	7,015,259

These financial statements were approved by the board of directors on 27 April 2012 and signed on its behalf by



D J Winkett
Director

The notes set out on pages 8 to 10 form an integral part of these financial statements

LIMIT CORPORATE MEMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

1. Accounting policies

(a) Basis of preparation

These financial statements are prepared on the going concern basis under the historical cost convention and in accordance with the provision of The Large and Medium-sized Companies and Groups (Accounts and reports) Regulations, the accounting policies set out below, and applicable accounting standards in the United Kingdom

In accordance with Section 400 of the Companies Act 2006, the Company is exempt from preparing group financial statements. The Company's ultimate parent company, QBE Insurance Group Limited, incorporated in Australia, prepares consolidated group financial statements for the year ended 31 December 2011, in which the Company is included

(b) Cash flow statement and related party disclosure

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

(c) 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 using tax rates that have been substantively 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

(d) Dividends

Interim dividends are recognised when paid and final dividends are recognised as a liability when they are approved by members when passing a written resolution

(e) Shares in group undertakings

Shares in group undertakings are included in the Company's balance sheet at cost less any impairment, based on the directors having prudent regard for their likely realisable value. Dividends from group undertakings are taken into account when the right to receive payment is established, for interim dividends, when they are paid and, for final dividends, when they are approved by shareholders

2. Employees

The Company does not employ any staff as all staff were employed by QBE Management Services (UK) Limited, a fellow subsidiary 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 QBE European Operations plc group as a whole. No emoluments were recharged to the Company in respect of the services provided by the directors for the year ended 31 December 2011 (2010: £nil)

4. Profit on ordinary activities before taxation

Remuneration receivable by the Company's auditors for the auditing of these accounts of £2,399 (2010: £2,330) has been borne by QBE Management Services (UK) Limited and are not recharged. Fees for the supply of other services are also borne by group companies and are disclosed in total in the QBE European Operations plc group financial statements

LIMIT CORPORATE MEMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) for the year ended 31 December 2011

5. Taxation on profit on ordinary activities

	2011 £	2010 £
UK corporation tax @ 26.5% (2010: 28%)	-	-

Factors affecting tax charge for the period

The current tax for the period is lower (2010: lower) than the standard rate of corporation tax in the UK 26.5% (2010: 28%). The differences are explained below:

	2011 £	2010 £
Profit on ordinary activities before tax	191,360,224	60,798,000
Profit on ordinary activities before tax multiplied by standard rate of UK corporation tax of 26.5% (2010: 28%)	50,710,224	17,023,440
Non-taxable dividend income	(50,710,459)	(17,023,440)
Current tax charge for the period	-	-

6. Shares in group undertakings

	2011 £	2010 £
At 1 January	112	112
Disposal of group undertakings	(107)	-
At 31 December	5	112

During the year, the Company disposed its entire shareholdings in Ensign Dedicated (No 1) Limited, Limit (No 1) Limited, Limit (No 3) Limited, Limit (No 4) Limited, Limit (No 5) Limited, Limit (No 6) Limited and Torch Dedicated Corporate Members Limited. These were disposed for £nil consideration and a loss on disposal of £107 was recognised in the profit and loss account.

At 31 December 2011 the Company had the following subsidiaries all of which are registered in the United Kingdom:

Held by Company	Incorporated in	Class of share	Holding in company	Principal activity
Limit (No 2) Limited	United Kingdom	Ordinary	100%	Corporate Member of Lloyd's
Limit (No 7) Limited	United Kingdom	Ordinary	100%	Corporate Member of Lloyd's
Limit (No 10) Limited	United Kingdom	Ordinary	100%	Corporate Member of Lloyd's
QBE Corporate Limited	United Kingdom	Ordinary	100%	Corporate Member of Lloyd's

LIMIT CORPORATE MEMBERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2011

7. Share capital

	2011 £	2010 £
Allotted and fully paid		
10 Ordinary shares of £1 each	10	10

8. Reconciliation of movements in shareholders' funds

	Share capital £	Profit and loss account £	Total 2011 £	2010 £
At 1 January	10	7,015,249	7,015,259	217,259
Profit for the financial year	-	191,360,224	191,360,224	60,798,000
Dividend Paid	-	(192,151,713)	(192,151,713)	(54,000,000)
At 31 December	10	6,223,760	6,223,770	7,015,259

During the year the Company declared and paid an interim dividend of £192,151,713 (2010 £54,000,000) to ordinary shareholders

9. Parent undertakings

The Company's ultimate controlling entity is QBE Insurance Group Limited, the ultimate parent company, which is incorporated in Australia. This is the largest group into which the Company's financial statements are consolidated. The smallest group which the Company's financial statements are consolidated is QBE European Operations plc, which is incorporated in the United Kingdom. The consolidated accounts for QBE Insurance Group Limited and QBE European Operations plc are available at Plantation Place, 30 Fenchurch Street, London EC3M 3BD.

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