



MASTHEAD E LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
31 DECEMBER 2010

MONDAY



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COMPANIES HOUSE

Registered No. 2864625

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# **MASTHEAD E LIMITED**

## **Company Information**

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### **Directors**

J C P Insley (Appointed 01 January 2011)  
A E Usher (Appointed 01 January 2011)  
Brit Corporate Services Limited (Appointed 01 January 2011)  
D J Douetil (Resigned 31 December 2010)  
P J Goddard (Resigned 31 December 2010)  
M Scales (Resigned 28 December 2010)

### **Secretary**

Brit Corporate Secretaries Limited

### **Registered Office**

55 Bishopsgate  
London  
EC2N 3AS

### **Auditor**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

# **MASTHEAD E LIMITED**

## **Report of the Directors**

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### **MASTHEAD E LIMITED**

**Registered Number 2864625**

The Directors present their report and the financial statements of the Company for the year ended 31 December 2010

#### **Principal activity and business review**

The Company ceased underwriting at the end of the 1999 year of account

The 1999 Underwriting Year of Account closed on 31 December 2001 with it's 1997 year of account of Syndicate 55 and 1999 years of account of Syndicate 205 and 1173 remaining open Syndicate 1173, the last remaining open syndicate, closed this underwriting year during 2008

As at 31 December 2010 the Company had net liabilities of £40,000 (2009 £40,000)

The Company has received confirmation from Brit Insurance Holdings Ltd that it will meet the liabilities of the Company for at least the next year The Directors have prepared the financial statements on the going concern basis having taken into account all information that could reasonably be expected to be available The financial statements, therefore, do not include any adjustments that would result if the directors of Brit Group Finance Ltd were to require repayment of the inter company debt

The Directors do not envisage any changes to the current business model in 2011

#### **Result and dividend**

The Company did not trade during the year (2009 loss of £8,000)

The Directors do not recommend the payment of a dividend for the year ended 31 December 2010 (2009 £nil)

#### **Directors**

The names of the Directors as at the date of this report are listed on page 2 D J Douetil and P J Goddard each resigned on 31 December 2010 M Scales resigned on 28 December 2010

#### **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 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 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 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

# **MASTHEAD E LIMITED**

## **Report of the Directors continued**

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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**

The Company's Auditor is Ernst & Young LLP. Each person who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

By Order of the Board



Paul Weaver  
On behalf of Brit Corporate Secretaries Limited  
Secretary  
11 March 2011

# **MASTHEAD E LIMITED**

## **Independent Auditor's Report To the Member of Masthead E Limited**

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We have audited the financial statements of Masthead E Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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).

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 3, 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**

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,
- 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.

# **MASTHEAD E LIMITED**

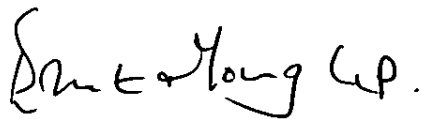
## **Independent Auditor's Report To the Member of Masthead E Limited**

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### **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



T J Leggett (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
11 March 2011

## MASTHEAD E LIMITED

### Non-Technical Account For the Year Ended 31 December 2010

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		Year ended 31 December 2010	Year ended 31 December 2009
	Note	£'000	£'000
Other charges, including value adjustments		-	(1)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before tax		-	(1)
Tax on profit/(loss) on ordinary activities	4	-	(7)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities after tax		-	(8)
		<hr/>	<hr/>
Retained profit/(loss) for the financial period	7	-	(8)
		<hr/>	<hr/>

There were no other recognised gains or losses in the period

The Company's income and expenses all relate to discontinued operations



# MASTHEAD E LIMITED

## Balance Sheet As at 31 December 2010

		As at 31 December 2010	As at 31 December 2009
	Note	£'000	£'000
<b>Debtors</b>			
Other	5	68	68
		<hr/>	<hr/>
<b>Total Assets</b>		68	68
		<hr/>	<hr/>
<b>Capital and Reserves</b>			
Called up share capital	6	1	1
Profit and loss account	7	(41)	(41)
		<hr/>	<hr/>
<b>Equity Shareholder's Funds</b>	8	(40)	(40)
		<hr/>	<hr/>
<b>Creditors</b>			
Other	9	108	108
		<hr/>	<hr/>
<b>Total Liabilities</b>		68	68
		<hr/>	<hr/>

The financial statements on pages 7 to 11 were approved by the Board of Directors on 11 March 2011 and were signed on its behalf by



Antony Usher  
Director



Paul Weaver on behalf of Brit Corporate Services Limited  
Director

# MASTHEAD E LIMITED

## Notes to the Financial Statements For the year ended 31 December 2010

### 1 Basis of preparation of financial statements

#### (a) Basis of preparation

The financial statements have been prepared in accordance with section 6 of, and Schedule 3 to, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 pursuant to section 396 of the Companies Act 2006

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards

### 2 Accounting policies

#### (a) Cash flow statement

The Company is exempt from preparing a cash flow statement under Financial Reporting Standard 1 Brit Insurance Holdings NV, the ultimate parent company during the year, has prepared a consolidated cash flow statement

### 3 Auditors' Remuneration

The Auditor's remuneration is borne by a fellow Group company and amounted to £1,000 (2009 £1,000)

### 4 Taxation

	Year ended 31 December 2010 £'000	Year ended 31 December 2009 £'000
<b>(i) Analysis of tax charge in year</b>		
Current taxation		
Adjustment in respect of previous years	-	7
Tax charge on profit on ordinary activities	-	7
Deferred taxation		
Origination and reversal of timing differences	-	7
Adjustment in respect of prior years		(7)
Tax charge on profit on ordinary activities	-	7
<b>(ii) Factors affecting tax charge for year</b>		
Loss on ordinary activities before tax	-	(1)
Loss on ordinary activities multiplied by standard rate of tax in the UK of 28.0% (2009 28.0%)	-	-
Short term timing differences		
Syndicate results	-	7
Current tax charge for the year per (i) above	-	7

# MASTHEAD E LIMITED

## Notes to the Financial Statements continued

### 5 Debtors

	31 December 2010 £'000	31 December 2009 £'000
Amounts due in respect of syndicate profits	68	68

### 6 Share capital

	31 December 2010 £	31 December 2009 £
Allotted, issued and fully paid 1,000 ordinary shares of £1	1,000	1,000

### 7 Profit and loss account

	31 December 2010 £'000	31 December 2009 £'000
Balance as at 1 January	(41)	(33)
Loss retained for the financial period	-	(8)
Balance as at 31 December	(41)	(41)

### 8 Movement in Shareholder's funds

	31 December 2010 £'000	31 December 2009 £'000
Opening Shareholder's funds	(40)	(32)
Total recognised loss for the financial period	-	(8)
Closing Shareholder's funds	(40)	(40)

### 9 Creditors

	31 December 2010 £'000	31 December 2009 £'000
Amounts due to Group undertakings	108	108

### 10 Directors' remuneration

The Directors did not receive any remuneration for their services to the Company during the year ended 31 December 2010 (2009 £nil)

# **MASTHEAD E LIMITED**

## **Notes to the Financial Statements continued**

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### **11 Related party transactions**

The Company has taken advantage of the exemption in Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with other members of the Group. This is by virtue of the entity being fully controlled within a group whose consolidated financial statements are publicly available.

### **12 Financial instruments**

The Company has taken advantage of the exemption in Financial Reporting Standard 29 'Financial Instruments Disclosures' not to provide the disclosures required by this standard. This is by virtue of the entity being included in publicly available consolidated financial statements which include disclosures that comply with this standard.

### **13 Guarantees**

#### **(i) Lloyd's**

If any of the other corporate member subsidiaries of the Brit Insurance Holdings Limited Subgroup ("the Subgroup") fail to meet any of their obligations, then

- (a) Lloyd's will be entitled to require any of the Subgroup's corporate member subsidiaries to cease or reduce their underwriting, and/or
- (b) Having regard to the fact that the Central Fund may be applied to discharge the obligations of the defaulting corporate member subsidiary, Lloyd's will be entitled to require each of the other corporate member subsidiaries of the Subgroup 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 Company is not aware of any of the other corporate member subsidiaries of the Subgroup failing to meet any of their Lloyd's obligations.

Investments and assets supporting the underwriting at Lloyd's are held in Masthead Insurance Underwriting Limited ("Masthead"), a fellow Group subsidiary. Masthead provides standalone Funds at Lloyd's for Masthead E Limited. As at 31 December 2010 this amounted to £119,019 (2009 £119,019).

### **14 Ultimate holding company**

The Company is a wholly owned subsidiary of Brit Run-Off Services Limited. As at 31 December 2010, the ultimate holding company was Brit Insurance Holdings N V, a company registered in the Netherlands. Copies of Brit Insurance Holdings N V accounts can be obtained by writing to PO Box 79083, 1070 NC, Amsterdam, The Netherlands.

### **15 Post balance sheet events**

On 09 March 2011, following the acquisition of Brit Insurance Holdings N V by Achilles Netherlands Holdings B V, the ultimate holding company became Achilles Holdings 1 S ar l, a Luxembourg registered company. Copies of Achilles Holdings 1 S ar l accounts can be obtained by writing to 5, rue Guillaume Kroll, L - 1882, Luxembourg.