

SOC GROUP PLC

FINANCIAL STATEMENTS

31 December 2009

Company registration number: 3403474

Registered Office:
Fountain House
130 Fenchurch Street
London EC3M 5DJ

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COMPANIES HOUSE

SOC GROUP PLC
Chairman's Statement
31 December 2009

The Current Position and Future of SOC Group plc ("SOC")

SOC has not traded during the year and the directors continue to investigate the possibility of initiating a members' voluntary liquidation of the company at some point in the future

SOC now has net assets of £78,000 which are expected to facilitate the day to day running of the company and, along with additional support from the Royal Bank of Scotland ("RBS"), who have agreed to contribute an annual sum, the company will be able to carry out its statutory obligations

The financial statements show a profit for the year to 31st December 2009 of £2,000 (2008 Loss £2,000)

The directors will revert to shareholders in due course once they have received input from professional advisors and the company's bankers in order to make a decision on the future of SOC



Mr R J Sharp
Chairman

SOC GROUP PLC

Directors' report For the year ended 31 December 2009

The directors submit their annual report and the audited accounts for the year ended 31 December 2009. The Company registration number is 3403474.

1 Principal activities

SOC Group plc is currently not trading and the directors do not consider it to be a going concern. The financial statements have therefore been prepared on a break-up basis.

2 Results and dividends

The profit of the Company for the year is shown on page 5. The profit on ordinary activities after taxation for the year amounted to £2,000 (2008: loss £2,000). The directors do not propose the payment of a dividend (2008: Nil).

3 Board of directors

The directors listed below have held office during the whole of the period from 1 January 2009 up to the date of this report.

Mr R J Sharp (Chairman)
Mr A J Annandale
Mr T R Riddell

4 Business Review

The Company has not traded during the year and has incurred expenses in relation to the residual running of the Company, which have been paid for by the Company's bankers, RBS.

5 Directors' interests

No directors had any interest in contracts or arrangements with the Company during the year.

6 Directors' and officers' insurance

The Company did not have directors' and officers' insurance in place during the year.

7 Financial risk management objectives and policies

The Company does not enter into any hedging transactions. The Company has normal exposure to price, credit, liquidity and cashflow risks arising from non trading activities.

8 Creditor payment policy

The Company is responsible for agreeing terms and conditions under which business transactions with their suppliers are conducted. Payments to suppliers are made in accordance with those terms, provided that suppliers also comply with all relevant terms and conditions.

SOC GROUP PLC

Directors' report For the year ended 31 December 2009

9 Directors' responsibilities statement

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

- a) select suitable accounting policies and then apply them consistently,
- b) make judgments and accounting estimates that are reasonable and prudent,
- c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- d) 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.

10 Disclosure of information to auditors

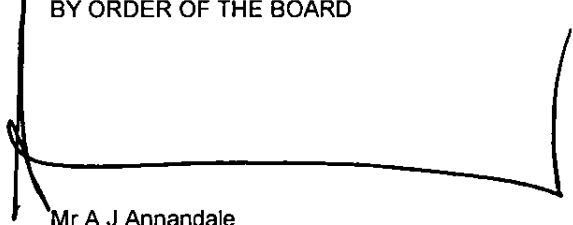
Under the Companies Act 2006, we can confirm that

- a) so far as we are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- b) we have taken all the steps that we ought to have taken as directors in order to make us aware of any relevant information and to establish that the Company's auditors are aware of that information.

11 Auditors

A resolution to re-appoint Mazars LLP as auditors to the Company will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD



Mr A J Annandale
Director
Fountain House
130 Fenchurch Street
London
EC3M 5DJ

28 May 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOC GROUP PLC

We have audited the financial statements of SOC Group plc for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement 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 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. 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 auditor's 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.

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 the 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 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 the 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.


Markham Grice (Senior statutory auditor)
For and on behalf of Mazars LLP, Chartered Accountants (Statutory auditor)
Tower Bridge House
St Katharine's Way
London E1W 1DD

28 May 2010

SOC GROUP PLC
Profit and Loss Account
for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
Turnover		-	-
Expenses		-	(1)
Operating loss		<u>-</u>	<u>(1)</u>
Interest receivable & similar income		2	2
Profit on ordinary activities before taxation	4	<u>2</u>	<u>1</u>
Taxation on profit on ordinary activities	5	-	(3)
Profit / (loss) on ordinary activities after taxation	9	<u>2</u>	<u>(2)</u>

There are no recognised gains or losses other than the result for the year

Revenue and operating profits and losses derive wholly from discontinued operations

SOC GROUP PLC

Balance Sheet at 31 December 2009

	Notes	2009 £000	2008 £000
Current assets			
Assets held for resale	6	1	1
Other debtors		9	10
Cash at bank and in hand		82	95
		<u>92</u>	<u>106</u>
Creditors Amounts falling due within one year	7	<u>14</u>	<u>30</u>
Net assets		<u>78</u>	<u>76</u>
Capital and reserves			
Called up share capital	8	3,663	3,663
Share premium	9	30,513	30,513
Profit and loss account	9	(34,098)	(35,025)
Convertible Unsecured Loan Stock	10	-	925
Total shareholders' funds (including non-equity interests)	11	<u>78</u>	<u>76</u>

The financial statements on pages 5 to 11 were approved by the Board of directors on 28 May 2010 and signed on its behalf by



Mr T R Biddell
Director

SOC GROUP PLC
Cash Flow Statement
for the year ended 31 December 2009

	Notes	2009 £000	2008 £000
OPERATING ACTIVITIES			
Net cash outflow from ordinary activities	12(a)	(10)	(7)
Taxation		(3)	-
CASH FLOWS WERE INVESTED AS FOLLOWS			
Decrease in cash holdings	12(b)	<u>(13)</u>	<u>(7)</u>

SOC GROUP PLC
Notes to the financial statements
for the year ended 31 December 2009

1 Basis of preparation

(a) Current basis

The financial statements have been prepared in accordance with the Companies Act 2006 ("the Act"). The directors consider the Company not to be a going concern and the financial statements have therefore been prepared on a break-up basis.

(b) Basis of consolidation

The financial statements include the assets, liabilities and results of the Company up to the year end.

2 Accounting policies

(a) Accounting convention

The financial statements are prepared in accordance with applicable accounting standards on a break-up basis.

(b) Assets held for resale

Assets held for resale represent investments, which are held at the lower of cost and net realisable value.

(c) Convertible Unsecured Loan Stock ("CULS")

The CULS 2001, CULS 2002, CULS 2003 and the CULS October 2003 were issued as consideration for the Company's use of converting Names' Funds at Lloyd's under the interavailability method. One 'B' share was issued in conjunction with every £100 of CULS 2001 to form a unit. One 'D' share was issued in conjunction with every £100 of CULS 2002 to form a unit. One 'E' share was issued in conjunction with every £100 of CULS 2003 to form a unit. One 'F' share was issued in conjunction with every £100 of CULS October 2003 to form a unit. The CULS have no coupon and do not transfer any economic benefit from the Company to the holder. The CULS 2001, CULS 2002, CULS 2003 and the CULS October 2003 have been treated as equity of the Company. This treatment is permissible under the accounting regulations of FRS 4. Each £100 CULS 2001 converts, on payment of the holder's obligation, into 100 'A' shares of 10p each. Each £100 CULS 2002 converts, on payment of the holder's obligation, into 95 'A' shares of 10p each. Each £100 CULS 2003 converts, on payment of the holder's obligation, into 'A' shares of 10p each at the rate of one 'A' share for every 105p paid up in respect of the CULS. Each £100 CULS October 2003 converts on payment of the holder's obligation into 'A' shares of 10p each at the rate of one 'A' share for every 105p paid up in respect of the CULS.

(d) Turnover

Turnover is recognised in the profit and loss as it is earned.

3 Staff Costs

No staff costs were incurred during the year as the Company has no employees.

4 Profit on ordinary activities before tax

	2009 £000	2008 £000
The profit on ordinary activities before tax is stated after charging		
Fees payable to the company's auditor for the audit of the company's annual accounts	4	6
Fees payable to the company's auditor for other services		
Tax Services	<u>2</u>	<u>2</u>

All expenses are reimbursed by RBS and are therefore shown net in the Profit and Loss Account.

SOC GROUP PLC
Notes to the financial statements
for the year ended 31 December 2009

5 Taxation on profit on ordinary activities

a) Analysis of charge in the year

	2009 £000	2008 £000
Current tax		
United Kingdom corporation tax on profit for the year	-	-
Adjustments in respect of prior years	-	3
	<u>-</u>	<u>3</u>
Deferred tax		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>-</u>	<u>3</u>

b) Factors affecting the tax charge for the year

	2009 £000	2008 £000
Profit on ordinary activities before tax	<u>2</u>	<u>1</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.5%)	1	-
Effects of		
Other non taxable income	(1)	-
Other timing differences	-	-
Utilisation of tax losses	-	-
Prior year under provision	-	3
	<u>-</u>	<u>3</u>
Current tax charge for the year (see (a) above)	<u>-</u>	<u>3</u>

No deferred tax asset has been recognised for trading losses on the grounds that there is insufficient evidence that the asset would be recoverable

6 Assets held for resale

	£000
Net book value at 1 January and 31 December 2009	<u>1</u>

The assets held for resale at 31 December 2009 are shares in Talisman Underwriting plc

7 Creditors Amounts falling due within one year

	2009 £000	2008 £000
Corporation tax	-	3
Accruals and deferred income	7	8
Other creditors	7	19
	<u>14</u>	<u>30</u>

SOC GROUP PLC
Notes to the financial statements
for the year ended 31 December 2009

8 Share capital

Authorised	2009 Number	2009 £000	2008 Number	2008 £000
Ordinary voting 'A' shares of 10p each	317,677,167	31,767	317,677,167	31,767
Voting 'B' shares of 1p each	375,000	4	375,000	4
Voting 'D' shares of 1p each	500,000	5	500,000	5
Voting 'E' shares of 1p each	500,000	5	500,000	5
Deferred shares of 1p each	67,353,330	674	67,353,330	674
Voting 'F' shares of 1p each	500,000	5	500,000	5
	<u>386,905,497</u>	<u>32,460</u>	<u>386,905,497</u>	<u>32,460</u>
Allotted, called up and fully paid	2009 Number	2009 £000	2008 Number	2008 £000
Ordinary voting 'A' shares of 10p each	36,607,160	3,661	36,607,160	3,661
Voting 'B' shares of 1p each	-	-	-	-
Voting 'D' shares of 1p each	-	-	1,200	-
Voting 'E' shares of 1p each	-	-	-	-
Deferred shares of 1p each	216,579	2	216,579	2
Voting 'F' shares of 1p each	-	-	8,048	-
	<u>36,823,739</u>	<u>3,663</u>	<u>36,832,987</u>	<u>3,663</u>

Ordinary 'A' shareholders have the right to receive dividends and assets upon the winding up of the Company. The 'B' shares are only available as part of a unit consisting of £100 of the Convertible Unsecured Loan Stock 2001 (note 10) and one 'B' share. The 'D' shares are only available as part of a unit consisting of £100 of the Convertible Unsecured Loan Stock 2002 (note 10) and one 'D' share. The 'E' shares are only available as part of a unit consisting of £100 of the Convertible Unsecured Loan Stock 2003 (note 10) and one 'E' share. The 'F' shares are only available as part of a unit consisting of £100 of the CULS October 2003 (note 10) and one 'F' share. The 'B' shares, 'D' shares, 'E' shares and 'F' shares enable the holders of the CULS 2001, 2002, 2003 and October 2003 to have the same voting rights in relation to the Company as if they had paid up and converted into 'A' shares at the outset.

The 'B' shares, 'D' shares, 'E' shares and 'F' shares have no entitlement to dividends but have a right to the distribution of any surplus assets on a winding up. The holders of deferred shares shall not be entitled to receive notice of or attend a general meeting and do not carry any voting rights. Additionally, the holders of deferred shares shall not be entitled to receive any dividend.

On 8 December 2009, 1,200 'D' voting shares of 1p each and 8,048 'F' voting shares of 1p each were cancelled.

9 Reserves

	Share premium £000	Profit and loss account £000	Total £000
At 1 January 2009	30,513	(35,025)	(4,512)
Retained profit for the year	-	2	2
Redemption of convertible unsecured loan stock	-	925	925
At 31 December 2009	<u>30,513</u>	<u>(34,098)</u>	<u>(3,585)</u>

SOC GROUP PLC
Notes to the financial statements
for the year ended 31 December 2009

10 Convertible Unsecured Loan Stock ("CULS")

The CULS 2001, CULS 2002, CULS 2003 and CULS October 2003 were issued in registered form in amounts of £1 each. One 'B' share was issued in conjunction with every £100 of CULS 2001 to form a unit. One 'D' share was issued in conjunction with every £100 of CULS 2002 to form a unit. One 'E' share was issued in conjunction with every £100 of CULS 2003 to form a unit. One 'F' share was issued in conjunction with every £100 of CULS October 2003 to form a unit. No coupon is payable on the CULS 2001, CULS 2002, CULS 2003 and CULS October 2003. The CULS have been classified as equity and included in shareholders' funds as there is no transfer of economic benefits from the Company to the holders.

11 Reconciliation of movements in shareholders' funds

	2009 £000	2008 £000
Issue of share capital	-	4
Redemption of convertible unsecured loan stock	(925)	(42)
Movement in profit and loss reserve	925	38
Profit / (loss) for the financial year	2	(2)
Net increase / (decrease) to shareholders' funds	2	(2)
Opening shareholders' funds	76	78
Closing shareholders' funds	78	76

The movement in profit and loss reserves represents the difference between the rate at which the CULS have been converted or cancelled at and their carrying value.

12 Cash flow statement

(a) Reconciliation of profit from ordinary activities before tax to net cash flow from ordinary activities

	2009 £000	2008 £000
Profit from ordinary activities before tax	2	1
Adjustments to convert revenue to a cash basis		
Decrease / (increase) in debtors relating to ordinary activities	1	(10)
Decrease in creditors relating to ordinary activities	(12)	(6)
(Decrease) / increase in accruals and deferred income	(1)	8
Net cash outflow from ordinary activities	(10)	(7)

(b) Analysis of changes in net debt

	At 1 Jan 2009 £000	Cashflow £000	At 31 Dec 2009 £000
Cash in hand, at bank	95	(13)	82