

Company registration number: 3440770

## **Nameco (No. 121) Limited**

### **Report and financial statements 31 December 1999**

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**Nameco (No. 121) Limited**

**Company information**

**Directors**

J R H Evans  
Nomina plc

**Company Secretary**

L Egremont

**Registered Office**

42 Crutched Friars  
London  
EC3N 7NR

**Auditors**

Littlejohn Frazer  
Chartered Accountants  
and Registered Auditors  
1 Park Place  
Canary Wharf  
London  
E14 4HJ

**Accountants**

Hampden Underwriting Services Limited  
Maritime House, 1 Linton Road  
Barking, Essex  
IG11 8GW

**Bankers**

National Westminster Bank plc  
1 Princes Street  
London  
EC2R 8PA

**Solicitors**

Gouldens  
22 Tudor Street  
London  
EC4Y OJJ

# **Nameco (No. 121) Limited**

## **Report of the directors**

The directors submit their report together with the financial statements of the company for the year ended 31 December 1999.

### **Principal activities and business review**

The principal activity of the company is trading as a Lloyd's corporate capital member. Both the level of business and the year end financial position were satisfactory. The directors expect that future underwriting will continue at the same level.

### **Results and dividends**

The results for the year are set out on pages 5 to 6 of the financial statements. The directors do not propose to pay a dividend.

### **Directors and Directors' Interests**

The directors who served at any time during the year and their interests in the share capital of the company were as follows:

	At 31 December 1999 Ordinary £1 shares	At 1 January 1999 Ordinary £1 shares
J R H Evans	-	-
Nomina plc	1	1

Nomina plc holds the above share as trustee for G Nettleton.

### **Directors' responsibilities**

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

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been applied
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

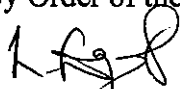
# **Nameco (No. 121) Limited**

## **Report of the directors (continued)**

### **Year 2000**

The company's main software programmes are maintained by the managing agents of the syndicates on which the company participates. Prior to 31 December 1999, Lloyd's introduced central procedures to ensure that these, and the market-wide systems, would achieve Year 2000 compliance by that date. Since 1 January 2000 there have been no significant Year 2000 compliance related problems affecting the company and the estimated future costs, if any, of modifying the remaining systems to achieve compliance is not material.

By Order of the Board



L Egremont  
Secretary

28 June 2000

# **Nameco (No. 121) Limited**

## **Report of the auditors**

### **To the Members of Nameco (No. 121) Limited**

We have audited the financial statements on pages 5 to 21 which have been prepared under the accounting policies set out on pages 10 to 13.

### **Respective responsibilities of directors and auditors**

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

### **Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999, and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Littlejohn Frazer*

**Littlejohn Frazer**

Chartered Accountants  
and Registered Auditors

28 June 2000

1 Park Place  
Canary Wharf  
London E14 4HJ

**Nameco (No. 121) Limited**

**Profit and loss account**

**Technical account – general business**

**For the year ended 31 December 1999**

	<b>Note</b>	<b>1999 £</b>	<b>1998 £</b>
<b>Earned premiums, net of reinsurance</b>			
Gross premiums written	3	756,907	427,472
Outward reinsurance premiums		(144,345)	(109,179)
Net premiums written		612,562	318,293
Allocated investment return transferred from the non-technical account		4,410	2,003
<b>Total technical income</b>		616,972	320,296
<b>Claims paid</b>			
Gross amount		(199,326)	(49,167)
Reinsurers' share		67,202	15,703
Net claims paid		(132,124)	(33,464)
<b>Change in provision for claims</b>			
Gross amount		(714,915)	(202,979)
Reinsurers' share		282,489	28,047
<b>Claims incurred net of reinsurance</b>		(564,550)	(208,396)
Net operating expenses	4	(130,706)	(111,764)
Investment expenses and charges		(132)	(136)
<b>Total charges</b>		(695,388)	(320,296)
<b>Balance on technical account – general business</b>	5	(78,416)	-

The accounting policies and notes on pages 10 to 21 form part of these financial statements.

**Nameco (No. 121) Limited****Profit and loss account****Non - technical account****For the year ended 31 December 1999**

	Note	1999 £	1998 £
<b>Balance on technical account – general business</b>	5	(78,416)	-
Investment income	6	4,411	2,003
Allocated investment return transferred to the Technical account – general business		(4,410)	(2,003)
Other income		1,964	17,331
Other charges		(24,379)	(2,250)
<b>Profit (loss) on ordinary activities before taxation</b>	7	(100,830)	15,081
Tax on profit (loss) on ordinary activities	8	4,156	(4,156)
<b>Profit (loss) on ordinary activities after taxation</b>	12	(96,674)	10,925

The Company has no recognised gains or losses other than the profit or (loss) on ordinary activities after taxation stated above. There is no material difference between the reported profit or (loss) for the period and the profit or (loss) for the period restated on a historical cost basis.

The accounting policies and notes on pages 10 to 21 form part of these financial statements.

# Nameco (No. 121) Limited

## Balance sheet

As at 31 December 1999

		31 December 1999			31 December 1998		
	Note	Held Directly £	Held through Syndicate Participation £	Total £	Held Directly £	Held through Syndicate Participation £	Total £
<b>Assets</b>							
<b>Intangible assets</b>							
Syndicate participation rights	9	1,214	-	1,214	17,840	-	17,840
<b>Investments</b>							
Financial investments	10	-	112,207	112,207	-	41,094	41,094
Deposits with ceding undertakings		-	153	153	-	41	41
		-	112,360	112,360	-	41,135	41,135
<b>Reinsurers' share of technical provisions</b>							
Claims outstanding		-	300,885	300,885	-	21,449	21,449
<b>Debtors</b>							
Arising out of direct insurance operations							
- Intermediaries		-	133,998	133,998	-	105,859	105,859
- Policyholders		-	-	-	-	-	-
Arising out of reinsurance operations		-	311,128	311,128	5,446	51,643	57,089
Other debtors		4,264	24,005	28,269	394	4,667	5,061
		4,264	469,131	473,395	5,840	162,169	168,009
<b>Other assets</b>							
Cash at bank and in hand		1	16,194	16,195	2,499	9,630	12,129
Other		-	18,586	18,586	-	6,984	6,984
		1	34,780	34,781	2,499	16,614	19,113
<b>Prepayments and accrued income</b>							
Other prepayments and accrued income		-	1,672	1,672	-	665	665
<b>Total assets</b>							
		5,479	918,828	924,307	26,179	242,032	268,211

The accounting policies and notes on pages 10 to 21 form part of these financial statements.

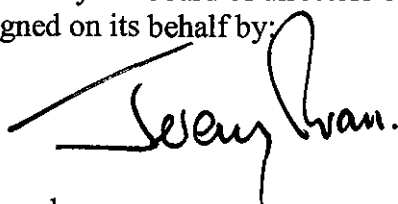


# Nameco (No. 121) Limited

## Balance sheet As at 31 December 1999

		31 December 1999			31 December 1998		
	Note	Held Directly £	Held through Syndicate Participation £	Total £	Held Directly £	Held through Syndicate Participation £	Total £
<b>Liabilities and shareholders' funds</b>							
<b>Capital and reserves</b>							
Called up share capital	11	1	-	1	1	-	1
Share premium account		-	-	-	-	-	-
Profit and loss account	12	(85,749)	-	(85,749)	10,925	-	10,925
Shareholders' funds	13	(85,748)	-	(85,748)	10,926	-	10,926
<b>Technical provisions</b>							
Claims outstanding – gross amount		78,416	826,564	904,980	-	196,179	196,179
<b>Provisions for other risks and charges</b>							
Provision for taxation		-	-	-	-	-	-
<b>Creditors</b>							
Arising out of direct insurance operations		-	22,316	22,316	-	10,805	10,805
Arising out of reinsurance operations		-	38,646	38,646	-	24,041	24,041
Other creditors	14	12,811	30,137	42,948	15,253	10,171	25,424
		12,811	91,099	103,910	15,253	45,017	60,270
<b>Accruals and deferred income</b>							
		-	1,165	1,165	-	836	836
<b>Total liabilities</b>							
		5,479	918,828	924,307	26,179	242,032	268,211

Approved by the board of directors on 28 June 2000  
and signed on its behalf by:



Nomina plc  
Director

The accounting policies and notes on pages 10 to 21 form part of these financial statements.

# **Nameco (No. 121) Limited**

## **Cash flow statement**

**For the year ended 31 December 1999**

	<b>Note</b>	<b>1999 £</b>	<b>1998 £</b>
<b>Operating activities</b>			
Net cash inflow/(outflow) from operating activities	15	(4,184)	3,008
<b>Returns on investments</b>		-	-
<b>Capital expenditure</b>			
Purchase of syndicate capacity		-	(17,840)
Proceeds from sale of syndicate capacity		2,080	17,331
<b>Taxation</b>			
Corporation tax paid		(394)	-
<b>Financing</b>			
Issue of shares		-	-
Share issue expenses		-	-
Net cash inflow/(outflow) for the year		<u>(2,498)</u>	<u>2,499</u>
<b>Cash flows were invested as follows:</b>			
Increase/(decrease) in cash holdings		(2,498)	2,499
Purchase of financial investments		-	-
Sale of financial investments		-	-
Net investment of cash flows		<u>(2,498)</u>	<u>2,499</u>

The Company has no control over the disposition of assets and liabilities at Lloyd's. Consequently, the cash flow statement is prepared reflecting only the movement in corporate funds, which includes transfers to and from the syndicates at Lloyd's.

The accounting policies and notes on pages 10 to 21 form part of these financial statements.

# **Nameco (No. 121) Limited**

## **Notes to the financial statements For the year ended 31 December 1999**

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention as modified by the revaluation of investments.

#### **1.2 Basis of accounting for underwriting results**

The company participates in insurance business as an underwriting member of various syndicates at Lloyd's. All classes of insurance business written are accounted for on a three year funded basis because it is the basis most similar to that followed by the syndicates. The nature of the information managing agents can make available is insufficient for the company to make reliable estimates of the necessary technical provisions on an annual basis of accounting. Under the three year funded basis followed by the company, the excess of premiums written and attributable net investment return over claims and expenses paid in respect of contracts incepting in an accounting period ("the underwriting year") is carried forward as a technical provision until the end of the third year from the inception of the underwriting year. Consequently, no profit is recognised in respect of an underwriting year until that time at the earliest.

If an underwriting year is expected to make a loss, the loss is recognised as soon as it is foreseen by increasing the technical provision to make it sufficient to meet present liabilities and anticipated future claims and expenses.

#### **1.3 Premiums**

Premiums written comprise the total premiums receivable for the whole period of cover provided by the contracts incepting during the financial year, together with any adjustments arising in the year to such premiums receivable in respect of business written in prior years. Premiums are shown gross of commission payable to intermediaries and exclude insurance premium tax.

Gross premiums written may include "reinsurance to close" receivable (see (1.6) below).

Premiums written by a syndicate may also include the reinsurance of other syndicates on which the company participates. No adjustments have been made to gross premiums written or outward reinsurance premiums (or to gross and reinsurers' share of claims) to remove this intersyndicate reinsurance.

Outward reinsurance premiums may include "reinsurance to close" payable (see (1.6) below).

#### **1.4 Claims incurred**

Claims incurred include the costs of claims handling expenses. Recoverable amounts arising out of subrogation or salvage are deducted from the cost of claims. Claims incurred comprise amounts paid or provided in respect of claims occurring during the year to 31 December, together with the amount by which settlement or reassessment of claims from previous years differ from the provision at the beginning of the year.

**Notes to the financial statements  
For the year ended 31 December 1999**

**1.5 Provision for claims (technical provisions)**

Provision is made for claims incurred but not paid in respect of events up to 31 December. The provision includes the amounts required to ensure that for each underwriting year no profit is recognised before the end of the third year under the three year funded basis of accounting (see (1.2) above).

The provision has been increased as appropriate by the company to the extent that deficits are foreseen on underwriting years before the 36 months point is reached.

The provision is based on the returns and report from the managing agents and/or the company's licensed adviser/members' agent.

**1.6 Reinsurance to close**

A reinsurance to close is a particular type of reinsurance contract entered into by Lloyd's syndicates. Under it, underwriting members (the reinsured members) who are members of a syndicate for a year of account (the closed year), agree with underwriting members who comprise that or another syndicate for a later year of account (the reinsuring members) that the reinsuring members will indemnify, discharge or procure the discharge, of the reinsured members against all known and unknown liabilities of the reinsured members arising out of insurance business undertaken through that syndicate and allocated to the closed year in consideration of:

- (a) a premium; and
- (b) either
  - (i) the assignment, or agreement to assign, to the reinsuring members of all the rights of the reinsured members arising out of, or in connection with, that insurance business (including without limitation the right to receive all future premiums, reinsurances and other monies receivable in connection with that insurance business); or
  - (ii) an agreement by the reinsured members that the reinsuring members shall collect on behalf of the reinsured members the proceeds of all such rights and retain them for their own benefit so far as they are not applied in discharges of the liabilities of the reinsured members.

To the extent that the company participates on successive years of account of the same syndicate and there is a reinsurance to close between those years, the company has offset its share of the reinsurance to close received against its share of the reinsurance to close paid.

**Notes to the financial statements  
For the year ended 31 December 1999**

**1.6 Reinsurance to close (continued)**

If the company has increased its participation from one year of account to the next, the reinsurance to close paid is eliminated, as a result of this offset, leaving an element of the reinsurance to close received. This reflects the fact that the company has assumed a greater proportion of the business of the syndicate. If the company has reduced its participation from one year of account to the next, the reinsurance to close received is eliminated, leaving an element of the reinsurance to close paid. This reflects the reduction in the company's exposure to risks previously written by the syndicate.

The reinsurance to close is technically a reinsurance contract and, as such, the payment of a reinsurance to close does not remove from members of that year of account ultimate responsibility for claims payable on risks they have written. If the reinsuring members under the reinsurance to close become insolvent and the other elements of the Lloyd's chain of security also fail, the reinsured members remain liable for the settlement of any outstanding claims.

However, payment of a reinsurance to close is conventionally accepted as terminating a reinsured member's participation on a syndicate year of account and it is treated for accounts purposes as settling all the company's outstanding gross liabilities in respect of the business so reinsured.

**1.7 Investments**

Listed and other traded investments are stated at mid-market values. Other investments are stated at directors' valuations. Unrealised gains and losses are recognised in the profit and loss account.

**1.8 Investment income**

Investment income comprises interest receivable and dividends received plus realised gains and losses on the disposal of investments. Realised gains and losses arise from the difference between sale proceeds and either the valuation at the previous year end, or purchase cost if the investment was purchased during the current year.

Where investments represent the company's share of syndicate investments, they are treated as sold and repurchased at each year end in recognition of the annual venture nature of participation on a syndicate. The cost of these investments is therefore their market value at each 31 December. The realised gains reported by Syndicates are net of any realised losses.

All investment income, net of realised losses, arising on syndicate participations is allocated to the technical account. Other investment income is attributable to the non-technical account.

**1.9 Investments expenses and charges**

Investment expenses and charges comprise investment management expenses.

## **Nameco (No. 121) Limited**

### **Notes to the financial statements**

**For the year ended 31 December 1999**

#### **1.10 Net operating expenses**

Operating expenses are recognised when incurred. They include the company's share of syndicate operating expenses, the remuneration payable to managing agents (and the company's members' agent/licensed adviser) and the direct costs of membership of Lloyd's. Where they relate to the company's underwriting, they are taken into account in calculating the technical provision required under the three year funded basis of accounting.

#### **1.11 Other charges**

Expenses not attributable to underwriting or investment management are recognised when incurred.

#### **1.12 Foreign currencies**

The company's share of syndicate assets, liabilities, income and expenditure expressed in US dollars, Canadian dollars and Euros (where accounted by syndicates under the Lloyd's direct settlement scheme) are translated at rates of exchange ruling at the balance sheet date. Underwriting transactions in Euros (where accounted by syndicates under the Lloyd's conversion scheme) and other foreign currencies are included in the financial statements at historical rates. All exchange differences relating to syndicates are dealt with in the technical account.

#### **1.13 Syndicate participation rights**

Where the company has purchased the right to participate on Syndicates, the cost is capitalised, less any provision for permanent diminution in value, and amortised on a straight line basis over its estimated economic life. It is intended that purchased capacity will be amortised over 5 years. No amortisation is charged until the first year of account in which profits or losses are normally recognised.

#### **1.14 Taxation**

The company is taxed on its share of the underwriting results declared by Syndicates and these are deemed to accrue evenly over the calendar year in which they are declared. The syndicate results (excluding any additional provisions made by the directors) relating to the 1999 account will be declared for tax purposes in the calendar year 2002.

Other profits are assessable to corporation tax in the same period as they are recognised for accounting purposes, after adjustment in accordance with tax legislation.

#### **1.15 Deferred taxation**

Deferred tax is provided in respect of the tax effect of all timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

**Notes to the financial statements  
For the year ended 31 December 1999**

**2 Basis of preparation of financial statements**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Section 255 of, and Schedule 9A to, the Companies Act 1985 ("the Act") and in accordance with applicable Accounting Standards.

**2.2 Recognition of insurance transactions**

Preparing financial statements in accordance with Section 255 of, and Schedule 9A to, the Act requires the company to recognise its proportion of all the transactions undertaken by the Lloyd's syndicates in which it participates.

The company has delegated sole management and control of its underwriting through each syndicate to the managing agent of the syndicate and it has further undertaken not to interfere with the exercise of such management and control. The managing agents of the syndicates are therefore responsible for determining the insurance transactions to be recognised by the company. The only exception to this rule is the level of provision for outstanding claims. These provisions have been determined by the directors of the company (see 1.5 above).

Accordingly, for each such syndicate, the company's proportion of the underwriting transactions, investment return and operating expenses has been reflected within the company's technical account. Similarly, its proportion of the syndicate's assets and liabilities has been reflected in its balance sheet (under the column heading "Held through Syndicate Participation"). The "syndicate" assets are held subject to trust deeds for the benefit of the company's insurance creditors.

The proportion referred to above is calculated by reference to the company's participation as a percentage of each syndicate's total capacity.

**2.3 Sources of data**

The information used to compile the technical account and the "syndicate" balance sheet is based on returns prepared for this purpose by the managing agents of the syndicates. The returns have been subjected to audit by the syndicate auditors and are based on the audited syndicate returns to Lloyd's and the audited annual reports to syndicate members. This base data has been adjusted as necessary so that the returns reflect the differences in preparation between syndicate annual reports and financial statements in accordance with Schedule 9A of the Companies Act 1985.

The format of the returns has been established by Lloyd's and Lloyd's has also been responsible for collating the data at a syndicate level and analysing it into corporate member level results.

The returns cover the 12 months to 31 December 1999.

# Nameco (No. 121) Limited

## Notes to the financial statements For the year ended 31 December 1999

<b>3 Segmental information</b>	<b>Gross premiums written £</b>	<b>Gross claims incurred £</b>	<b>Gross operating expenses £</b>	<b>Reinsurance balance £</b>	<b>Total £</b>
<b>Year ended 31 December 1999</b>					
<b>Direct business</b>					
Accident and health	30,403	(27,081)	(8,117)	6,081	1,286
Motor – third party liability	11,466	(12,265)	(1,812)	1,432	(1,179)
Motor – other classes	64,641	(55,484)	(13,746)	1,554	(3,035)
Marine, aviation and transport	64,345	(73,563)	(13,053)	6,359	(15,912)
Fire and other damage to property	88,496	(92,320)	(22,975)	22,378	(4,421)
Third party liability	118,774	(84,667)	(28,900)	19,840	25,047
Credit and suretyship	3,678	(4,289)	(792)	907	(496)
Legal expenses	7,947	(2,300)	(1,607)	923	4,963
Assistance	6	(10)	(6)	7	(3)
Other	14,883	(11,879)	(3,796)	1,878	1,086
<b>Total direct</b>	<b>404,639</b>	<b>(363,858)</b>	<b>(94,804)</b>	<b>61,359</b>	<b>7,336</b>
<b>Reinsurance business</b>					
Other reinsurance acceptances	112,564	(112,781)	(23,679)	23,339	(557)
Reinsurance to close	239,704	(359,186)	-	120,648	1,166
	<b>756,907</b>	<b>(835,825)</b>	<b>(118,483)</b>	<b>205,346</b>	<b>7,945</b>
					<b>1999</b>
					<b>£</b>
<b>Gross premiums in respect of direct business written in:</b>					
United Kingdom					334,273
Other EU Member states					699
Rest of the world					69,667
					<b>404,639</b>



# Nameco (No. 121) Limited

## Notes to the financial statements For the year ended 31 December 1999

### 3 Segmental information (continued)

Period ended 31 December 1998	Gross premiums written £	Gross claims incurred £	Gross operating expenses £	Reinsurance balance £	Total £
<b>Direct business</b>					
Accident and health	17,363	(9,960)	(4,736)	(2,288)	379
Motor – third party liability	15,893	(9,943)	(3,183)	(2,036)	731
Motor – other classes	69,663	(46,299)	(15,371)	(5,631)	2,362
Marine, aviation and transport	45,152	(38,897)	(9,999)	(631)	(4,375)
Fire and other damage to property	73,684	(41,271)	(19,780)	(11,106)	1,527
Third party liability	82,731	(40,700)	(18,136)	(15,571)	8,324
Credit and suretyship	2,160	(1,147)	(527)	(19)	467
Legal expenses	3,923	(474)	(901)	(835)	1,713
Other	11,975	(6,124)	(3,037)	(1,408)	1,406
<b>Total direct</b>	<b>322,544</b>	<b>(194,815)</b>	<b>(75,670)</b>	<b>(39,525)</b>	<b>12,534</b>
<b>Reinsurance business</b>					
Other reinsurance acceptances	104,928	(67,396)	(21,100)	(13,131)	3,301
Reinsurance to close	-	10,065	-	(12,773)	(2,708)
	<b>427,472</b>	<b>(252,146)</b>	<b>(96,770)</b>	<b>(65,429)</b>	<b>13,127</b>

	<b>1998 £</b>
<b>Gross premiums in respect of direct business written in:</b>	
United Kingdom	319,549
Other EU Member states	558
Rest of the world	2,437
	<b>322,544</b>

# Nameco (No. 121) Limited

## Notes to the financial statements For the year ended 31 December 1999

4 Net operating expenses	1999 £	1998 £
Syndicate operating expenses	21,881	16,858
Exchange adjustment	(3,436)	(32)
Costs of acquisition	100,038	79,944
	<hr/> 118,483	<hr/> 96,770
Members personal expenses on Lloyd's syndicates	12,223	14,994
Other operating expenses	-	-
	<hr/> 130,706	<hr/> 111,764

5 Transfer from technical account	Underwriting Year		Total
	1999 £	1998 £	£
Profit/(loss) previously transferred	-	-	-
Profit/(loss) for the year	(39,000)	(39,416)	(78,416)
	<hr/> (39,000)	<hr/> (39,416)	<hr/> (78,416)

6 Investment income	1999 £	1998 £
Investment income	6,865	2,003
Realised investment gains less losses	(2,454)	-
Unrealised gains less losses on investments	-	-
	<hr/> 4,411	<hr/> 2,003

## 7 Profit/(loss) on ordinary activities before taxation

The auditor's remuneration of £120 is charged to Nomina plc and then recharged to the company as part of the Nomina plc management fee included within other charges in the non-technical account.

The company has no employees and no director's fees have been paid in the period.

8 Taxation	1999 £	1998 £
U.K. corporation tax at 20.25% ( 1998: 31%)	-	4,156
Prior year	(4,156)	-
	<hr/> (4,156)	<hr/> 4,156

# Nameco (No. 121) Limited

## Notes to the financial statements For the year ended 31 December 1999

### 9 Intangible assets

Syndicate participation rights	1999 £	1998 £
<b>Net book value</b>		
At 1 January 1999	17,840	17,840
Additions	-	-
Disposals	(16,626)	-
At 31 December 1999	<u>1,214</u>	<u>17,840</u>

### 10 Financial investments

	1999 Historic cost £	1999 Market Value £	1998 Historic cost £	1998 Market Value £
<b>Syndicate participations</b>				
Shares and other variable yield securities	3,146	3,867	829	1,108
Debt securities and other fixed income securities	116,358	90,170	30,873	31,556
Participation in investment pools	3,784	4,141	1,842	1,756
Loans guaranteed by mortgage	791	789	48	48
Other loans	-	121	-	-
Deposits with credit institutions	6,809	11,099	5,869	6,247
Other	513	2,020	348	379
	<u>131,401</u>	<u>112,207</u>	<u>39,809</u>	<u>41,094</u>
<b>Other</b>				
Shares and other variable yield securities	-	-	-	-

Analysis of market value	1999 £	1998 £
<b>Syndicate participations</b>		
Listed on the stock exchange	72,079	31,458
Other listed	33,454	7,400
Unlisted	6,674	2,236
	<u>112,207</u>	<u>41,094</u>
<b>Other</b>		
Unlisted	-	-

# Nameco (No. 121) Limited

## Notes to the financial statements For the year ended 31 December 1999

<b>11 Share capital</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
1 Ordinary share of £1 each	1	1
	<hr/>	<hr/>
<b>12 Statement of movements on reserves</b>	<b>Profit and loss account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
Balance at 1 January 1999	10,925	-
Retained profit/(loss) for the year	(96,674)	10,925
	<hr/>	<hr/>
Balance at 31 December 1999	(85,749)	10,925
	<hr/>	<hr/>
<b>13 Reconciliation of movements in shareholders' funds</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	(96,674)	10,925
Proceeds from issue of shares	-	1
Share premium on new share capital	-	-
Expenses paid in connection with share issue	-	-
	<hr/>	<hr/>
Net addition to shareholders' funds	(96,674)	10,926
Opening shareholders' funds	10,926	-
	<hr/>	<hr/>
Closing shareholders' funds	(85,748)	10,926
	<hr/>	<hr/>
<b>14 Other creditors including taxation and social security</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Corporation tax	-	4,156
Other creditors	12,811	11,097
	<hr/>	<hr/>
	12,811	15,253
	<hr/>	<hr/>

## **Nameco (No. 121) Limited**

### **Notes to the financial statements For the year ended 31 December 1999**

<b>15 Cash flow statement</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of profit or loss on ordinary activities before tax to net cash inflow from operating activities:</b>		
Profit/(loss) on ordinary activities before tax	(100,830)	15,081
(Profit)/loss attributable to syndicate transactions	-	-
(Increase)/decrease in debtors	1,970	(5,840)
Increase/(decrease) in creditors and technical provisions	80,130	11,098
(Profit)/loss on disposal of intangible assets	14,546	(17,331)
Unrealised (gain)/loss on revaluation of investments	-	-
Net cash inflow/(outflow) from operating activities	<u>(4,184)</u>	<u>3,008</u>

### **16 Related party disclosure**

The company's 1998 and 1999 underwriting is supported by the assets of or guarantees made interavailable to it by G Nettleton. These assets or guarantees are also available to Lloyd's to meet the personal underwriting liabilities of G Nettleton for underwriting years commencing prior to 1 January 1998.

G Nettleton is the beneficial owner of the company's share. This individual is also a shareholder in Nomina plc.

Mr J.R.H. Evans, a director of the company, is also a director of Nomina plc which administers the conversion scheme in which the company participates. Nomina plc charges a fixed management fee of £2,250 (1998: £2,250) to cover all the costs of basic administration of the company.

# **Nameco (No. 121) Limited**

## **Notes to the financial statements For the year ended 31 December 1999**

### **17 Syndicates**

The principal syndicates or members' agent pooling arrangements ("MAPA") in which the company participates as an underwriting member are as follows:

<b>Syndicate or MAPA Number:</b>	<b>Managing Agent</b>	<b>2000 Allocated Capacity £</b>	<b>1999 Allocated capacity £</b>	<b>1998 Allocated Capacity £</b>
7071	Members' Agents Pooling Arrangement	520,000		
7104	Members' Agents Pooling Arrangement		520,000	520,000