



REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 DECEMBER 2000

Company Number: 3584320



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Directors

Chairman

H J C Bellingham
A A Barwick
A G Bishop
P J Cooper
R A G Jackson
B P D Kellett
S P Lotter
S G Turner

Company Secretary

T R Smith

Registered Office

40 Lime Street
London EC3M 5EA

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

Auditors

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

Solicitors

Clyde & Co
Beaufort House
Chertsey Street
Guildford
Surrey GU1 4HA

Company Number

3584320

As the managing agent for a relatively new Lloyd's syndicate, Syndicate 2468, the results for the year-ended 31 December 2000 for the Company are in line with the Board's expectations after two years' trading and show a modest improvement over the loss reported last year.

While rates showed signs of improvement throughout 2000, and while, in certain territories, there were some significant withdrawals of competing underwriting capacity, this situation has been far from universal. In some areas where it has occurred it has still only returned the marketplace to where it was four to five years ago.

The underwriting philosophy of Syndicate 2468 continues to be to target less price sensitive areas of non-US liability business, thereby maximizing on the syndicate's ability to offer responsive solutions and product differentiation to our clients.

Provision of the highest possible level of service in respect of not only underwriting, but also claims, risk management and, indeed, all aspects of service to our brokers and clients is also an integral part of our philosophy and we are committed to adhering to, or improving upon, the level of reforms set out in the LMP2001 programme.

We are grateful for the continuing strong support for the syndicate from not only the Lloyd's broking community but also from their producing brokers and clients. This is again due to the professionalism and commitment of Simon Lotter and, indeed, all the syndicate staff to whom I would like to express my deepest thanks.

Looking forward to 2001, it seems likely that the decreasing capacity in certain markets will offer us opportunities upon which the syndicate can capitalize and as high-rated capacity shrinks in some areas and rates return to what we believe to be sustainable levels, we will seek to capitalize on our respected position in both the UK and international marketplaces.



H. J. C. Bellingham

Chairman

26 March 2001

MARKETFORM MANAGING AGENCY LIMITED REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report together with the Accounts for the year ended 31 December 2000.

Activity

The Company is the Managing Agent of Lloyd's Syndicate 2468.

Results and Dividends

The loss for the year before taxation amounted to £161,693 (1999 loss - £193,670). The taxation credit was £74,669 (1999 - £98,139 credit), leaving a loss for the year of £87,024 (1999 loss - £95,531).

The Directors do not recommend the payment of a dividend (1999 - £ Nil).

Review of the Business and Future Developments

This is dealt with in the Chairman's Statement on page 3.

Directors and Directors' Interests in Shares

The current Directors of the Company are shown on page 2. The following served as Directors during the year under review :

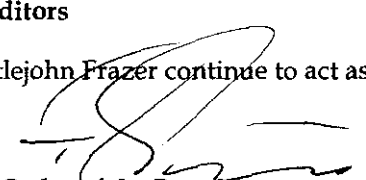
H J C Bellingham	
A A Barwick	
A G Bishop	
P J Cooper	
R A G Jackson	
B P D Kellett	
S P Lotter	
S G Turner	(appointed on 18 October 2000)
J W Young	(resigned 31 March 2000)
I G Sinclair	(resigned 30 January 2001)

According to the Register of Directors' Interests, none of the Directors in office at 31 December 2000, had a beneficial interest in the shares of the Company.

The beneficial interests of the Directors in the share capital of the holding company, Marketform Holdings Limited, are set out in the Directors' Report of that company.

Auditors

Littlejohn Frazer continue to act as the auditors of the Company .



By Order of the Board

T R Smith FCIS

Company Secretary

26 March 2001

To the Members of Marketform Managing Agency Limited

We have audited the Accounts on pages 6 to 11 which have been prepared under the Accounting Policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 8 the Company's Directors are responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit, on those Accounts and to report our opinion to you.

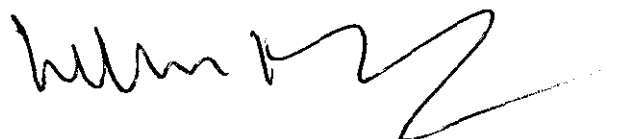
Basis of Opinion

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 Accounts. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Accounts, 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 Accounts 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 Accounts.

Opinion

In our opinion the Accounts give a true and fair view of the state of the Company's affairs as at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Littlejohn Frazer

Chartered Accountants
and Registered Auditors

9 April 2001

1 Park Place
Canary Wharf
London E14 4HJ

MARKETFORM MANAGING AGENCY LIMITED**PROFIT AND LOSS ACCOUNT**
Year ended 31 December 2000

	Note	2000	1999
Turnover		150,000	150,000
Administrative expenses		(344,983)	(359,072)
		<hr/>	<hr/>
Operating Loss	1	(194,983)	(209,072)
Interest receivable		33,122	15,402
Other operating income		168	-
		<hr/>	<hr/>
Loss on Ordinary Activities before Taxation		(161,693)	(193,670)
Taxation on loss on ordinary activities	3	74,669	98,139
		<hr/>	<hr/>
Loss for the financial year		(87,024)	(95,531)
Retained (loss)/profit brought forward		(93,782)	1,749
		<hr/>	<hr/>
Retained Loss carried forward		£(180,806)	£(93,782)
		<hr/>	<hr/>

All amounts relate to continuing activities.

The Company had no recognised gains or losses other than the loss on ordinary activities stated above.

The Accounting Policies and Notes on pages 8 to 11 form part of these Accounts.

MARKETFORM MANAGING AGENCY LIMITED

BALANCE SHEET
At 31 December 2000

	Note	2000	1999
Tangible Assets	4	206,050	263,216
Current Assets			
Debtors	5	195,375	229,074
Cash at bank and in hand		757,842	635,071
		<u>953,217</u>	<u>864,145</u>
Creditors: due within one year	6	665,073	671,143
		<u>288,144</u>	<u>193,002</u>
Net Current Assets			
Total Assets less Current Liabilities		494,194	456,218
Creditors: amounts due after more than one year	7	175,000	50,000
		<u>£319,194</u>	<u>£406,218</u>
Capital and Reserves			
Called up share capital - equity	8	500,000	500,000
Profit and Loss Account	9	(180,806)	(93,782)
		<u>£319,194</u>	<u>£406,218</u>

Approved by the Board on 26 March 2001

Holly J.C. Bellingham

H J C Bellingham

P J Cooper

P J Cooper

)
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) Directors
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The Accounting Policies and Notes on pages 8 to 11 form part of these Accounts.

Statement of Directors' Responsibilities

Company law requires the Directors to prepare Accounts for each financial year which 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 year. In preparing those Accounts the Directors are required to:

- select suitable Accounting Policies and then apply them consistently;
- 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 Accounts;
- prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for maintaining 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 Accounts 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. The Accounting Policies selected are set out below.

Accounting Policies

Basis of Accounting

The Accounts are prepared under the historical cost basis of accounting and comply with applicable Accounting Standards.

Turnover

Turnover represents management fees receivable from Lloyd's Syndicate 2468.

Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life.

Computer systems and office equipment - 25% per annum

Deferred Taxation

Deferred Taxation is provided at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the Accounts. Provision is made to the extent that it is likely that the liability or asset will crystallise in the foreseeable future.

Pension Contributions

The Group operates a defined contribution pension scheme for its senior employees. The funds of the scheme are administered by Trustees and are separate from the Group. Contributions are paid by a fellow group undertaking and employees. The pension charge represents contributions payable by the fellow group undertaking and recharged to the Company.

1. Operating Loss

2000

1999

This is stated after charging:

Depreciation	£ 97,929	£ 87,738
Depreciation recharged to Lloyd's Syndicate 2468	£ (97,929)	£ (87,738)
Auditors' remuneration - audit	£ 4,600	£ 2,500
- other services	£ -	£ 100,285
	<u> </u>	<u> </u>

2. Employees

All employees costs are incurred by a fellow subsidiary undertaking. These salary costs are thus allocated to various group undertakings to reflect the time employees spend on that company's affairs. The total amounts allocated to this company are as follows:

Staff Costs (including Directors)

Wages and salaries	182,169	208,306
Social security costs	18,471	18,043
Other pension costs	19,936	12,485
	<u> </u>	<u> </u>
	£220,576	£238,834
	<u> </u>	<u> </u>

Directors' Emoluments

Aggregate emoluments	89,053	72,915
Pension contributions to money purchase scheme	6,538	4,203
	<u> </u>	<u> </u>
	£95,591	£77,118
	<u> </u>	<u> </u>

3. Taxation

Based on the result for the year:

UK Corporation Tax	-	-
Group Relief receivable	74,669	98,139
	<u> </u>	<u> </u>
	£74,669	£98,139
	<u> </u>	<u> </u>

4. Fixed Assets

	Computer systems and office equipment	Total
Cost		
At 1 January 2000	350,954	350,954
Additions	40,763	40,763
	<hr/>	<hr/>
At 31 December 2000	391,717	391,717
	<hr/>	<hr/>
Depreciation		
At 1 January 2000	87,738	87,738
Charge for the year	97,929	97,929
	<hr/>	<hr/>
At 31 December 2000	185,667	185,667
	<hr/>	<hr/>
Net Book Value		
At 31 December 2000	£206,050	£206,050
	<hr/>	<hr/>
At 31 December 1999	£263,216	£263,216
	<hr/>	<hr/>

5. Debtors

	2000	1999
Amounts due from Lloyd's Syndicate 2468	112,306	116,510
Other debtors	-	9,297
Prepayments	8,400	5,128
Group Relief receivable	74,669	98,139
	<hr/>	<hr/>
	£195,375	£229,074
	<hr/>	<hr/>

6. Creditors: amounts falling due within one year

Amounts owed to group undertakings	641,166	666,143
Corporation Tax	500	500
Accruals and deferred income	23,407	4,500
	<hr/>	<hr/>
	£665,073	£671,143
	<hr/>	<hr/>

7. Creditors: amounts falling due after one year

Amounts owed to group undertakings	£175,000	£50,000
	<hr/>	<hr/>

8. Called-up Share Capital	2000	1999	2000	1999
			Allotted, called-up and fully paid	
	Authorised			
Ordinary shares of £1 each	£500,000	£500,000	£500,000	£500,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

9. Reconciliation of Shareholders' Funds

	2000	1999
Loss for the financial year	(87,024)	(95,531)
Opening shareholders' funds	406,218	501,749
	<u> </u>	<u> </u>
Closing shareholders' funds	£319,194	£406,218
	<u> </u>	<u> </u>

10. Parent Undertaking

The Group parent undertaking is Marketform Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales. Group accounts are drawn up by Marketform Holdings Limited, copies of which are available from its registered office, 40 Lime Street, London, EC3M 5EA.

11. Pension Scheme

The Group operates a money purchase pension scheme for the benefit of the employees. The assets of the scheme are administered by Trustees in a fund independent from those of the Group.

The total contributions paid in the year and charged to this Company amounted to £19,936 (1999 - £12,485). No contributions were outstanding at 31 December 2000 (1999 - £Nil).

12. Related Party Transactions

The Company has taken advantage of the exemption, permitted by Financial Reporting Standards No.8 ("FRS8"), from the requirement to disclose related party transactions with the parent company, Marketform Holdings Limited, and any of its fellow subsidiary undertakings.

During the year, the Company incurred approximately £1,591,000 of expenses which were recharged to its managed Lloyd's Syndicate 2468.

The Company received management fees during the year of £150,000 from Lloyd's Syndicate 2468.

The Directors are satisfied that there are no other material related party transactions requiring disclosure under FRS8.