

Company registration number (England and Wales): 3639955

REGISTRAR OF
COMPANIES

RUDYCO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008



RUDYCO LIMITED

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RUDYCO LIMITED

COMPANY INFORMATION

COMPANY PERSONNEL

		Appointed	Died
Directors	I C Agnew		13 Mar 2009
	J P Marland		
	C A A Harbord-Hamond		
	J R V Brandon	13 Oct 2008	
	R C W Odey	9 Jun 2009	
	R F M Adair	9 Jun 2009	
Company Secretary	A S Fox		

COMPANY ADDRESSES

Registered office Unit C25 Jacks Place
6 Corbet Place
London
E1 6NN

Auditors Humphrey & Co
7 - 9 The Avenue
Eastbourne
East Sussex
BN21 3YA

RUDYCO LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2008

The directors have pleasure in presenting their report together with the financial statements for the year ended 31 December 2008.

I C Agnew

The directors wish to record with great sadness the death of Ian Agnew in March 2009 and their appreciation of his contribution to the ICP Holdings group of companies.

Results and dividends

The profit for the year after taxation was £27,240 (2007 profit £145,320). Interim dividends of £170,000 (2007: £10,655) were paid during the year. The directors do not recommend the payment of a final dividend.

Principal activities and review of the business

The principal activity of the Company in the year under review was that of a corporate underwriting member of Lloyd's. The Company commenced underwriting with effect from 1 January 1999 and ceased with effect from 31 December 2007.

The result for the year is in respect of the 2008 annual accounting year, which consists of movements in the 2006 and 2007 years of account as well as any 2005 and prior run-off years. Gross premiums written decreased to £65,669 compared to the previous year's figure of £777,301 and the overall balance on the technical account decreased from £176,651 to £159,132 as a result of the level of claims experienced. The company's capital and reserves at the year end was £50,978 (2007 £193,738).

On 15 May 2007 ICP Holdings Ltd purchased all the shares in Rudyco Ltd. Under the terms of the sale and purchase agreement the original shareholders retained the economic benefit of the 2006 and prior years of account net of tax and of the syndicate capacity.

The key business risks and uncertainties affecting the company are considered to relate to insurance risk, investment and currency risk and regulatory risk.

Directors

The directors who have held office since 1 January 2008 are:

I C Agnew (died 13 March 2009)

J P Marland

C A A Harbord-Hamond

J R V Brandon (appointed 13 October 2008)

R C W Odey (appointed 9 June 2009)

R F M Adair (appointed 9 June 2009)

Auditors

Messrs. Humphrey & Co, having signified their willingness to continue in office, will be proposed for re-appointment in accordance with section 386 of the Companies Act 1985.

The current directors who held office at the date of approval of this directors report have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant financial information of which the auditors are unaware.

Approved by the Board on 20th Sept 2009 and signed on its behalf by:



C A A Harbord-Hamond

Director

RUDYCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 DECEMBER 2008

Company law requires the directors to prepare financial statements 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 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 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.

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.

The directors 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.

RUDYCO LIMITED

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF RUDYCO LIMITED

We have audited the financial statements of Rudyco Limited on pages 5 to 22 for the year ended 31 December 2008. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 3 the company's directors are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

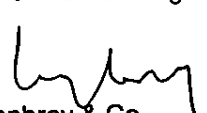
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985;
- the information given in the directors report is consistent with the financial statements.


Humphrey & Co
Chartered Accountants
Registered Auditors

7-9 The Avenue
Eastbourne
East Sussex
BN21 3YA

6 October 2009

RUDYCO LIMITED**PROFIT AND LOSS ACCOUNT - TECHNICAL ACCOUNT (GENERAL BUSINESS)
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
Gross premiums written	2	65,669	777,301
Outward reinsurance premiums		(12,001)	(122,412)
Net premiums written		53,668	654,889
Change in the provision for unearned premiums			
Gross provision		296,456	4,863
Reinsurers' share		(27,753)	(2,664)
Net change in the provision for unearned premiums		268,703	2,199
Earned premiums net of reinsurance		322,371	657,088
Allocated investment income	4	27,580	64,162
Claims paid			
Gross amount		(372,225)	(429,158)
Reinsurers' share		63,378	113,956
Net claims paid		(308,847)	(315,202)
Change in provision for claims			
Gross amount		190,137	83,352
Reinsurers' share		(35,398)	(85,018)
Net change in provision for claims		154,739	(1,666)
Claims incurred net of reinsurance		(154,108)	(316,868)
Net operating expenses	5	(35,482)	(226,445)
Investment expenses and charges		(1,229)	(1,286)
Balance on technical account for general business		159,132	176,651

RUDYCO LIMITED

PROFIT AND LOSS ACCOUNT - NON TECHNICAL ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	2008 £	2007 £
Balance on the general business technical account		159,132	176,651
Investment income	6	17,289	11,876
Other income	7	2,776	31,213
Other charges		(108,554)	(41,830)
Profit on ordinary activities before taxation	8	70,643	177,910
Tax on profit on ordinary activities	17	(43,403)	(32,590)
Profit for the financial year		27,240	145,320

The company has no recognised gains or losses other than the profit for the financial years stated above.

All amounts above relate to discontinued operations as the company has ceased to underwrite.

RUDYCO LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

ASSETS	Note	Syndicate Assets £	Corporate £	2008 Total £	2007 Total £
Intangible assets					
Syndicate participation rights	9	-	-	-	-
Investments					
Financial investments	10	1,036,981	-	1,036,981	1,026,895
Deposits with ceding undertakings		810	-	810	1,127
Total investments		1,037,791	-	1,037,791	1,028,022
Reinsurers' share of technical provisions					
Provision for unearned premiums		2,739	-	2,739	29,673
Claims outstanding		203,263	-	203,263	191,207
Other technical provisions		56,733	-	56,733	62,286
Total reinsurers' share of technical provisions		262,735	-	262,735	283,166
Debtors					
Arising out of direct insurance operations	11				
Policyholders		7	-	7	1,313
Intermediaries		69,933	-	69,933	139,438
Arising out of reinsurance operations	11	27,615	-	27,615	49,890
Other debtors	12	159,981	304,721	464,702	459,147
Total debtors		257,536	304,721	562,257	649,788
Other assets					
Cash at bank	13	156,636	162,819	319,455	557,313
Other		622	-	622	527
Total other assets		157,258	162,819	320,077	557,840
Prepayments and accrued income					
Accrued interest		5,218	-	5,218	6,359
Deferred acquisition costs		9,936	-	9,936	76,774
Other prepayments and accrued income		1,409	2,000	3,409	3,534
Total prepayments and accrued income		16,563	2,000	18,563	86,667
Total assets		1,731,883	469,540	2,201,423	2,605,483

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RUDYCO LIMITED

BALANCE SHEET (continued) AS AT 31 DECEMBER 2008

	Note	Syndicate Liabilities £	Corporate £	2008 Total £	2007 Total £
LIABILITIES					
Capital and reserves					
Called-up share capital	14	-	810	810	810
Share premium account	15	-	-	-	-
Profit and loss account	15	-	50,168	50,168	192,928
Shareholder's funds attributable to equity interests	16	-	50,978	50,978	193,738
Technical provisions					
Provision for unearned premiums		234,275	-	234,275	482,409
Claims outstanding - gross amount		1,305,732	-	1,305,732	1,277,618
Total technical provisions		1,540,007	-	1,540,007	1,760,027
Provisions for other risks and charges					
Provision for taxation	17	-	55,074	55,074	35,294
Deposits received from reinsurers		-	-	-	-
Creditors					
Arising out of direct insurance operations		41,554	-	41,554	61,186
Arising out of reinsurance operations		63,637	-	63,637	78,604
Amounts due to credit institutions		151	-	151	103
Other creditors	18	75,642	354,689	430,331	461,317
Total creditors		180,984	354,689	535,673	601,210
Accruals and deferred income					
Other accruals and deferred income		10,892	8,799	19,691	15,214
Total liabilities		1,731,883	469,540	2,201,423	2,605,483

Approved by the Board on 30/12/09 and signed on its behalf by:



C A A Harbord-Hamond
Director

RUDYCO LIMITED**CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £	2007 £
Net cash inflow from operating activities	19	451	375,538
Returns on investments and servicing of finance			
Interest received		17,289	11,876
Interest paid		(14,135)	(1,700)
Dividends received		-	-
Dividends paid		(170,000)	(10,655)
Net cash outflow from returns on investments and servicing of finance		(166,846)	(479)
Taxation			
UK corporation tax paid		(32,713)	(1,740)
Foreign tax paid		(661)	(84)
Net cash outflow from taxation		(33,374)	(1,824)
Capital expenditure and financial investment			
Purchase of syndicate participation rights		-	17,279
Proceeds from sale of syndicate participation rights		-	-
Purchase of investments		-	-
Proceeds from sale of investments		-	-
Net cash inflow from capital expenditure and financial investment		-	17,279
Net cash (outflow)/inflow before financing		(199,769)	390,514
Financing			
Funds lent to/(withdrawn from) the company by the company's shareholders		-	(112,309)
Net cash inflow/(outflow) from financing		-	(112,309)
(Decrease)/Increase in cash		(199,769)	278,205
Net funds at 1 January		362,588	84,383
(Decrease)/Increase in cash in the year		(199,769)	278,205
Net funds at 31 December		162,819	362,588

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.

RUDYCO LIMITED

NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES FOR THE YEAR ENDED 31 DECEMBER 2008

1 Accounting policies

1.1 Basis of preparation

The Financial Statements have been prepared in accordance with Section 255 and Schedule 9A of the Companies Act 1985 and the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers in 2005. They are prepared under the historical cost basis of accounting modified to include the revaluation of investments, and comply with applicable accounting standards.

Basis of accounting

The technical account has been prepared on an annual basis of accounting, whereby the incurred cost of claims, commission and related expenses are charged against the earned proportion of premiums net of re-insurance. Amounts reported in the technical account relate to movements in the period in respect of all relevant years of account of the Syndicates on which the company participates.

Accounting information in respect of the Syndicate participations has been provided by the Syndicate managing agents through an information exchange facility operated by Lloyd's and has been reported on by the Syndicate auditors.

Assets and liabilities arising as a result of the underwriting activities are mainly controlled by the Syndicates' managing agents and are shown separately on the Balance Sheet as "Syndicate Assets" and "Syndicate Liabilities". The assets are held subject to trust deeds for the benefit of the Syndicates' insurance creditors.

As the Company has ceased to underwrite new business, provision has been made for further administrative costs anticipated to be incurred until all currently open Syndicate years of account have been closed by reinsurance.

General business

i Premiums

Gross premiums are accounted for in the period in which the risk commences, together with adjustments to premiums written in previous accounting periods. Future premiums relating to risks commencing in the period are based upon estimates made by the Syndicates' management. Other adjustments are accounted for as arising.

ii Unearned premiums

Written premium is earned according to the risk profile of the policy. Unearned premiums represent the proportion of premiums written in the year that relate to unexpired terms of policies in force at the balance sheet date, calculated on a time apportionment basis having regard where appropriate, to the incidence of risk. The specific basis adopted by each Syndicate is determined by the relevant managing agent.

iii Deferred acquisition costs

Acquisition costs, which represent commission and other related expenses, are deferred over the period in which the related premiums are earned.

iv Reinsurance premiums

Reinsurance premium costs are allocated by the Managing Agent of each Syndicate to reflect the protection arranged in respect of the business written and earned.

RUDYCO LIMITED

NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

v Claims

Provision is made for the estimated cost of claims outstanding at the end of the year, including those incurred but not reported at that date, and for the related cost of settlement. Claims incurred comprise amounts paid or provided in respect of claims occurring during the current year, together with the amount by which settlement or reassessment of claims from previous years differs from the provision at the beginning of the year.

The claims provision determined by the managing agent will have been based on information that was currently available at the time. However, the ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided and will be reflected in the financial statements for the period in which the adjustment is made.

vi Closed years of account

At the end of the third year, the underwriting account is normally closed by reinsurance into the following year of account. The amount of the reinsurance to close premium payable is determined by the managing agent, generally by estimating the cost of claims notified but not settled at 31 December, together with the estimated cost of claims incurred but not reported at that date, and an estimate of future claims handling costs.

Any subsequent variation in the ultimate liabilities of the closed year of account is borne by the underwriting year into which it is reinsured.

The payment of a reinsurance to close premium does not eliminate the liability of the closed year for outstanding claims. If the reinsuring Syndicate was unable to meet its obligations, and the other elements of Lloyd's chain of security were to fail, then the closed underwriting account would have to settle outstanding claims.

The Directors consider that the likelihood of such a failure of the reinsurance to close is extremely remote, and consequently the reinsurance to close has been deemed to settle the liabilities outstanding at the closure of an underwriting account. The company has included its share of the reinsurance to close premiums payable as technical provisions at the end of the current period, and no further provision is made for any potential variation in the ultimate liability of that year of account.

vii Run-off years of account

Where an underwriting year of account is not closed at the end of the third year (a "run-off" year of account) a provision is made for the estimated cost of all known and unknown outstanding liabilities of that year. The provision is determined initially by the managing agent on a similar basis to the reinsurance to close. However, any subsequent variation in the ultimate liabilities for that year remains with the corporate member participating therein. As a result any run-off year will continue to report movements in its results after the third year until such time as it secures a reinsurance to close.

viii Investments and allocated investment income

In accordance with Lloyd's current accounting practice, investments are stated at market value, including accrued interest at the Balance Sheet date. Investment income is included in the General Business Technical Account reflecting that earned on the investment portfolio managed by the Syndicates. The allocated investment income therefore comprises income received and investment profits and losses arising in the calendar year including appreciation/depreciation and accrued interest consequent upon the revaluation of investments at 31 December. All gains and losses on investments are treated as realised at the Balance Sheet date.

RUDYCO LIMITED

NOTES TO THE ACCOUNTS - ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

ix Basis of currency translation

Syndicates maintain separate funds in Sterling, United States and Canadian dollars, and may also do so in certain other currencies. All transactions where separate currencies are maintained are translated into Sterling at the rates of exchange ruling at the Balance Sheet date. Transactions during the year in other overseas currencies are expressed in Sterling at the rates ruling at the transaction date.

x Debtors/creditors arising from insurance/reinsurance operations

The amounts shown in the Balance Sheet include the totals of all the Syndicates outstanding debit and credit transactions. No account has been taken of any offsets which may be applicable in calculating the net amounts due between the Syndicates and each of their counterparty insureds, reinsurers or intermediaries as appropriate.

xi Distribution of profits and collection of losses

Lloyd's operates a detailed set of regulations regarding solvency and the distribution of profits and payment of losses between Syndicates and their members. Lloyd's continues to require membership of Syndicates to be on an underwriting year of account basis and profits and losses belong to members according to their membership of a year of account. Normally profits and losses are transferred between the Syndicate and members after results for a year of account are finalised after 36 months. This period may be extended if a year of account goes into run-off. The Syndicate may make earlier on account distributions or cash calls according to the cash flow of a particular year of account and subject to Lloyd's requirements.

1.2 Deferred Taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. 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 have not been discounted.

1.3 Intangible assets

Costs incurred by the Company in the Corporation of Lloyd's auctions in order to acquire rights to participate on Syndicates' underwriting years are included within intangible assets and amortised over a 3 year period beginning with the respective year of Syndicate participation.

1.4 Investments

Investments held directly by the company, by trustees of the Premium Trust Fund, or as the Lloyd's Deposit, are stated at market value.

RUDYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

2 Class of business	Gross written premiums £	Gross premiums earned £	Gross claims incurred £	Operating expenses £	Reinsurance balance £
2008					
Direct					
Accident and health	4,456	15,775	(2,498)	(3,125)	82
Motor - third party liability	1,029	1,908	(2,025)	(313)	(14)
Motor - other classes	1,759	30,074	(21,698)	(4,122)	1,921
Marine, aviation and transport	7,148	44,106	(20,737)	(4,013)	(2,060)
Fire and other damage to property	24,338	97,500	(55,109)	(11,246)	(3,660)
Third party liability	19,403	73,026	(41,909)	(8,662)	4,212
Credit and suretyship	1,753	5,882	(1,195)	(854)	(920)
Other	227	1,659	(871)	(288)	(16)
Total direct	60,113	269,930	(146,042)	(32,623)	(455)
Reinsurance business					
Reinsurance balance	5,556	92,195	(36,046)	(2,859)	(11,319)
Total	65,669	362,125	(182,088)	(35,482)	(11,774)
2007	£	£	£	£	£
Direct					
Accident and health	26,512	28,030	(12,930)	(9,274)	(2,233)
Motor - third party liability	3,161	3,977	(1,444)	(1,163)	201
Motor - other classes	57,700	54,422	(37,767)	(15,226)	(1,203)
Marine, aviation and transport	86,447	89,488	(34,919)	(23,310)	(17,709)
Fire and other damage to property	162,633	166,019	(72,700)	(58,317)	(15,841)
Third party liability	128,511	135,728	(69,873)	(42,206)	(8,213)
Credit and suretyship	9,373	9,704	(2,713)	(1,905)	(850)
Other	3,536	3,360	(2,542)	(1,325)	(186)
Total direct	477,873	490,728	(234,888)	(152,726)	(46,034)
Reinsurance business					
Reinsurance balance	299,428	291,436	(110,918)	(73,719)	(50,104)
Total	777,301	782,164	(345,806)	(226,445)	(96,138)

Any open year loss provisions, stop loss premiums and stop loss recoveries have been allocated across the classes of business by reference to the gross premiums written.

RUDYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

3	Geographical analysis	2008 £	2007 £
	Direct gross premiums written in:		
	United Kingdom	65,669	777,301
	Other EU member states	-	-
	The rest of the world	-	-
	Total	65,669	777,301

4	Allocated investment income	2008 £	2007 £
	Investment income	21,023	59,295
	Realised gain on investments	6,557	4,867
	Total	27,580	64,162

5	Net operating expenses	2008 £	2007 £
	Acquisition costs	88,637	148,880
	Administrative expenses	39,466	88,215
	Profit on exchange	(92,621)	(10,650)
	Total	35,482	226,445

RUDYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

6	Investment income	2008 £	2007 £
	Income from other investments (including interest receivable)	17,289	11,876
	Realised gain from other investments	-	-
	Unrealised gain from other investments	-	-
	Total	17,289	11,876

7	Other income	2008 £	2007 £
	Profit on sale of syndicate participation rights	-	16,676
	Other	2,776	14,537
	Total	2,776	31,213

8	Profit on ordinary activities before taxation	2008 £	2007 £
	This is stated after charging:		
	Auditor's remuneration - audit	625	625
	Auditor's remuneration - other	1,655	985
	Amortisation of syndicate capacity	-	432

The company has no employees.

RUDYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

9	Intangible assets	Syndicate Participation Rights £
	Cost	
	At 1 January 2008	-
	Additions	-
	Disposals	-
	At 31 December 2008	-
	Amortisation	
	At 1 January 2008	-
	Charge for the year	-
	Impairment losses	-
	Disposals	-
	At 31 December 2008	-
	Net book value	
	At 31 December 2008	-
	At 31 December 2007	-

10	Investments: Financial investments	Syndicate £	Corporate £	2008 Total £	2007 Total £
	<i>At market value</i>				
	Shares and other variable yield securities	111,149	-	111,149	81,787
	Debt securities and other fixed income securities	887,253	-	887,253	889,833
	Participation in investment pools	17,896	-	17,896	11,033
	Loans guaranteed by mortgage	2,295	-	2,295	-
	Other loans	3,459	-	3,459	8,652
	Deposits with credit institutions	12,069	-	12,069	33,889
	Other	2,860	-	2,860	1,701
	Total	1,036,981	-	1,036,981	1,026,895

The corporate investments held include £Nil (2007: £Nil) at market value in respect of Lloyd's deposits that are held in accordance with the constraints detailed in note 20.

RUDYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

10 Investments: Financial investments (continued)

	Syndicate	Corporate	2008 Total	2007 Total
	£	£	£	£
<i>At cost</i>				
Shares and other variable yield securities	122,010	-	122,010	69,855
Debt securities and other fixed income securities	896,564	-	896,564	864,905
Participation in investment pools	19,585	-	19,585	8,213
Loans guaranteed by mortgage	2,896	-	2,896	-
Other loans	3,455	-	3,455	8,622
Deposits with credit institutions	12,069	-	12,069	33,753
Other	2,844	-	2,844	1,699
Total	1,059,423	-	1,059,423	987,047

11 Debtors arising out of direct insurance and reinsurance operations

	Syndicate	Corporate	2008 Total	2007 Total
	£	£	£	£
The following amounts are due after one year:				
Direct insurance operations	74,795	-	74,795	74,007
Reinsurance operations	1,565	-	1,565	1,022
Total	76,360	-	76,360	75,029

12 Other debtors

	Syndicate	Corporate	2008 Total	2007 Total
	£	£	£	£
Deferred tax	-	-	-	-
Other	159,981	304,721	464,702	459,147
Total	159,981	304,721	464,702	459,147

Corporate other debtors includes £92,810 (2007: £139,620) due to the company after more than one year.
Syndicate other debtors includes £3,323 (2007: £Nil) due to the company after more than one year.

13 Cash at bank

	Syndicate	Corporate	2008 Total	2007 Total
	£	£	£	£
Lloyd's deposit	75,483	162,816	238,299	483,975
Cash at bank and in hand	81,153	3	81,156	73,338
Total	156,636	162,819	319,455	557,313

Any Lloyd's deposit is held in accordance with the constraints detailed in note 20.

RUDYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

14	Share capital	2008 £	2007 £
	<i>Authorised</i>		
	100,000 Ordinary shares of £1.00 each	100,000	100,000
	<i>Allotted, called up and fully paid</i>		
	810 Ordinary shares of £1.00 each	810	810
15	Statement of movements on reserves	Share premium account £	Profit and loss account £
	At 1 January 2008	-	192,928
	Profit during the year	-	27,240
	Dividends	-	(170,000)
	At 31 December 2008	-	50,168
16	Reconciliation of movements in shareholders' funds	2008 £	2007 £
	Retained (loss)/profit for the financial year	(142,760)	134,665
	Proceeds from the issue of shares	-	-
	Net (depletion in)/addition to shareholders' funds	(142,760)	134,665
	Opening shareholders' funds	193,738	59,073
	Closing shareholders' funds	50,978	193,738
17	Taxation	2008 £	2007 £
	<i>Analysis of charge in year</i>		
	<i>Current tax</i>		
	UK Corporation Tax on profits of the year	-	9,751
	Adjustments in respect of prior years	22,962	(739)
	Foreign tax	661	84
	Total current tax	23,623	9,096

RUDYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

17 Taxation (continued)	2008 £	2007 £
<i>Analysis of charge in year</i>		
<i>Deferred tax</i>		
Origination and reversal of timing differences	22,769	20,068
Changes in tax rates	(353)	3,426
Adjustment to the estimated recoverable amounts of deferred tax assets arising in prior years	-	-
Other items	(2,636)	-
Total deferred tax	19,780	23,494
 Tax on profit on ordinary activities	 43,403	 32,590

Factors affecting tax charge for the year

The tax assessed for the year is higher (2007 - lower) than the standard rate of Corporation Tax in the UK of 28.50% (2007 - 30.00%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before taxation	70,643	177,910
 Profit on ordinary activities before taxation multiplied by the standard rate of Corporation Tax in the UK of 28.50% (2007 - 30.00%).	 20,133	 53,373
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	-
Timing differences arising from the taxation of the underwriting results	(22,769)	(15,713)
Timing differences arising from the taxation of syndicate participation movements	-	(4,355)
Tax losses carried forward	2,636	-
Adjustments to tax charge in respect of prior periods	22,962	(739)
Other adjustments	661	(23,470)
Current tax charge for the year	23,623	9,096

Factors that may affect future tax charges

The company has trading losses of £8,615 (2007 - £Nil) available for carry forward against future trading profits.

RUDYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

17 Taxation (continued)	2008 £	2007 £
<i>Provision for deferred tax</i>		
At 1 January 2008	35,294	-
Charge to the profit and loss account	19,780	35,294
Released or utilised in the year	-	-
At 31 December 2008	55,074	35,294

Full provision has been made for all timing differences apart from the recovery of taxation losses against future trading profits, which cannot be prudently anticipated at this time.

The deferred tax asset not provided for in respect of Corporation Tax losses, and deferred tax losses not yet assessable to Corporation Tax, amounted to £Nil (2007 - £Nil).

18 Other creditors	Syndicate £	Corporate £	2008 £	2007 £
Other creditors	75,642	354,689	430,331	451,566
Social security costs	-	-	-	-
Corporation tax	-	-	-	9,751
Shareholders' loan account	-	-	-	-
	75,642	354,689	430,331	461,317

Other creditors include £246,407 (2007 - £275,203) that are due to other group companies.

19 Reconciliation of operating profit before interest to net cash inflow from operating activities

	2008 £	2007 £
Operating profit before interest	67,489	167,734
Current year result not distributable in year	(159,132)	(176,651)
Prior year result distributable in year	18,617	91,929
Loss/(Profit) on sale of syndicate participation rights	-	(16,676)
Increase in creditors	33,710	274,367
Decrease in debtors	39,767	34,403
Amortisation and impairment of syndicate participation rights	-	432
Net cash inflow from operating activities	451	375,538

RUDYCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

20 Fund's at Lloyd's

Cash balances of £162,816 (2007: £359,582) detailed in note 13 and investments of £Nil (2007: £Nil) detailed in note 10 are held within the company's Lloyd's deposit.

The Lloyd's deposit represents funds deposited with the Corporation of Lloyd's (Lloyd's) to support the company's underwriting activities as described in the accounting policies. The company has entered into a legal agreement with Lloyd's which gives the Corporation the right to apply these funds in settlement of any claims arising from the company's participation on Lloyd's Syndicates. These funds can only be released from the provision of this deed with Lloyd's express permission and only in circumstances where the amounts are either replaced by an equivalent asset or after the expiration of the company's liabilities in respect of its underwriting.

In addition to these amounts, the shareholders of the company have also made available to Lloyd's assets amounting to approximately £Nil (2007: £Nil) which are also used by the company to support its Lloyd's underwriting.

21 Related party transactions

The company was a wholly owned subsidiary company of ICP Holdings Ltd throughout the year.

The Company has taken advantage of the exemptions in FRS 8: Related Parties not to disclose transactions or balances with other Group entities which qualify as related parties.

The directors consider the ultimate controlling party to be ICP Holdings Limited, a company incorporated in England and Wales. ICP Holdings Limited prepares group consolidated accounts incorporating the results of this company and copies can be obtained from ICP Holdings Limited, Unit C25 Jacks Place, 6 Corbet Place, London, E1 6NN.

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NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2008

22 Syndicates

The company is or was an Underwriting Member of the following Syndicate(s) or MAPA's:

Syn. No.	Managing agent	2009 Allocated Capacity	2008 Allocated Capacity	2007 Allocated Capacity	2006 Allocated Capacity *
0033	Hiscox Syndicates Limited	-	-	91,637	87,236
0218	Cox Syndicate Management Limited	-	-	45,088	42,941
0386	Limit Underwriting Limited	-	-	35,917	35,917
0510	R J Kiln & Co Limited	-	-	105,266	89,543
0557	R J Kiln & Co Limited	-	-	36,542	16,671
0570	Atrium Underwriters Limited	-	-	58,777	70,535
0609	Atrium Underwriters Limited	-	-	62,818	62,818
0727	S A Meacock & Co Limited	-	-	43,592	43,592
0780	Advent Underwriting Limited	-	-	55,518	55,518
0958	Omega Underwriting Agents Limited	-	-	88,800	88,800
2020	Wellington Underwriting Agencies Limited	-	-	-	95,999
2525	Abacus Syndicates Limited	-	-	18,248	21,723
2791	Managing Agency Partners Limited	-	-	65,685	57,112
6101	Argenta Syndicate Management	-	-	101,998	-
6103	Managing Agency Partners Limited	-	-	20,248	-
<i>* shading denotes year of account in run-off</i>		-	-	£ 830,134	£ 768,405

In addition the company is still participating on the following syndicates or MAPA's in run-off:

Syn. No.	Managing agent	Year of Account	Allocated Capacity
0340	St Paul Travelers Syndicate	2001	21,202
0340	St Paul Travelers Syndicate	2000	23,852