

Company registration number (England and Wales): 3641384

REGISTRAR OF
COMPANIES

FERRAVAL LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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FERRAVALÉ LIMITED

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FERRAVALLE LIMITED

COMPANY INFORMATION

COMPANY PERSONNEL

Directors Viscount Raymond Asquith
 Nomina PLC

Company Secretary Hampden Legal Plc

COMPANY ADDRESSES

Registered office c/o Nomina Plc
 85 Gracechurch Street
 London
 EC3V 0AA

Member's agent Hampden Private Capital Limited
 85 Gracechurch Street
 London
 EC3V 0AA

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

Solicitors Morton Fraser
 30-31 Queen Street
 Edinburgh
 EH2 1JX

FERRAVALLE 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.

Results and dividends

The profit for the year after taxation was £146,836 (2007 profit £191,800). 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.

The result for the year is in respect of the 2008 annual accounting year, which consists of movements in the 2006, 2007 and 2008 years of account as well as any 2005 and prior run-off years. Gross premiums written increased to £1,131,294 compared to the previous year's figure of £1,118,756 but the overall balance on the technical account decreased from £228,176 to £207,446 as a result of the level of claims experienced.

The company's reserves continue to improve and the total of capital and reserves at the year end was £254,043.

The company has continued to underwrite on the 2009 underwriting account where the market conditions are considered favourable for a profitable outcome subject to the level of claims experienced.

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

Directors and directors' interests

The directors who held office at any time during the year are listed below:

Viscount Raymond Asquith

Nomina PLC

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.

All of the current directors 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 24.8. 2009 and signed on its behalf by:



Viscount Raymond Asquith

Director

FERRAVALÉ 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.

FERRAVALLE LIMITED

INDEPENDENT AUDITORS REPORT

TO THE SHAREHOLDERS OF FERRAVALLE LIMITED

We have audited the financial statements of Ferravale 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

11 September 2009

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

	Note	2008 £	2007 £
Gross premiums written	2	1,131,294	1,118,756
Outward reinsurance premiums		(184,116)	(178,172)
Net premiums written		947,178	940,584
Change in the provision for unearned premiums			
Gross provision		9,739	7,445
Reinsurers' share		4,690	(4,013)
Net change in the provision for unearned premiums		14,429	3,432
Earned premiums net of reinsurance		961,607	944,016
Allocated investment income	4	53,018	89,741
Claims paid			
Gross amount		(644,651)	(613,141)
Reinsurers' share		112,483	159,698
Net claims paid		(532,168)	(453,443)
Change in provision for claims			
Gross amount		(107,801)	86,545
Reinsurers' share		33,835	(118,600)
Net change in provision for claims		(73,966)	(32,055)
Claims incurred net of reinsurance		(606,134)	(485,498)
Net operating expenses	5	(199,384)	(318,447)
Investment expenses and charges		(1,661)	(1,636)
Balance on technical account for general business		207,446	228,176

FERRAVALLE 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		207,446	228,176
Investment income	6	8,186	7,226
Other income	7	2,000	-
Other charges		(36,789)	(24,589)
Profit on ordinary activities before taxation	8	180,843	210,813
Tax on profit on ordinary activities	17	(34,007)	(19,013)
Profit for the financial year		146,836	191,800

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

All amounts above relate to continuing operations.

FERRAVALLE LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2008

ASSETS	Note	Syndicate Assets £	Corporate £	2008 Total £	2007 Total £
Intangible assets					
Syndicate participation rights	9	-	6,653	6,653	37
Investments					
Financial investments	10	1,635,989	-	1,635,989	1,463,106
Deposits with ceding undertakings		862	-	862	1,124
Total investments		1,636,851	-	1,636,851	1,464,230
Reinsurers' share of technical provisions					
Provision for unearned premiums		51,442	-	51,442	41,659
Claims outstanding		344,584	-	344,584	278,952
Other technical provisions		126,988	-	126,988	86,860
Total reinsurers' share of technical provisions		523,014	-	523,014	407,471
Debtors					
Arising out of direct insurance operations	11				
Policyholders		3,417	-	3,417	2,841
Intermediaries		288,453	-	288,453	223,270
Arising out of reinsurance operations	11	56,260	-	56,260	52,201
Other debtors	12	420,558	392,844	813,402	565,727
Total debtors		768,688	392,844	1,161,532	844,039
Other assets					
Cash at bank	13	323,325	227,809	551,134	369,213
Other		1,148	-	1,148	1,229
Total other assets		324,473	227,809	552,282	370,442
Prepayments and accrued income					
Accrued interest		8,445	-	8,445	10,296
Deferred acquisition costs		120,003	-	120,003	108,415
Other prepayments and accrued income		5,042	-	5,042	2,973
Total prepayments and accrued income		133,490	-	133,490	121,684
Total assets		3,386,516	627,306	4,013,822	3,207,903

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FERRAVALLE 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	-	500	500	500
Share premium account	15	-	-	-	-
Profit and loss account	15	-	253,543	253,543	106,707
Shareholder's funds attributable to equity interests	16	-	254,043	254,043	107,207
Technical provisions					
Provision for unearned premiums		782,066	-	782,066	688,370
Claims outstanding - gross amount		2,255,959	-	2,255,959	1,803,295
Total technical provisions		3,038,025	-	3,038,025	2,491,665
Provisions for other risks and charges					
Provision for taxation	17	-	53,020	53,020	19,013
Deposits received from reinsurers		-	-	-	-
Creditors					
Arising out of direct insurance operations		72,868	-	72,868	76,864
Arising out of reinsurance operations		148,424	-	148,424	99,728
Amounts due to credit institutions		332	-	332	226
Other creditors	18	111,592	320,243	431,835	402,426
Total creditors		333,216	320,243	653,459	579,244
Accruals and deferred income					
Other accruals and deferred income		15,275	-	15,275	10,774
Total liabilities		3,386,516	627,306	4,013,822	3,207,903

Approved by the Board on **24.8.** 2009 and signed on its behalf by:



Viscount Raymond Asquith
Director

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

	Note	2008 £	2007 £
Net cash inflow from operating activities	19	128,472	166,197
Returns on investments and servicing of finance			
Interest received		8,186	7,226
Dividends received		-	-
Net cash inflow from returns on investments and servicing of finance		8,186	7,226
Taxation			
UK corporation tax paid		-	(111)
Foreign tax paid		(169)	-
Net cash outflow from taxation		(169)	(111)
Capital expenditure and financial investment			
Purchase of syndicate participation rights		(6,653)	-
Proceeds from sale of syndicate participation rights		-	-
Purchase of investments		-	-
Proceeds from sale of investments		-	-
Net cash (outflow)/inflow from capital expenditure and financial investment		(6,653)	-
Net cash inflow before financing		129,836	173,312
Financing			
Funds withdrawn from the company by the company's shareholders		(24,005)	(98,565)
Net cash outflow from financing		(24,005)	(98,565)
Increase in cash		105,831	74,747
Net funds at 1 January		121,978	47,231
Increase in cash in the year		105,831	74,747
Net funds at 31 December		227,809	121,978

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.

FERRAVALLE 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.

In continuing to apply the going concern basis to this Company's Financial Statements the following factors have been taken into account: the likely timing of any underwriting and non-underwriting cash flows, any Funds at Lloyd's supporting the Company's underwriting and not reflected in the Company's Balance Sheet and the continued support of the Directors and Shareholders including the potential deferral of balances due to them.

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.

FERRAVALLE 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.

FERRAVALLE 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.

FERRAVALLE 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	33,452	33,589	(11,799)	(11,646)	(652)
Motor - third party liability	2,947	3,616	(2,858)	(936)	(48)
Motor - other classes	106,665	113,410	(84,316)	(26,942)	1,202
Marine, aviation and transport	89,722	92,015	(81,667)	(16,279)	7,602
Fire and other damage to property	226,070	229,116	(159,126)	(51,191)	(7,158)
Third party liability	220,431	224,189	(144,640)	(41,296)	2,912
Credit and suretyship	14,422	13,809	(4,196)	(3,556)	(1,949)
Other	6,804	6,125	(2,701)	(2,060)	(63)
Total direct	700,513	715,869	(491,303)	(153,906)	1,846
Reinsurance business					
Reinsurance balance	430,781	425,164	(261,149)	(45,478)	(34,954)
Total	1,131,294	1,141,033	(752,452)	(199,384)	(33,108)
2007					
Direct					
Accident and health	32,191	34,140	(15,862)	(11,592)	(2,457)
Motor - third party liability	3,628	4,357	(1,696)	(1,242)	44
Motor - other classes	116,457	109,715	(77,095)	(30,042)	(3,015)
Marine, aviation and transport	85,636	90,628	(35,967)	(24,598)	(15,899)
Fire and other damage to property	227,281	234,433	(102,567)	(80,434)	(26,084)
Third party liability	233,959	242,964	(133,540)	(67,449)	(17,196)
Credit and suretyship	11,850	12,915	(2,579)	(2,597)	(2,394)
Other	6,149	5,885	(7,534)	(2,372)	(319)
Total direct	717,151	735,037	(376,840)	(220,326)	(67,320)
Reinsurance business					
Reinsurance balance	401,605	391,164	(149,756)	(98,121)	(73,767)
Total	1,118,756	1,126,201	(526,596)	(318,447)	(141,087)

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.

FERRAVALLE 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	1,131,294	1,118,756
	Other EU member states	-	-
	The rest of the world	-	-
	Total	1,131,294	1,118,756

4	Allocated investment income	2008 £	2007 £
	Investment income	38,850	81,194
	Realised gain on investments	14,168	8,547
	Total	53,018	89,741

5	Net operating expenses	2008 £	2007 £
	Acquisition costs	247,322	209,550
	Administrative expenses	101,127	126,232
	Profit on exchange	(149,065)	(17,335)
	Total	199,384	318,447

FERRAVALLE 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)	8,186	7,226
	Realised gain from other investments	-	-
	Unrealised gain from other investments	-	-
	Total	8,186	7,226

7	Other income	2008 £	2007 £
	Profit on sale of syndicate participation rights	-	-
	Other	2,000	-
	Total	2,000	-

8	Profit on ordinary activities before taxation	2008 £	2007 £
	This is stated after charging:		
	Auditor's remuneration - audit	625	625
	Auditor's remuneration - other	965	985
	Amortisation of syndicate capacity	37	5,395

The company has no employees.

FERRAVAL 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	55,718
	Additions	6,653
	Disposals	-
	At 31 December 2008	62,371
	Amortisation	
	At 1 January 2008	55,681
	Charge for the year	37
	Impairment losses	-
	Disposals	-
	At 31 December 2008	55,718
	Net book value	
	At 31 December 2008	6,653
	At 31 December 2007	37

10	Investments: Financial investments	Syndicate £	Corporate £	2008 Total £	2007 Total £
	<i>At market value</i>				
	Shares and other variable yield securities	158,216	-	158,216	134,782
	Debt securities and other fixed income securities	1,419,186	-	1,419,186	1,233,655
	Participation in investment pools	29,947	-	29,947	17,475
	Loans guaranteed by mortgage	1,476	-	1,476	944
	Other loans	4,195	-	4,195	9,722
	Deposits with credit institutions	19,096	-	19,096	61,483
	Other	3,873	-	3,873	5,045
	Total	1,635,989	-	1,635,989	1,463,106

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.

FERRAVALLE 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	172,422	-	172,422	124,137
Debt securities and other fixed income securities	1,431,814	-	1,431,814	1,198,931
Participation in investment pools	31,976	-	31,976	14,179
Loans guaranteed by mortgage	1,903	-	1,903	934
Other loans	4,189	-	4,189	9,690
Deposits with credit institutions	19,096	-	19,096	61,288
Other	3,807	-	3,807	5,045
Total	1,665,207	-	1,665,207	1,414,204

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	206,765	-	206,765	86,727
Reinsurance operations	1,548	-	1,548	91
Total	208,313	-	208,313	86,818

12 Other debtors

	Syndicate	Corporate	2008 Total	2007 Total
	£	£	£	£
Deferred tax	-	-	-	-
Other	420,558	392,844	813,402	565,727
Total	420,558	392,844	813,402	565,727

Corporate other debtors includes £98,361 (2007: £185,116) due to the company after more than one year.
Syndicate other debtors includes £12,195 (2007: £Nil) due to the company after more than one year.

13 Cash at bank

	Syndicate	Corporate	2008 Total	2007 Total
	£	£	£	£
Lloyd's deposit	193,160	10,519	203,679	160,253
Cash at bank and in hand	130,165	217,290	347,455	208,960
Total	323,325	227,809	551,134	369,213

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

FERRAVALLE 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>		
	500 Ordinary shares of £1.00 each	500	500
15	Statement of movements on reserves	Share premium account £	Profit and loss account £
	At 1 January 2008	-	106,707
	Profit during the year	-	146,836
	At 31 December 2008	-	253,543
16	Reconciliation of movements in shareholders' funds	2008 £	2007 £
	Retained profit for the financial year	146,836	191,800
	Proceeds from the issue of shares	-	-
	Net addition to shareholders' funds	146,836	191,800
	Opening shareholders' funds	107,207	(84,593)
	Closing shareholders' funds	254,043	107,207
17	Taxation	2008 £	2007 £
	<i>Analysis of charge in year</i>		
	<i>Current tax</i>		
	UK Corporation Tax on profits of the year	-	-
	Adjustments in respect of prior years	-	-
	Total current tax	-	-

FERRAVAL 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	34,007	19,013
Changes in tax rates	-	-
Adjustment to the estimated recoverable amounts of deferred tax assets arising in prior years	-	-
Other items	-	-
Total deferred tax	34,007	19,013
 Tax on profit on ordinary activities	 34,007	 19,013

Factors affecting tax charge for the year

The tax assessed for the year is lower (2007 - lower) than the standard rate of Corporation Tax in the UK of 21.00% (2007 - 20.00%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before taxation	180,843	210,813
Profit on ordinary activities before taxation multiplied by the standard rate of Corporation Tax in the UK of 21.00% (2007 - 20.00%).	37,977	42,163
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	-
Timing differences arising from the taxation of the underwriting results	(35,074)	(18,047)
Timing differences arising from the taxation of syndicate participation movements	-	(181)
Utilisation of tax losses	(2,903)	(23,935)
Adjustments to tax charge in respect of prior periods	-	-
Other adjustments	-	-
Current tax charge for the year	-	-

Factors that may affect future tax charges

The company has trading losses of £102,840 (2007 - £118,455) available for carry forward against future trading profits.

FERRAVALLE 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	19,013	-
Charge to the profit and loss account	34,007	19,013
Released or utilised in the year	-	-
At 31 December 2008	53,020	19,013

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	111,592	139,373	250,965	197,551
Social security costs	-	-	-	-
Corporation tax	-	-	-	-
Shareholders' loan account	-	180,870	180,870	204,875
	111,592	320,243	431,835	402,426

The above shareholders' loan has been included in the related party transactions note 21.

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

	2008 £	2007 £
Operating profit before interest	172,657	203,587
Current year result not distributable in year	(207,446)	(228,176)
Prior year result distributable in year	39,532	137,298
Loss on sale of syndicate participation rights	-	-
Increase/(Decrease) in creditors	68,277	(6,828)
Decrease in debtors	55,415	54,921
Amortisation and impairment of syndicate participation rights	37	5,395
Net cash inflow from operating activities	128,472	166,197

FERRAVALÉ LIMITED

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

20 Fund's at Lloyd's

Cash balances of £10,519 (2007: £10,053) 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 £542,000 (2007: £543,000) which are also used by the company to support its Lloyd's underwriting. These funds are also available to Lloyd's to meet the personal underwriting liabilities of the shareholders for underwriting years prior to the commencement of trading by the company.

21 Related party transactions

Viscount Raymond Asquith is the controlling Director and shareholder of the company. During 2008 he provided funding of £8,181 (2007 - £10,835) and withdrew funding of £32,186 (2007 - £109,400). Included within creditors at 31 December 2008 is £180,870 (2007 - £204,875) which is due to Viscount Raymond Asquith. This amount is shown separately in note 18 under shareholders' loan account. No interest is chargeable on the amount outstanding.

FERRAVALLE LIMITED

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	107,012	99,878	124,847	118,850
0218	Cox Syndicate Management Limited	104,409	97,125	97,125	92,500
0318	Beaufort Underwriting Agency Limited	50,330	50,330	50,330	40,264
0386	Limit Underwriting Limited	78,801	78,801	78,801	78,801
0510	R J Kiln & Co Limited	130,232	121,546	151,932	129,238
0557	R J Kiln & Co Limited	50,196	50,196	50,196	22,900
0570	Atrium Underwriters Limited	50,378	50,378	50,378	60,456
0609	Atrium Underwriters Limited	27,683	29,861	29,861	29,861
0727	S A Meacock & Co Limited	35,876	35,876	35,876	35,876
0780	Advent Underwriting Limited	-	-	40,000	40,000
0958	Omega Underwriting Agents Limited	99,900	99,900	99,900	99,900
2010	Cathedral Underwriting Limited	89,948	89,948	89,948	74,976
2020	Wellington Underwriting Agencies Limited	-	-	-	126,027
2525	Abacus Syndicates Limited	42,000	42,000	42,000	49,999
2526	Abacus Syndicates Limited	28,681	28,681	28,681	28,681
2791	Managing Agency Partners Limited	99,670	63,036	72,491	63,030
6101	Argenta Syndicate Management	-	133,903	133,903	-
6103	Managing Agency Partners Limited	7,994	7,994	7,994	-
6104	Hiscox Syndicates Limited	27,678	27,678	-	-
6106	Amlin Underwriting Limited	23,424	-	-	-
7217	Hampden Agencies Limited	25,176	-	-	-
<i>* shading denotes year of account in run-off</i>		£ 1,079,388	£ 1,107,131	£ 1,184,263	£ 1,091,359

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
7117	CBS "Reform" MAPA	2002	23,680
7117	CBS "Reform" MAPA	2001	10,151
7042	Murray Lawrence MAPA	2000	10,610
7042	Murray Lawrence MAPA	1999	7,380