

**Renaissance Capital Partners Limited**

**Annual Report and Financial Statements for the year ended 31 December 2005**

**The Company's registration number is 4024617**



**Financial Statements for the year ended 31 December 2005**

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**Directors and Advisers****Directors**

K. E. Randall  
R. L. Barclay  
M. R. Shepherd  
C. W. Singh

**Secretary**

M. R. Shepherd

**Registered Office**

9-13 Fenchurch Buildings  
London  
EC3M 5HR

**Bankers**

National Westminster Bank Plc  
City of London Office  
PO Box 12258  
1 Princes Street  
London  
EC2R 8PA

**Auditors**

CLB Littlejohn Frazer  
1 Park Place  
Canary Wharf  
London, E14 4HJ

**Registered Number**

4024617

## **Report of the Directors**

### **For the year ended 31 December 2005**

The Directors have pleasure in presenting their Report together with the audited financial statements for the year ended 31 December 2005.

### **Principal Activities**

The Company's principal activity is the provision of investment services in connection with the international insurance and reinsurance industry. The Company is regulated by the Financial Services Authority.

### **Review of the Business and Future Developments**

The profit and loss account for the year ended 31 December 2005 is set out on page 6.

No dividend was paid in the year ended 31 December 2005 (2004 - £Nil).

The Directors are satisfied with the Company's progress in 2005. The Company received notice of termination of its Advisory Agreement with Dukes Place Holdings L.P. in January 2006. This termination is effective from 3 January 2007. The agreement was the Company's principal source of revenue and the Directors are considering what future activities should be undertaken in 2007.

*In the meantime the Company's business is being carried on in the ordinary course and the Directors believe the Company will be able to meet its future obligations as they fall due.*

### **Directors and their interests in shares**

The Directors and their interests in the share capital of the Company are:

	<b>31 December 2005</b>	<b>31 December 2004</b>
	<b>Ordinary Shares</b>	<b>Ordinary Shares</b>
	<b>£1 each</b>	<b>£1 each</b>
K. E. Randall	-	-
R. L. Barclay	6,065	6,065
M. R. Shepherd	5,708	5,708
C. W. Singh	5,708	5,708

K E Randall is a director of the ultimate parent undertaking, Randall & Quilter Investment Holdings Limited, and his interest in the share capital of that Company is shown in that Company's financial statements. The other Directors have no interest in the share capital of any other group company.

### **Directors' and Officers' Liability Insurance**

As permitted by the Companies Act 1985, an insurance policy has been purchased on a group basis which covers the Directors of the Company.

### **Statement of Directors' Responsibilities**

Company law requires Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that year.

**Report of the Directors**  
**For the year ended 31 December 2005 (Continued)**

**Statement of Directors' Responsibilities (Continued)**

The Directors confirm that suitable accounting policies, consistently applied and supported by *reasonable and prudent judgments and estimates* have been used in the preparation of the financial statements. The Directors also confirm that applicable accounting standards have been followed subject to any material departures disclosed and explained in the notes to the financial statements.

The Directors have prepared the financial statements on the going concern basis and have kept proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for ensuring that the Report of the Directors is prepared in accordance with Company law in the United Kingdom.

By Order of the Board

A handwritten signature in black ink, appearing to be 'M R Shepherd', written over a horizontal line.

M R Shepherd  
Company Secretary

11 April 2006

## **Report of the auditors to the Members of Renaissance Capital Partners Limited**

We have audited the Financial Statements of Renaissance Capital Partners Limited for the year ended 31 December 2005 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 17. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of Directors and Auditors**

As described in the Statement of Directors' Responsibilities the Company's Directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

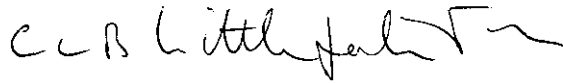
### **Basis of Opinion**

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 judgments 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 2005 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**CLB Littlejohn Frazer**

~~Chartered Accountants~~  
and Registered Auditors

11 April 2006

1 Park Place  
Canary Wharf  
London E14 4HJ

**Profit and loss account**

	<b>Notes</b>	<b>2005 £</b>	<b>2004 £</b>
Turnover	2	585,000	573,333
Net operating expenses		(589,037)	(574,436)
Operating loss	3	(4,037)	(1,103)
Interest receivable		3,145	3,289
(Loss)/profit on ordinary activities before taxation		(892)	2,186
Taxation on (loss)/profit on ordinary activities	6	(217)	(1,120)
(Loss)/profit on ordinary activities after taxation		(1,109)	1,066
Retained profit brought forward		66,116	65,050
Retained profit carried forward		65,007	66,116

The Company has no recognised gains and losses other than the (loss)/profit above and therefore no separate statement of total recognised gains and losses has been presented.

All turnover resulted from Continuing Activities.

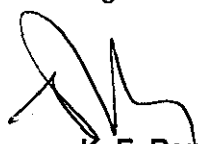
The accounting policies and notes on pages 8 to 14 form part of these financial statements.



**Balance sheet**  
**As at 31 December 2005**

	Note	2005 £	2004 £
<b>Fixed Assets</b>			
Tangible assets	7	<u>1,278</u>	<u>2,082</u>
<b>Current Assets</b>			
Debtors	8	59,518	21,992
Cash at bank and in hand		<u>134,262</u>	<u>176,394</u>
		193,780	198,386
<b>Creditors: amounts falling due within one year</b>	9	<u>(94,376)</u>	<u>(98,677)</u>
<b>Net current assets</b>		99,404	99,709
<b>Net assets</b>		<u>100,682</u>	<u>101,791</u>
<b>Capital and Reserves</b>			
Called up share capital	10	35,675	35,675
Profit and loss account		<u>65,007</u>	<u>66,116</u>
<b>Equity Shareholders' funds</b>	11	<u>100,682</u>	<u>101,791</u>

The financial statements were approved by the Board of Directors on 11 April 2006 and were signed on its behalf by;



**K. E. Randall**  
**Director**

The accounting policies and notes on pages 8 to 14 form part of these financial statements.

**Cash Flow Statement**  
**For the year ended 31 December 2005**

	<b>Note</b>	<b>2005 £</b>	<b>2004 £</b>
<b>Net cash (outflow)/inflow from operating activities</b>	13	(44,169)	25,887
<b>Returns on investments and servicing of finance</b>	14	3,145	3,289
<b>Taxation</b>		(1,108)	(988)
<b>Capital expenditure</b>	14	-	(1,905)
<b>Net cash outflow/(inflow) before financing</b>		(42,132)	26,283
<b>(Decrease)/increase in cash</b>		<u>(42,132)</u>	<u>26,283</u>
<b>Reconciliation of net cashflow to movement in net funds</b>	15		
<b>(Decrease)/increase in cash in the year</b>		(42,132)	26,283
<b>Net funds at 1 January</b>		176,394	150,111
<b>Net funds at 31 December</b>		<u>134,262</u>	<u>176,394</u>

The accounting policies and notes on pages 9 to 14 form part of these financial statements.

**Notes to the financial statements**  
**For the year ended 31 December 2005**

**1. Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

**Basis of accounting**

The financial statements are prepared under the historical cost basis of accounting.

**Turnover**

Turnover represents the value of services rendered during the year, excluding VAT.

**Depreciation**

Depreciation is calculated to write off the cost of fixed assets over the period of their estimated useful life. The estimated useful life of the principal category of fixed assets is as follows:

- Computer equipment 3 years

**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.

**Pensions**

The Company makes pension contributions to the personal pension plans of certain directors. The assets of the plans are administered separately from the Company's. The Company contributions are limited to the amounts payable.

**2. Turnover**

Turnover arises both within the United Kingdom and overseas from the Company's principal activity and is attributable to continuing operations.

**3. Operating (loss)/profit**

	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Auditors' remuneration		
- for audit	10,000	6,500
Depreciation	804	1,680
	<u>10,804</u>	<u>8,180</u>

**Notes to the financial statements**  
**For the year ended 31 December 2005 (Continued)**

<b>4. Staff costs</b>	<b>2005 £</b>	<b>2004 £</b>
Wages and salaries	305,867	279,422
Social security costs	35,451	33,691
Pension contributions	108,027	100,779
	<u>449,345</u>	<u>413,892</u>

	<b>2005 No.</b>	<b>2004 No.</b>
The average number of persons whose employment costs were charged to the Company during the year was		
Advisory/Consultancy services	2	2
Office management	1	1
Total	<u>3</u>	<u>3</u>

<b>5. Directors' emoluments</b>	<b>2005 £</b>	<b>2004 £</b>
Aggregate emoluments	278,324	272,573
Company pension contribution	108,027	100,779
	<u>386,351</u>	<u>373,352</u>
Highest paid director:		
Aggregate emoluments	157,118	140,490
Company pension contribution	51,980	57,000
	<u>201,731</u>	<u>197,490</u>

Retirement benefits are accruing to two Directors under money purchase pension schemes (2004 – two).

<b>6. Taxation</b>	<b>2005 £</b>	<b>2004 £</b>
Current tax:		
UK corporation tax on profits of the period	112	1,109
Adjustments in respect of prior years	105	11
Tax on profit on ordinary activities	<u>217</u>	<u>1,120</u>

**Notes to the financial statements**  
**For the year ended 31 December 2005 (Continued)**

**6. Taxation (continued)**

**Factors affecting tax charge for period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19% (2004: 19%). The differences are explained below:

	<b>2005</b> £	<b>2004</b> £
Profit on ordinary activities before tax	(892)	2,186
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2004: 19%)	(169)	415
Effects of:		
Permanent differences		655
Depreciation for period in excess of capital allowances	284	39
Marginal relief	(3)	-
Adjustments in respect of prior years	105	11
Current tax charge for period	217	1,120

**7. Tangible fixed assets**

	<b>Computer Equipment £</b>
Cost:	
At 1 January 2005	9,556
Additions	-
At 31 December 2005	9,556
Depreciation:	
At 1 January 2005	(7,474)
Charge for the year	(804)
At 31 December 2005	(8,278)
Net book value at 31 December 2005	1,278
Net book value at 31 December 2004	2,082

**8. Debtors**

	<b>2005</b> £	<b>2004</b> £
Trade debtors	993	20,196
Other debtors	32,699	210
Amounts due from group undertakings	25,826	1,586
	59,518	21,992

**Notes to the financial statements**  
**For the year ended 31 December 2005 (Continued)**

<b>9. Creditors: amounts falling due within one year</b>	<b>2005</b>	<b>2004</b>
	<b>£</b>	<b>£</b>
Other creditors	712	-
Amounts due to group undertakings	54,545	40,870
Corporation Tax	111	1,002
Other taxes and social security	4,958	24,104
Accruals	34,050	32,701
	<u>94,376</u>	<u>98,677</u>
 <b>10. Called up share capital</b>	 <b>2005</b>	 <b>2004</b>
	<b>£</b>	<b>£</b>
Authorised 35,675 Ordinary Shares of £1 each	<u>35,675</u>	<u>35,675</u>
Allotted and fully paid: 35,675 Ordinary Shares of £1 each	<u>35,675</u>	<u>35,675</u>
 <b>11. Reconciliation of movement in shareholders' funds</b>	 <b>2005</b>	 <b>2004</b>
	<b>£</b>	<b>£</b>
Opening shareholders' funds	101,791	100,725
(Loss)/profit on ordinary activities after taxation	(1,109)	1,066
<b>Closing shareholders' funds</b>	<u>100,682</u>	<u>101,791</u>
 <b>12. Capital commitments</b>		

There were no capital commitments at 31 December 2005 (2004: Nil)

**Notes to the financial statements**  
**For the year ended 31 December 2005 (Continued)**

13.	<b>Reconciliation operating (loss)/profit to net Inflow from operating activities</b>	<b>2005 £</b>	<b>2004 £</b>	
	Operating loss	(4,037)	(1,103)	
	Depreciation	804	1,680	
	(Increase)/decrease in debtors	(37,526)	71,366	
	Decrease in creditors	(3,410)	(46,056)	
	<b>Net cash (outflow)/inflow from operating activities</b>	<u>(44,169)</u>	<u>25,887</u>	
14.	<b>Returns on investments and servicing of finance</b>			
	Interest received	<u>3,145</u>	<u>3,289</u>	
	<b>Capital expenditure</b>			
	Purchase of tangible fixed assets	<u>-</u>	<u>(1,905)</u>	
15.	<b>Analysis of changes in Net Funds</b>	<b>At 1 January 2005 £</b>	<b>Cashflow £</b>	<b>At 31 December 2005 £</b>
	Cash at bank	176,394	(42,132)	134,262

**Notes to the financial statements**  
**For the year ended 31 December 2005 (Continued)**

**16. Related party transactions**

- a) The Company provides management, directorship and other services to Dukes Place Holdings LP and its subsidiaries ("Dukes Place"), with whom it has an exclusive arrangement. Fees amounting to £580,000 were earned in the year (2004: £568,333). Dukes Place and its subsidiaries owed the Company £Nil at 31 December 2005 (2004: £1,917).
- b) The Company purchased accountancy and other administrative services from Ludgate Insurance Company Limited ("Ludgate") a fellow subsidiary, at a cost of £11,000 in 2004. The Company was owed £773 by Ludgate at 31 December 2005 (2004: £2,750 owed to Ludgate).
- c) The Company purchased administrative services and office accommodation from Randall & Quilter Consultants Limited ("R&Q Consultants"), a fellow subsidiary at a cost of £80,000 in the year (2004: £111,000). At 31 December 2005, the Company owed £46,990 to R&Q Consultants (2004: £25,768).
- d) The Company purchased administrative services and office accommodation from Cavell Management Services Limited ("CMSL"), a fellow subsidiary at a cost of £21,000 in the year (2004: £nil). At 31 December 2005, the Company owed £7,555 to CMSL (2004: £1,585 owed by CMSL).

**17. Ultimate parent undertaking**

Group financial statements are prepared by the parent and ultimate parent undertaking, Randall & Quilter Investment Holdings Limited ("RQIH"), a Company registered in England & Wales. Group Financial Statements can be obtained from 9-13 Fenchurch Buildings, London, EC3M 5HR.