

IMAGINE CORPORATE CAPITAL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

Registered Number 4594226



Imagine Corporate Capital Limited

Contents

	Page
Officers and Professional Advisers	1
Directors' Report	2 - 4
Statement of Directors' Responsibilities	5
Auditor's Report	6 – 7
Profit and Loss Account	8
Balance Sheet	9
Notes on the Financial Statements	10 - 18

Imagine Corporate Capital Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G E A Morrison
J G Doyle
D R Buechel Jr

COMPANY SECRETARY

D R Buechel Jr (Resigned 31 July 2011) Joint Company Secretary
Edel Curran (Appointed 1 August 2011) Joint Company Secretary
Jordan Company Secretaries Limited Joint Company Secretary

REGISTERED OFFICE

20-22 Bedford Row
London
WC1R 4JS

AUDITORS

KPMG Audit Plc
Registered Auditor
15 Canada Square
London
E14 5GL

Imagine Corporate Capital Limited

Directors' Report

for the year ended 31 December 2011

The directors present their directors' report and the audited financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITIES

While the principal activity of the company during the period under review was that of a corporate underwriting member of Lloyd's of London, the company has now ceased to trade

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company provided capital to support the underwriting of Syndicate 994 which was managed by Alterra at Lloyd's Limited. The company has not participated on any syndicate since 2006 and that account of Syndicate 994 closed on October 29, 2009 when an Agreement was signed with RITC Syndicate Management Limited to close Syndicate 994 into Syndicate 5678. This Agreement included a provision for the Company to receive a profit commission if certain claims were settled by Syndicate 5678 for amounts that were lower than the premium paid to Syndicate 5678 in respect of those claims under the Agreement.

During 2010, the company sold its rights to the profit commission under that Agreement for an amount of £3,500,000 and has now ceased to trade. In view of this the directors have concluded that the business is not a going concern. The effect of this is explained in Note 1 to the financial statements.

RISKS AND UNCERTAINTIES

The Company's activities expose the business to risks which have the potential to affect the company's ability to achieve its business objectives. The directors are responsible for ensuring that an appropriate structure for managing these risks is maintained. The key risks and risk mitigation factors are highlighted below.

Credit Risk

The Company's exposure to credit risk arises from its deposits with banking and financial institutions. The directors limit credit risk as far as practical by monitoring the quality of its counterparties.

Liquidity Risk

Liquidity risk is the risk that sufficient financial resources are not available in cash to enable the Company to meet obligations as they fall due. The directors seek to limit exposure to liquidity risk by maintaining a strong liquidity position by holding assets predominately in cash and call accounts.

Imagine Corporate Capital Limited

Directors' Report

(Continued)

RESULTS AND DIVIDENDS

The result for the year is as shown in the profit and loss account on page 8. The directors have declared and paid dividends totalling £1,000,000 for the year.

DIRECTORS AND THEIR INTERESTS

The directors who held office during the year under review to the date of this report (unless otherwise stated) were as follows -

Name

G E A Morrison

J G Doyle

D R Buechel Jr

None of the directors have an interest in the ultimate majority parent company, Brookfield Asset Management Inc.

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political or charitable contributions during the period.

KEY PERFORMANCE INDICATORS

The key performance indicator of the company is -

- A profit after tax of £468,000 was earned for the period.

DISCLOSURE OF INFORMATION TO THE AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Imagine Corporate Capital Limited

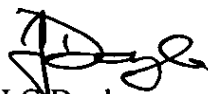
Directors' Report

(Continued)

APPOINTMENT OF AUDITORS

The company has passed an elective resolution, pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

Approved by the Board of Directors
and signed on behalf of the Board



J G Doyle
Director

20 September 2012

Registered Office
20-22 Bedford Row
London WC1R 4JS

Imagine Corporate Capital Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business. As explained in the basis of preparation, the directors do not believe that it is appropriate to prepare these financial statements on a going concern basis.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Imagine Corporate Capital Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IMAGINE CORPORATE CAPITAL LIMITED

We have audited the financial statements of Imagine Corporate Capital Limited for the year ended 31 December 2011 set out on pages 8 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice). These financial statements have not been prepared on the going concern basis for the reason set out in the Basis of Preparation note 1 to the financial statements.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Imagine Corporate Capital Limited

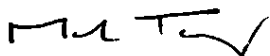
INDEPENDENT AUDITORS' REPORT

(Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



Mark J Taylor (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

15 Canada Square
London
E14 5GL

20 September 2012

Imagine Corporate Capital Limited

Profit and Loss Non-Technical Account

for the year ended 31 December 2011

	Notes	2011 £'000	2010 £'000
Other Income	2	-	3,500
Investment income	3	6	61
		<hr/> 6	<hr/> 3,561
Foreign exchange gains		13	788
Other charges		(82)	(106)
Operating (loss) / profit on ordinary activities before tax	4	<hr/> (63)	<hr/> 4,243
Taxation	6	<hr/> 531	<hr/> (810)
Profit on ordinary activities after tax and retained for the financial year	10	<hr/> 468	<hr/> 3,433

All of the operations of the company are discontinuing

The notes on pages 10 – 18 form part of these financial statements

Imagine Corporate Capital Limited

Balance Sheet

as at 31 December 2011

	Notes	2011 £'000	2010 £'000
ASSETS			
Debtors			
Other debtors	7	<u>1,681</u>	<u>1,005</u>
		<u>1,681</u>	<u>1,005</u>
Other assets			
Cash at bank and in hand	8	<u>1,207</u>	<u>14,979</u>
		<u>1,207</u>	<u>14,979</u>
TOTAL ASSETS		<u>2,888</u>	<u>15,984</u>
LIABILITIES			
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	<u>741</u>	<u>1,273</u>
Shareholders equity	11	<u>741</u>	<u>1,273</u>
Deferred tax liability	12	-	-
Creditors			
Other creditors including taxation	13	<u>17</u>	<u>12,973</u>
		<u>17</u>	<u>12,973</u>
Accruals and deferred income		<u>2,130</u>	<u>1,738</u>
TOTAL SHAREHOLDERS EQUITY AND LIABILITIES		<u>2,888</u>	<u>15,984</u>

The notes on pages 10-18 form part of these financial statements.

These financial statements were approved by the Board of Directors on 20 September 2012



J G Doyle
Director

Imagine Corporate Capital Limited

Registered number 4594226

Notes on the financial statements

for the year ended 31 December 2011

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements are prepared under the historical cost convention, in accordance with applicable Accounting Standards in the United Kingdom and in compliance with the provisions of Section 396 of the Companies Act 2006 applying the requirements set out in Schedule 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 relating to insurance companies. The company has adopted all material recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued in December 2006 by the Association of British Insurers ("the ABI SORP")

Following the sale in the previous year of the right to receive profit commission the company will no longer trade, and therefore the directors have taken a decision to prepare the accounts on a break up basis. No adjustments were necessary to the amounts at which the remaining net assets are included in these financial statements.

Accounting policies have been applied consistently from one financial year to another. The particular accounting policies adopted are described below -

a) Lloyd's Underwriting Activities

Reinsurance to Close

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

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

Notes on the financial statements

(Continued)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES *(Continued)*

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

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

b) Investment Income, Expenses and Charges

Investment income comprises interest receivable and dividends received plus recognised gains on the disposal of investments. Realised gains and losses arise from the difference between proceeds and costs.

c) Investment Management Expenses

Interest payable and expenses incurred in the management of investments are accounted for on an accruals basis.

d) Taxation

Taxation is based on the taxable result for the year and takes into account taxation deferred, because of timing differences between the treatment of certain items for taxation and accounting purposes. In accordance with FRS 19, full provision is made for deferred tax at the rates of tax expected to apply when the timing differences reverse.

e) Foreign Currency Transactions

Transactions in foreign currency, whether of a revenue or capital nature, are translated into sterling at the rates of exchange ruling on the dates of such transactions. Revenue items accrued and other foreign currency assets and liabilities in the balance sheet date are translated into sterling at the rates of exchange ruling on that date.

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

f) Cash Flow Statement

Under FRS1 (revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that the holding company publishes consolidated financial statements, which include the affairs of this company. The consolidated financial statements of Imagine Group Holdings Limited within which this company is included can be obtained from 2nd Floor Cedar Court, Wilkey Business Park, St. Michael, Barbados.

2. OTHER INCOME

On June 21st 2010, the company transferred its rights to receive a profit commission, due under the Agreement with RITC Syndicate Management Limited to close Syndicate 994 into Syndicate 5678, to Imagine Insurance Company Limited for an amount of £3,500,000.

3. INVESTMENT INCOME

	<i>2011</i> <i>£'000</i>	<i>2010</i> <i>£'000</i>
Investment income and realised gains	<u>6</u>	<u>61</u>
	<u>6</u>	<u>61</u>

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

4. (LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

	<i>2011</i> <i>£'000</i>	<i>2010</i> <i>£'000</i>
The profit on ordinary activities is stated after charging		
Audit of financial statements of companies pursuant to	<u>11</u>	<u>7</u>
legislation		

5. STAFF COSTS AND DIRECTORS' REMUNERATION

There was no staff employed by the company other than the directors during the period. No directors fees are paid (2010 - £nil). The average number of directors for the period was 3 (2010 3).

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

6. TAXATION

	2011 £'000	2010 £'000
(a) Analysis of tax charge in year		
Current tax		
UK corporation tax on profit for the year	-	3,161
Double taxation relief	-	(1,030)
Adjustments in respect of previous periods	(467)	791
	<u>(467)</u>	<u>2,922</u>
Foreign tax	(64)	160
	<u>(531)</u>	<u>3,082</u>
Deferred Tax		
Origination and reversal of timing differences	-	(2,263)
Adjustments in respect of previous periods	-	(9)
	<u>-</u>	<u>(2,272)</u>
Tax on profit on ordinary activities	<u>(531)</u>	<u>810</u>

(b) Factors affecting tax charge for the year

The tax charge for the year is (lower) / higher than that resulting from applying the standard rate of corporation tax in the UK of 26.5% (2010: 28%)

	2011 £'000	2010 £'000
The differences are explained below		
(Loss)/Profit on ordinary activities before tax	<u>(64)</u>	<u>4,243</u>
Tax at 26.5% (2010: 28%) thereon	-	1,188
Effects of		
Expenses not deductible for tax purposes	-	13
Syndicate underwriting results	-	2,234
Adjustments in respect of previous periods	(467)	791
Foreign tax	(64)	160
Group relief at discounted rate	-	(255)
Group relief for nil consideration	-	(19)
Double taxation relief	-	(1,030)
Current tax for the period (see (a) above)	<u>(531)</u>	<u>3,082</u>

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

7. OTHER DEBTORS

	<i>2011</i> <i>£'000</i>	<i>2010</i> <i>£'000</i>
Taxes recoverable	1,681	951
Other debtors	-	54
	<u>1,681</u>	<u>1,005</u>

8. CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash held as Funds at Lloyd's of £ ml (2010 - £14,764,946) Lloyd's restricts access to those funds so that they are not available to the company to settle its corporate liabilities

9. CALLED UP SHARE CAPITAL

	<i>2011</i> <i>£</i>	<i>2010</i> <i>£</i>
Authorised 100 authorised ordinary shares of £1 each	<u>100</u>	<u>100</u>
Issued and fully paid up 1 ordinary share of £1	<u>1</u>	<u>1</u>

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

10. PROFIT AND LOSS RESERVE MOVEMENT

	2011 £'000
At 1 January as re-stated	1,273
Profit for the year	468
Dividends	(1,000)
	<hr/>
At 31 December	<u><u>741</u></u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £'000
Opening shareholders' funds at 1 January	1,273
Profit for the year	468
Dividends	(1,000)
	<hr/>
Closing shareholders' funds at 31 December	<u><u>741</u></u>

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

12. DEFERRED TAX

	2011 £'000	2010 £'000
Deferred taxation on underwriting profits	-	-
Deferred tax is in respect of short term timing differences on taxable profits		
Movement in deferred tax liability		
At 1 January	-	(2,272)
Movement in the year	-	2,272
At 31 December	-	-

13. CREDITORS

	2011 £'000	2010 £'000
Amounts due to group companies	17	11,855
Taxes payable	-	809
Other creditors	-	309
	17	12,973

14. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption allowed by FRS 8 not to disclose related party transactions with entities that are part of the group or investees of the group qualifying as related parties, as such transactions are all between parties that are wholly owned by the group

15. ULTIMATE PARENT COMPANY

The company's immediate parent company is Imagine UK 2008 Holdings Limited. The ultimate parent of the company is Imagine Group Holdings Limited, incorporated in Bermuda. Imagine Insurance Company Limited is the parent company of the smallest group of companies, of which the company is a member, for which consolidated financial statements are prepared. Copies of the accounts may be obtained from 2nd Floor Cedar Court, Wildey Business Park, St. Michael, Barbados.

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

15. ULTIMATE PARENT COMPANY (*CONTINUED*)

The majority parent company is Brookfield Asset Management Inc , a company incorporated in Canada