
IMAGINE CORPORATE CAPITAL LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

Registered Number 4594226



Imagine Corporate Capital Limited

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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	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
8 Salisbury Square
London
EC4Y 8BB

Imagine Corporate Capital Limited

Directors' Report

for the year ended 31 December 2009

The directors present their directors' report and the audited financial statements for the year ended 31 December 2009

PRINCIPAL ACTIVITIES

The principal activity of the company during the period under review was that of a corporate underwriting member of Lloyd's of London

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company provides capital to support the underwriting of Syndicate 994 which is managed by Alterra at Lloyd's Limited. For the 2006 year of account, the amount of underwriting capacity allocated to Syndicate 994 and provided by the company was £40,000,000.

The company has not participated on any syndicate since 2006 and once the 2006 year of account of Syndicate 994 is closed, the company will seek to obtain a release of the Funds at Lloyd's supporting that syndicate and the company will then be dormant. Syndicate 994 continued to run off during 2009 and on October 29, 2009 an Agreement was signed with RITC Syndicate Management Limited to close Syndicate 994 into Syndicate 5678. This Agreement includes a provision for the Company to receive a profit commission if certain claims are settled by Syndicate 5678 for amounts that are lower than the premium paid to Syndicate 5678 in respect of those claims under the Agreement. No benefit has been recognised in these financial statements for this contingent profit commission.

GOING CONCERN

After making enquiries and taking into account the projected cash flow forecasts of the company for the next 12 months, which include the receipt of the 2006 year of account distribution, and the payment of the dividend of £15,500,000 to Imagine UK 2008 Holdings Limited and expected future liabilities, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

RESULTS AND DIVIDENDS

The result for the year is as shown in the profit and loss account on pages 7 and 8. Due to the positive run off of prior years' reserves and entering into the Agreement to close Syndicate 994 into Syndicate 5678, Syndicate 994 was able to reduce the reserves held, which has contributed towards the profit for the year. The directors recommend the payment of a dividend of £15,500,000.

Imagine Corporate Capital Limited

Directors' Report

(Continued)

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	Appointed
G E A Morrison	20 June 2007
J G Doyle	30 September 2008
D R Buechel Jr	24 October 2008

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 -

- Technical account balance of £10,819,000 in 2009 against £3,005,000 in 2008

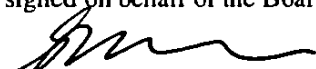
DISCLOSURE OF INFORMATION TO THE AUDITORS

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

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



G E Morrison
Director
18 June, 2010

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.

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 AUDITORS' 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 2009 set out on pages 7 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 4, 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 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/UKNP.

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 2009 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

8 Salisbury Square
London
EC4Y 8BB

18 June 2010

Imagine Corporate Capital Limited

Profit and Loss Account

for the year ended 31 December 2009

Technical account general business

	Notes	2009 £'000	2008 £'000
Earned premiums, net of reinsurance			
Gross premiums written	2	-	427
Outwards reinsurance premiums		<u>673</u>	<u>459</u>
Net premiums written		<u>673</u>	<u>886</u>
Change in provision for unearned premiums			
Gross amount		-	6,078
Reinsurers' share		<u>-</u>	<u>-</u>
Change in net provision for unearned premiums		<u>-</u>	<u>6,078</u>
Earned premiums, net of reinsurance		673	6,964
Allocated investment return transferred from the non technical account		<u>2,248</u>	<u>1,319</u>
Total technical income		<u>2,921</u>	<u>8,283</u>
<i>Claims paid</i>			
Gross amount		(40,483)	(14,708)
Reinsurers' share		<u>(1,427)</u>	<u>536</u>
Net claims paid		<u>(41,910)</u>	<u>(14,172)</u>
<i>Change in the provision for claims</i>			
Gross amount		66,546	10,528
Reinsurers' share		<u>(12,329)</u>	<u>(281)</u>
Change in the net provision for claims		<u>54,217</u>	<u>10,247</u>
Claims incurred, net of reinsurance		12,307	(3,925)
Syndicate operating expenses	3	(1,215)	(1,181)
Personal expenses		(3,194)	(172)
Foreign exchange		<u>(2,840)</u>	<u>6,078</u>
Net operating expenses		<u>(7,249)</u>	<u>4,725</u>
Total technical charges		<u>5,058</u>	<u>800</u>
Balance on the technical account for general business		<u><u>7,979</u></u>	<u><u>9,083</u></u>

The notes on pages 11 – 22 form part of these financial statements

Imagine Corporate Capital Limited

Profit and Loss Account

(Continued)

Non-Technical account

	Notes	2009 £'000	2008 £'000
Balance on the general business technical account		7,979	9,083
Investment income	4	2,685	3,086
Investment charges and realised losses	4	(184)	(627)
Unrealised (losses) / gains on investments	4	-	(1,036)
Allocated investment return transferred to the general business technical account		<u>(2,248)</u>	<u>(1,319)</u>
		8,232	9,187
Other interest receivable and similar income			
Non-technical foreign exchange gains		-	1,140
Other charges		(473)	(1,018)
Profit on ordinary activities before tax	5	<u>7,759</u>	<u>9,309</u>
Taxation	7	<u>(1,243)</u>	<u>(2,093)</u>
Profit on ordinary activities after tax and retained for the financial year		<u>6,516</u>	<u>7,216</u>

All of the operations of the company are discontinuing
There are no other recognised gains and losses other than those reported above

The notes on pages 11 – 22 form part of these financial statements

Imagine Corporate Capital Limited

Balance Sheet

as at 31 December 2009

	Notes	2009 £'000	2008 £'000
ASSETS			
Investments			
Financial investments	8	<u>-</u>	<u>32,539</u>
		<u>-</u>	<u>32,539</u>
Reinsurers' share of technical provisions			
Claims outstanding		-	13,035
Provision for unearned premiums		<u>-</u>	<u>-</u>
		<u>-</u>	<u>13,035</u>
Debtors			
Debtors arising out of direct insurance operations			
– due from intermediaries		-	-
Debtors arising out of reinsurance operations			
– due from intermediaries		-	677
Other debtors	9	<u>4,040</u>	<u>6,601</u>
		<u>4,040</u>	<u>7,278</u>
Other assets			
Cash at bank and in hand	10	28,358	32,034
Overseas deposits		<u>-</u>	<u>11,571</u>
		<u>28,358</u>	<u>43,605</u>
TOTAL ASSETS		<u>32,398</u>	<u>96,457</u>

The notes on pages 11 – 22 form part of these financial statements

Imagine Corporate Capital Limited

Balance Sheet

(Continued)

	Notes	2009 £'000	2008 £'000
LIABILITIES			
Capital and reserves			
Loan Stock	11	10,000	10,000
Called up share capital	12	-	-
Profit and loss account	13	<u>16,630</u>	<u>10,114</u>
Shareholders equity	14	<u>26,630</u>	<u>20,114</u>
Technical provisions			
Claims outstanding		-	69,340
Provision for unearned premiums		-	-
Unexpired risk provision		<u>-</u>	<u>-</u>
		<u>-</u>	<u>69,340</u>
Deferred tax liability	15	2,079	435
Creditors			
Creditors arising out of direct insurance operations		-	1,078
Creditors arising out of reinsurance operations		-	1,467
Other creditors including taxation	16	<u>3,642</u>	<u>3,246</u>
		<u>3,642</u>	<u>5,791</u>
Accruals and deferred income		<u>47</u>	<u>777</u>
TOTAL LIABILITIES		<u>32,398</u>	<u>96,457</u>

The notes on pages 11 – 22 form part of these financial statements

These financial statements were approved by the Board of Directors on 18 June 2010



G Morrison

Director

Registered number 4594226

Imagine Corporate Capital Limited

Notes on the financial statements

for the year ended 31 December 2009

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments, and in accordance with applicable Accounting Standards in the United Kingdom. They are approved in accordance with provisions of Section 414 of the Companies Act 2006. The company has followed, as applicable, the guidance in the Statement of Recommended Practice "Accounting for insurance business" issued by the Association of British Insurers ("the ABI Sorp") in December 2005 (as amended in December 2006).

Having reviewed the Company's cash flow forecasts, which include the receipt of the 2006 year of account distribution, the payment of the dividend to Imagine UK 2008 Holdings Limited and expected future liabilities the directors have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual 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

Basis of Preparation

The accounting information in respect of underwriting income and assets and liabilities from syndicate participation on Syndicate 994 has been provided by the managing agent based on the Annual Accounting Return provided to Lloyd's as at 31 December 2009 which has been audited by the syndicate auditors.

Assets and Liabilities

The assets and liabilities entitled "syndicate participation" represent an aggregation of the proportion of assets and liabilities of Syndicate 994 in which the company participates. These assets are held subject to the individual syndicate trust funds and the company cannot obtain or use them until such time as each syndicate underwriting year is closed and profits are distributed, or an advance profit release is made.

Annual Accounting

The annual basis of accounting has been adopted under the annual basis the company's share of the premiums, claims and expenses (including personal expenses) that are earned by the syndicate in the period are included in these financial statements.

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Premiums

Written premiums comprise the total premiums receivable in the period together with adjustments to premiums receivable and reinstatement premiums arising in the financial period in respect of business written in previous financial years. All premiums are shown gross of commission payable to intermediaries, but net of taxes and duties levied on premiums.

Unearned Premiums

The provision for unearned premiums represents that part of gross premiums written, and the reinsurers' share thereof, that is estimated to be earned after the balance sheet date.

Deferred Acquisition Costs

Acquisition costs represent the expenses, both direct and indirect, of acquiring insurance policies written during the period. Acquisition costs are deferred and amortised over the period in which the premium is earned. Deferred acquisition costs represent the proportion of acquisition costs incurred in respect of unearned premiums at the balance sheet date.

Claims

Claims incurred comprise claims and settlements expenses (both internal and external) paid in the year and the movement in provision for outstanding claims and settlement expenses, including an allowance for the cost of claims incurred by the balance sheet date, but not reported until after the period end. Provisions for claims outstanding are based on information available to the managing agent of Syndicate 994 and the eventual outcome may vary from the current assessment. Any differences between the provisions and subsequent settlements are dealt with in the technical accounts for later years.

Outstanding claims provisions are based on the estimated ultimate cost of all claims incurred, but not settled at the balance sheet, whether reported or not, together with related claims handling expenses.

Technical Provisions – Claims Outstanding

The ultimate cost of outstanding claims is estimated by using a range of projection methods and techniques. The methods extrapolate the development of paid and incurred claims based upon the observed development of earlier years and expected loss ratios.

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Technical Provisions – Claims Outstanding (Continued)

The main assumptions underlying these techniques is that past claim development experience can be used to project ultimate claims costs. Judgement is used to assess the extent to which past trends may not apply in the future, for example to reflect public attitudes to claiming or varying levels of claims inflation. The approach adopted takes into account, inter alia, the nature and materiality of the business and the type of data available.

Professional judgement is applied to take account of one-off occurrences or changes in legislation, policy conditions in arriving at the estimated cost of claims, in order that it represents the most likely outcome, from a range of possible outcomes, taking account of all the uncertainties involved. Provisions are calculated allowing for reinsurance recoveries and a separate asset is recorded for the reinsurers' share, having regard to collectability.

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.

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Reinsurance to Close (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.

Unexpired Risk Provisions

A provision for unexpired risks is made when it is anticipated that unearned premiums will be insufficient to meet future claims and claims settlement expenses of business in force at the period end.

Underwriting Income and Expenses

All income and expenditure incurred from participation in the underlying syndicate is dealt with through the technical account except investment income earned by the syndicate, which is initially recorded in the non-technical account and then transferred to the technical account.

Lloyd's Levies

Lloyd's levies are accounted for having regard to whether they relate to underwriting, in which case they are charged against the year of account to which they relate, or to general levies in which case they are charged to the calendar year in which they are raised.

Foreign Currency

Syndicate assets and liabilities and income and expenditure expressed in US Dollars, Canadian Dollars and Euros are converted into sterling at the rates of exchange ruling at 31 December.

b) Investments

Listed investments are valued at bid market prices.

The syndicate participation investments are treated as sold and purchased at each 31 December in recognition of the annual venture nature of participation on a syndicate. Their cost is therefore their market value at that date.

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

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

c) 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. The realised gains reported by the syndicate are net of any realised losses.

d) Investment Management Expenses

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

e) Unrealised Gains / Losses

Unrealised gains or losses represent the difference between the valuation of investments at the balance sheet date and their purchase price. The movement in unrealised investment gains and losses therefore comprises the increase or decrease in the year in the value of investments held at the balance sheet date together with the reversal of previously recognised unrealised gains and losses on investments disposed of in the current year.

f) 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.

g) Foreign Currency Transactions – Non Underwriting 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.

h) 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, Wildey Business Park, St Michael, Barbados.

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

2. SEGMENTAL INFORMATION

Analysis of gross premiums written, gross premiums earned, gross claims incurred, net operating expenses and the reinsurance balance

2009	Gross Premium Written £'000	Gross Premium Earned £'000	Gross Claims Incurred £'000	Net Operating Expenses £'000	Reinsurance Balance £'000
Direct Business					
Accident & Health	-	-	-	-	-
Motor	-	-	-	-	-
Marine, Aviation & Transport	-	-	-	-	-
Fire and Other Damage to Property	-	-	-	-	-
Third Party Liability	-	-	-	-	-
Other	-	-	-	-	-
Direct Total	-	-	-	-	-
Reinsurance Business	-	-	26,063	(6,959)	(13,083)
Total	-	-	26,063	(6,959)	(13,083)

2008	Gross Premium Written £'000	Gross Premium Earned £'000	Gross Claims Incurred £'000	Net Operating Expenses £'000	Reinsurance Balance £'000
Direct Business					
Accident & Health	3	-	310	79	2
Motor	4	-	545	389	-
Marine, Aviation & Transport	1	-	1,423	612	10
Fire and Other Damage to Property	(2)	-	772	196	51
Third Party Liability	(3)	-	(297)	(76)	31
Other	(146)	-	579	147	8
Direct Total	(143)	-	3,332	1,347	102
Reinsurance Business	570	6,505	(7,512)	(2,700)	612
Total	427	6,505	(4,180)	(1,353)	714

All premiums are written in the United Kingdom

3. SYNDICATE OPERATING EXPENSES

	2009 £'000	2008 £'000
Administrative expenses	1,596	1,297
Commission / brokerage	(381)	(116)
Deferred acquisition costs	-	-
	<u>1,215</u>	<u>1,181</u>

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

4. INVESTMENT INCOME

	2009 £'000	2008 £'000
Investment income and realised gains	2,685	3,086
Investment expenses	(41)	(79)
Realised losses	(143)	(548)
Unrealised gains less losses	<u>-</u>	<u>(1,036)</u>
	<u>2,501</u>	<u>1,423</u>
Attributable to technical account	2,248	1,319
Attributable to non-technical account	<u>253</u>	<u>104</u>
	<u>2,501</u>	<u>1,423</u>

ALLOCATION OF INVESTMENT RETURN

Funds arising from insurance activities are kept in segregated accounts. All investment income earned on these accounts, net of costs, is allocated to the technical account.

5. PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2009 £'000	2008 £'000
The profit on ordinary activities is stated after charging		
Audit of financial statements of companies pursuant to legislation	<u>12</u>	<u>9</u>

6. STAFF COSTS AND DIRECTORS' REMUNERATION

There were no staff employed by the company other than the directors during the period. No directors fees are paid (2008 - £nil). The average number of directors for the period was 3 (2008: 3).

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

7. TAXATION

	2009 £'000	2008 £'000
(a) Analysis of tax charge in year		
Current tax		
UK corporation tax on profit for the year	523	2,093
Double taxation relief	(231)	-
Adjustments in respect of previous periods	(1,144)	-
	<u>(852)</u>	<u>2,093</u>
Foreign tax	<u>451</u>	<u>-</u>
	(401)	2,093
Deferred Tax		
Origination and reversal of timing differences	1,679	-
Adjustments in respect of previous periods	(35)	-
	<u>1,644</u>	<u>-</u>
Tax on profit on ordinary activities	<u>1,243</u>	<u>2,093</u>
(b) Factors affecting tax charge for current year		

The tax charge for the year is lower than that resulting from applying the standard rate of corporation tax in the UK of 28% (2008 28%)

	2009 £'000	2008 £'000
The differences are explained below		
Profit on ordinary activities before tax	<u>7,759</u>	<u>9,309</u>
Tax at 28% (2008 28%) thereon	2,173	2,606
Effects of		
Expenses not deductible for tax purposes	7	-
Syndicate underwriting results	(1,641)	-
Adjustments in respect of previous periods	(1,144)	-
Foreign tax	451	-
Group relief for nil consideration	(16)	(513)
Double taxation relief	<u>(231)</u>	<u>-</u>
Current tax for the period (see (a) above)	<u>(401)</u>	<u>2,093</u>

Group policy is that no payments are made between companies in respect of group relief claims

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

8. FINANCIAL INVESTMENTS

	2009 £'000	2008 £'000
Debt and other fixed income listed securities	-	27,174
Deposits with credit institutions	-	5,365
	<u>-</u>	<u>32,539</u>

9. OTHER DEBTORS – CORPORATE

	2009 £'000	2008 £'000
Amounts owed by group companies	3,984	5,435
Other debtors	56	1,166
	<u>4,040</u>	<u>6,601</u>

10 CASH AT BANK AND IN HAND

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

11. LOAN STOCK

	2009 £'000	2008 £'000
Authorised	<u>10,000</u>	<u>10,000</u>
Issued and fully paid up	<u>10,000</u>	<u>10,000</u>

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

11. LOAN STOCK *(Continued)*

The company received a loan of £10,000,000 on 31 December 2002 from Imagine Insurance Company Limited. In agreement with Imagine Insurance Company Limited, it created £10,000,000 of Unsecured Loan Stock. On 24 November 2003, at the request of Imagine Insurance Company Limited, the company issued fully paid loan notes of £9,000,000 and £1,000,000 to Imagine Insurance Company Limited and Imagine Underwriting Services Limited respectively. Pursuant to a letter dated 16 July 2004 an adjustment was made to the loan stock holdings to record the holdings as £9,030,113 by Imagine Insurance Company Limited and £969,887 by Imagine Underwriting Services limited. On 31 December 2007 in agreement with Imagine Insurance Company Limited, the company transferred £5,105,340 of loan notes principal to Imagine Finance S A R L, thereby reducing the loan notes held by Imagine Insurance Company Limited to £3,924,773. On November 3, 2008, Imagine Underwriting Services Limited transferred loan notes of £969,887 previously held by it to Imagine Insurance Company Limited so that Imagine Insurance Company Limited held £4,894,660 of loan notes principal. On 9 October 2009 and 13 October 2009 respectively Imagine Insurance Company Limited and Imagine Finance S A R L transferred the entire amounts of their loan stock holdings to Imagine UK 2008 Holdings Limited.

On winding up, the company shall pay by way of interest to loan stock holders an amount equal to the investment income arising on the company's Funds at Lloyd's.

After the above mentioned payment and the payment in full of other creditors, the company shall repay to all loan stock holders a sum equal to the nominal amount of paid up loan stock held by them. The payment will rank ahead of any repayment on the ordinary share.

After payment to the holder of the ordinary share on winding up of an amount equal to its nominal amount paid up, the surplus of the assets shall be paid to the loan stock holders up to an amount equal to £10,000 on each £1 nominal loan stock. Any surplus over and above £10,000 per £1 nominal of loan stock will be paid to the holder of the ordinary share.

In view of the equity nature of the loan stock, it has been treated as capital in the balance sheet.

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

12. CALLED UP SHARE CAPITAL

	<i>2009</i> <i>£'000</i>	<i>2008</i> <i>£'000</i>
Authorised 100 authorised ordinary shares of £1 each	<u>1</u>	<u>1</u>
Issued and fully paid up 1 ordinary share of £1	<u>-</u>	<u>-</u>

13. PROFIT AND LOSS RESERVE MOVEMENT

	<i>2009</i> <i>£'000</i>	<i>2008</i> <i>£'000</i>
At 1 January	10,114	2,898
Profit for the year	<u>6,516</u>	<u>7,216</u>
At 31 December	<u>16,630</u>	<u>10,114</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<i>2009</i> <i>£'000</i>	<i>2008</i> <i>£'000</i>
Opening shareholders' funds at 1 January	20,114	12,898
Profit for the year	<u>6,516</u>	<u>7,216</u>
Closing shareholders' funds at 31 December	<u>26,630</u>	<u>20,114</u>

Imagine Corporate Capital Limited

Notes on the financial statements

(Continued)

15. DEFERRED TAX

	2009 £'000	2008 £'000
Deferred taxation on underwriting profits and interest payable	2,079	435
Deferred tax is in respect of short term timing differences on taxable profits		
Movement in deferred tax asset / (liability)		
At 1 January	(435)	(435)
Movement in the year	(1,644)	-
At 31 December	(2,079)	(435)
The deferred tax balance at 31 December consists of		
Underwriting profits	(2,272)	(779)
Interest payable	193	344
	(2,079)	(435)

16. CREDITORS - CORPORATE

	2009 £'000	2008 £'000
Amounts due to group companies	3,365	508
Taxes payable	277	2,093
Other creditors	-	645
	3,642	3,246

17. 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

18. 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.

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