
LIMITED LIABILITY PARTNERSHIP

Whitten Underwriting LLP

Financial Statements

◆ For the year ended 31 December 2010 ◆

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Registered Number: OC330656

Whitten Underwriting LLP

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Whitten Underwriting LLP

GENERAL INFORMATION

DESIGNATED MEMBERS

Argenta Continuity Limited
Argenta LLP Services Limited

MEMBERS' AGENT

(Regulated by the Financial Services Authority)
Argenta Private Capital Limited

AUDITORS

Mazars LLP
Tower Bridge House
St Katharine's Way
London
E1W 1DD

REGISTERED NUMBER

OC330656

REGISTERED OFFICE

Fountain House
130 Fenchurch Street
London, EC3M 5DJ

ACCOUNTANTS

Argenta Private Capital Limited
Fountain House
130 Fenchurch Street
London
EC3M 5DJ

Whitten Underwriting LLP

MEMBERS' REPORT

For the year ended 31 December 2010

The Members present their report together with the Financial Statements for the year ended 31 December 2010

STATEMENT OF MEMBERS' RESPONSIBILITIES

Legislation applicable to Limited Liability Partnerships requires the Members to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period

In preparing those Financial Statements, the Members 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 departure 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 Partnership will continue in business

The Members are responsible for ensuring that proper and up to date books of account are maintained in accordance with generally accepted accounting principles, and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the Financial Statements comply with the Limited Liability Partnership Regulations. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

ACTIVITIES

The principal activity of the Partnership in the year under review was that of a limited liability underwriting member of Lloyd's

RESULTS

The financial statements incorporate the annual accounting results of the syndicates on which the Limited Liability Partnership participates for the 2008, 2009 and 2010 years of account

The result for the year is shown in the profit and loss account

FUTURE DEVELOPMENTS

The Limited Liability Partnership continues to write insurance business in the Lloyd's insurance market as a limited liability underwriting member of Lloyd's

DESIGNATED MEMBERS

The Designated Members during the period were as follows

Argenta Continuity Limited
Argenta LLP Services Limited

Whitten Underwriting LLP

MEMBERS' REPORT

For the year ended 31 December 2010

MEMBERS' INTERESTS

The net profit of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective profit shares for the relevant year(s) of account

The net loss of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective yearly shares for the relevant year(s) of account

AUDITORS

Mazars LLP have signified their willingness to act and continue to be appointed as the auditors to the Limited Liability Partnership

Approved by the Members on 10 June 2011 and signed on their behalf by



D C BOWLES
ARGENTA LLP SERVICES LIMITED
Designated Member

Whitten Underwriting LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF Whitten Underwriting LLP For the year ended 31 December 2010

We have audited the Financial Statements of Whitten Underwriting LLP for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the Limited Liability Partnership's Members, 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 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 Limited Liability Partnership and the Limited Liability Partnership's Members, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Members and auditors

As described in the Statement of Members' Responsibilities the Limited Liability Partnership's Members are responsible for the preparation of Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards of Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view, whether the Financial Statements are properly prepared in accordance with the Companies Act 2006 and whether the information given in the Members' Report is consistent with the Financial Statements. We also report to you if, in our opinion, the Limited Liability Partnership 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 Members' remuneration and transactions with the Limited Liability Partnership is not disclosed.

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

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards of 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 Members in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Limited Liability Partnership'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.

Whitten Underwriting LLP
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF Whitten Underwriting LLP
For the year ended 31 December 2010

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 Limited Liability Partnership's affairs as at 31 December 2010 and of its profit/loss for the year then ended,
- the Financial Statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Members' Report is consistent with the Financial Statements


Markham Grice (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory auditor
Tower Bridge House
St Katharine's Way
London E1W 1DD

10 June 2011

Whitten Underwriting LLP

PROFIT & LOSS ACCOUNT – TECHNICAL ACCOUNT – GENERAL BUSINESS For the year ended 31 December 2010

	Note	2010 £	2009 £
Earned premiums, net of reinsurance			
Gross premiums written			
Continuing operations	1	1,704,407	1,717,569
Outward reinsurance premiums	1	(313,065)	(317,916)
Net premiums written		<u>1,391,342</u>	<u>1,399,653</u>
Change in the provision for unearned premiums			
Gross provision	1	(30,212)	(108,168)
Reinsurers' share	1	(3,512)	25,735
Earned premiums, net of reinsurance		<u>1,357,618</u>	<u>1,317,220</u>
Allocated investment return transferred from the non-technical account		49,791	24,412
Other technical income, net of reinsurance		246	1,255
Claims incurred net of reinsurance claims paid			
Gross amount	1	(749,270)	(364,467)
Reinsurers' share	1	117,674	56,138
Net claims paid		<u>(631,596)</u>	<u>(308,329)</u>
Change in provision for claims			
Gross amount	1	(196,082)	(440,742)
Reinsurers' share	1	44,632	44,943
Net change in provisions for claims		<u>(151,450)</u>	<u>(395,799)</u>
Claims incurred, net of reinsurance		<u>(783,046)</u>	<u>(704,128)</u>
Changes in other technical provisions, net of reinsurance		-	-
Net operating expenses	1, 2	(526,398)	(431,641)
Other technical charges, net of reinsurance		-	-
Balance on the technical account for general business		<u>98,211</u>	<u>207,118</u>

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements

Whitten Underwriting LLP

PROFIT & LOSS ACCOUNT – NON TECHNICAL ACCOUNT For the year ended 31 December 2010

	Note	2010 £	2009 £
Balance on general business technical account		98,211	207,118
Investment income	3	74,642	27,688
Unrealised gains on investments		14,328	9,073
Investment expenses and charges	4	(21,048)	(7,497)
Unrealised losses on investments		(18,126)	(4,845)
Allocated investment return transferred to the general business technical account		(49,791)	(24,412)
Other income		-	380
Other charges		(65,239)	(76,426)
Profit/(loss) for the financial period before Members' remuneration and profit shares	5	<u>32,977</u>	<u>131,079</u>
Members' remuneration charged as an expense	6	<u>-</u>	<u>-</u>
Profit/(loss) for the financial period available for division among Members	9	<u>32,977</u>	<u>131,079</u>

The Limited Liability Partnership has no recognised gains or losses other than the profit or loss for the year

All items derive from continuing activities

In accordance with the amendment to the Financial Reporting Standard 3 "Reporting Financial Performance", the inclusion of unrealised gains and losses in the profit and loss account to reflect the marking to market of investments in the balance sheet is deemed not to be a material departure from the historical cost basis of accounting. Accordingly, a separate note of historical cost profits and losses is not given.

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements

Whitten Underwriting LLP

BALANCE SHEET As at 31 December 2010

	Note	31 December 2010			31 December 2009		
		Syndicate Participation £	Partnership £	Total £	Syndicate Participation £	Partnership £	Total £
Assets							
Intangible assets	7	-	142,331	142,331	-	192,545	192,545
Investments							
Financial investments	8	1,750,949	-	1,750,949	819,653	-	819,653
Deposits with ceding undertakings		657	-	657	401	-	401
		1,751,606	-	1,751,606	820,054	-	820,054
Reinsurers' share of technical provisions							
Provision for unearned premiums		82,824	-	82,824	65,606	-	65,606
Claims outstanding		395,521	-	395,521	171,725	-	171,725
Other technical provisions		-	-	-	-	-	-
		478,345	-	478,345	237,331	-	237,331
Debtors							
Arising out of direct insurance operations		385,066	-	385,066	276,027	-	276,027
Arising out of reinsurance operations		307,554	-	307,554	279,217	-	279,217
Other debtors		221,061	-	221,061	165,231	-	165,231
		913,681	-	913,681	720,475	-	720,475
Other assets							
Cash at bank and in hand		90,110	1	90,111	36,991	111	37,102
Other		168,875	-	168,875	65,319	-	65,319
		258,985	1	258,986	102,310	111	102,421
Prepayments and accrued income							
Accrued interest		2,736	-	2,736	2,609	-	2,609
Deferred acquisition costs		197,695	-	197,695	164,346	-	164,346
Other prepayments and accrued income		6,283	-	6,283	3,461	-	3,461
		206,714	-	206,714	170,416	-	170,416
Total assets		3,609,331	142,332	3,751,663	2,050,586	192,656	2,243,242

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements

Whitten Underwriting LLP

BALANCE SHEET As at 31 December 2010

	Note	31 December 2010			31 December 2009		
		Syndicate Participation £	Partnership £	Total £	Syndicate Participation £	Partnership £	Total £
Liabilities and Members' interests							
Members' interests due within one year							
Members' capital classified as a liability under FRS 25	9	289,915	68,970	358,885	170,749	189,132	359,881
Technical provisions							
Provision for unearned premiums		732,684	-	732,684	655,816	-	655,816
Claims outstanding – gross amount		2,160,143	-	2,160,143	916,407	-	916,407
Other technical provisions		-	-	-	-	-	-
Provisions for other risks and charges		-	-	-	-	-	-
Deposit received from reinsurers		722	-	722	525	-	525
Creditors							
Arising out of direct insurance operations		94,101	-	94,101	51,800	-	51,800
Arising out of reinsurance operations		198,192	-	198,192	119,625	-	119,625
Amounts owed to credit institutions		-	-	-	50	-	50
Other creditors including taxation and social security		166,125	-	166,125	126,208	-	126,208
		3,351,967	-	3,351,967	1,870,431	-	1,870,431
Accruals and deferred income		(32,551)	73,362	40,811	9,406	3,524	12,930
Total liabilities		3,609,331	142,332	3,751,663	2,050,586	192,656	2,243,242

The Financial Statements were approved by the Members of the Limited Liability Partnership and signed on its behalf by



D C BOWLES
ARGENTA LLP SERVICES LIMITED
10 June 2011

Registered Number OC330656

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements

Whitten Underwriting LLP

CASH FLOW STATEMENT For the year ended 31 December 2010

	Note	2010 £	2009 £
Operating activities			
Net cash inflow/(outflow) from operating activities	10(a)	44,358	(10,087)
Returns on investments and servicing of finance			
Interest received		-	-
Interest paid		-	-
Capital expenditure			
Purchase of syndicate capacity		(10,605)	(18,599)
Proceeds from sale of syndicate capacity		-	2,841
Transactions with Members and former Members			
Payment to Members		(33,863)	-
Contributions by Members		-	25,938
Post retirement payments to former Members		-	-
Net cash inflow/(outflow) for the year	10(b)	<u>(110)</u>	<u>93</u>
 Cash flows were invested as follows			
Increase/(decrease) in cash holdings		(110)	93
Purchase of financial investments		-	-
Sale of financial investments		-	-
Net investment of cash flows	10(b)	<u>(110)</u>	<u>93</u>

The Limited Liability Partnership 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 Limited Liability Partnership funds, which includes transfers to and from the syndicates at Lloyd's.

The accounting policies and notes on pages 12 to 20 form part of these Financial Statements.

Whitten Underwriting LLP

STATEMENT OF ACCOUNTING POLICIES

BASIS OF PREPARATION

The Financial Statements are prepared under the historical cost basis of accounting modified to include the revaluation of investments and comply with applicable Accounting Standards

The Limited Liability Partnership participates in insurance business as an underwriting member of various syndicates at Lloyd's

The Financial Statements have been prepared in accordance with Sections 1164 and 1165 of the Companies Act 2006, and Schedule 3 of SI 2008/410, the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 and the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers in December 2005, as amended in December 2006. The Financial Statements have also been prepared in accordance with the Statement of Recommended Practice on Accounting by Limited Liability Partnerships dated March 2006

Accounting information in respect of the syndicate participations has been provided by the syndicate managing agents and has been reported upon by the syndicate auditors

BASIS OF ACCOUNTING

The Financial Statements are prepared using the annual basis of accounting. Under the annual basis of accounting a result is determined at the end of each accounting period reflecting the profit or loss from providing insurance coverage during that period and any adjustments to the profit or loss of providing insurance cover during earlier accounting periods

Amounts reported in the general business technical account relate to movements in the period in respect of all relevant years of account of the syndicates on which the Limited Liability Partnership participates

For each such Syndicate, the Partnership's proportion of the underwriting transactions, investment return and operating expenses has been reflected within the Partnership's profit and loss account. Similarly, its proportion of the Syndicate's assets and liabilities has been reflected in its balance sheet (under the column heading "Syndicate"). The Syndicate's assets are held subject to trust deeds for the benefit of the Partnership's insurance creditors

The proportion referred to above is calculated by reference to the Partnership's participation as a percentage of the Syndicate's total capacity

The Partnership has delegated sole management and control of its underwriting through each Syndicate to the managing agent of the Syndicate ("the Managing Agent") and it has further undertaken not to interfere with the exercise of such management and control. The Managing Agents of the Syndicates are therefore responsible for determining the insurance transactions to be recognised by the Partnership. The only exception to this rule is the level of provision for outstanding claims

Sources of data

The information used to compile the technical account and the "Syndicate" balance sheet is based on returns prepared for this purpose by the Managing Agents of the Syndicates ("the Returns"). These returns have been subjected to audit by the Syndicate auditors and are based on the audited Syndicate returns to Lloyd's and the audited annual reports to Syndicate members

The format of the Returns has been established by Lloyd's and Lloyd's has also been responsible for collating the data at a Syndicate level and analysing it into corporate member level results

Whitten Underwriting LLP

STATEMENT OF ACCOUNTING POLICIES (continued)

i Accounting convention

The financial statements are prepared in accordance with appropriate accounting standards and under the historical cost convention as modified by the revaluation of financial investments

ii Going concern

These financial statements have been prepared on a going concern basis

iii Premiums

Premiums written comprise the total premiums receivable for the whole period of cover provided by the contracts incepting during the financial year, together with any adjustments arising in the year to such premiums receivable in respect of business written in prior years. Premiums are shown gross of commission payable to intermediaries and exclude insurance premium tax. Gross premiums written may include "reinsurance to close" premiums receivable (see vii below). Outward reinsurance premiums may include "reinsurance to close" premiums payable (see vii below). Premiums written by a Syndicate may also include the reinsurance of other syndicates on which the Partnership participates. No adjustments have been made to gross premiums written or outward reinsurance premiums (or to gross and reinsurers' claims) to remove this intersyndicate reinsurance. Unearned premiums represent the proportion of premiums written in the year that relate to the unexpired terms of policies in force at the balance sheet date, calculated on the basis of established earnings patterns or time apportionment as appropriate.

iv Claims incurred

Claims incurred include the costs of claims handling expenses. Recoverable amounts arising out of subrogation or salvage are deducted from the cost of claims. Claims incurred comprise amounts paid or provided in respect of claims occurring during the year to 31 December, together with the amount by which settlement or reassessment of claims from prior years differ from the provision at the beginning of the year.

v Provision for claims outstanding

Claims outstanding comprise amounts set aside for claims notified and claims incurred but not yet reported (IBNR). Provision is made for claims incurred but not paid in respect of events up to 31 December. The provision is based on the Returns and reports from the Managing Agents and the Partnership's licensed adviser or Members' Agent. When appropriate, statistical methods have been applied to past experience of claims frequency and severity.

The two most critical assumptions as regard claims provisions are that the past is a reasonable predictor of the likely level of claims development, and that the rating and other models used for current business are fair reflections of the likely level of ultimate claims to be incurred. The members consider the provision for gross claims and related reinsurance recoveries, as based on the Returns to be fairly stated. However, ultimate liability will vary as a result of subsequent information and events and this may result in significant adjustments to the amounts provided. Adjustments to amounts of claims provisions established in prior years are reflected in the financial statements for the period in which the adjustments are made.

vi Unexpired risk provision

A provision for unexpired risk is made by the underlying Syndicates where claims, related expenses and deferred acquisition costs, likely to arise after the end of the financial period in respect of contracts concluded before that date, are expected to exceed the unearned premiums and premiums receivable under these contracts, after the deduction of any acquisition costs deferred.

Whitten Underwriting LLP

STATEMENT OF ACCOUNTING POLICIES (continued)

vii 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 (1) a premium, and (2) either

- (a) 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
- (b) 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 discharges of the liabilities of the reinsured members

Where the reinsurance to close is between members on successive years of account of the same Syndicate, the Managing Agent has a duty to ensure both sets of members are treated equitably and to set the reinsurance to close with the intention that neither a profit nor a loss accrues to either group of members. To the extent that the Partnership participates on successive years of account of the same syndicate and there is a reinsurance to close between those years, the Partnership has offset its share of the reinsurance to close received against its share of the reinsurance to close paid.

If the Partnership has increased its participation from one year of account to the next, the reinsurance to close paid is eliminated, as a result of this offset, leaving an element of the reinsurance to close received. This reflects the fact that the Partnership has assumed a greater proportion of the business of the Syndicate. If the Partnership has reduced its participation from one year of account to the next, the reinsurance to close received is eliminated, leaving an element of the reinsurance to close paid. This reflects the reduction in the Partnership's exposure to risks previously written by the Syndicate. 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 accounts purposes as settling all the Partnership's outstanding gross liabilities in respect of the business so reinsured.

viii Investments

Syndicate Where investments represent the Partnership's share of syndicate investments, they are stated at current value at the balance sheet date. For this purpose, listed investments are stated at market value and deposits with credit institutions and overseas deposits are stated at cost. Unlisted investments for which a market exists are stated at the average price at which they are traded on the balance sheet date or the last trading day before that date.

Whitten Underwriting LLP

STATEMENT OF ACCOUNTING POLICIES (continued)

ix Investment return

Investment income comprises interest receivable and dividends received plus realised and unrealised gains on the disposal of investments. Realised gains and losses arise from the difference between proceeds and valuation at the previous year end, or cost if there has been no previous revaluation. Unrealised investment gains and losses are calculated as the difference between the valuation at the balance sheet date and the valuation at the last balance sheet date or purchase price, if acquired during the year. Investment income is initially recorded in the non-technical account. All investment income arising on Syndicate participations is allocated to the technical account.

x Net operating expenses

Operating expenses are recognised when incurred. They include the Partnership's share of Syndicate operating expenses, the remuneration payable to Managing Agents (and the Partnership's Members' Agent/licensed adviser) and the direct costs of membership of Lloyd's.

xi Foreign currencies

Transactions in United States dollars, Canadian dollars and Euros are translated at the rates of exchange ruling at the date the transaction is processed or at an appropriate average rate. Unless otherwise stated, transactions in currencies other than United States dollars, Canadian dollars and Euros are translated at the rate of exchange ruling at the date the transaction is processed. Monetary assets and liabilities are retranslated into Sterling at the rate of exchange at the balance sheet date. Non-monetary assets and liabilities at the balance sheet date are maintained at the rate of exchange ruling when the contract was entered into (or an appropriate average rate). Exchange differences arising on translation are dealt with in the profit and loss account.

xii Syndicate participation rights

Where the Partnership has purchased the right to participate on Syndicates, the cost is capitalised and amortised in equal annual instalments over five years.

Members' Interests

The net profit of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective profit shares for the relevant year(s) of account.

The net loss of the Limited Liability Partnership for the financial year is allocated to each Member in accordance with their respective yearly shares for the relevant year(s) of account.

Loans and other debts due to Members rank *pari passu* with other unsecured creditors on the winding up of a partnership.

Taxation

Income tax payable on the Partnership's profits is solely the personal liability of the Members and consequently is not dealt with in these Financial Statements.

Whitten Underwriting LLP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2010

1. Class of Business

2010	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	115,269	112,543	(50,101)	(54,896)	(3,446)	4,100
Motor – third party liability	7,133	6,131	(2,977)	(2,081)	(182)	891
Motor – other classes	90,237	79,765	(105,545)	(26,738)	(2,583)	(55,101)
Marine, aviation and transport	179,167	177,287	(88,321)	(52,689)	(8,901)	27,376
Fire and other damage to property	408,966	393,329	(182,053)	(136,046)	(50,529)	24,701
Third party liability	193,622	189,381	(100,871)	(59,317)	(13,954)	15,239
Credit and suretyship	77,191	77,078	(37,068)	(22,278)	(11,640)	6,092
Legal expenses	8,296	9,048	(5,473)	(3,367)	(326)	(118)
Assistance	-	-	-	-	-	-
Miscellaneous	106,616	84,547	(53,447)	(38,928)	(974)	(8,802)
	1,186,497	1,129,109	(625,856)	(396,340)	(92,535)	14,378
Reinsurance	517,910	545,086	(319,496)	(130,058)	(61,736)	33,796
Total	1,704,407	1,674,195	(945,352)	(526,398)	(154,271)	48,174

2009	Gross Premiums Written £	Gross Premiums Earned £	Gross Claims Incurred £	Net Operating Expenses £	Reinsurance Balance £	Total £
Direct Insurance						
Accident and health	77,535	65,274	(35,114)	(27,111)	(3,146)	(97)
Motor – third party liability	4,443	3,718	(2,429)	(1,132)	2	159
Motor – other classes	69,695	63,717	(43,249)	(18,229)	(935)	1,304
Marine, aviation and transport	198,068	189,822	(95,301)	(51,663)	(18,871)	23,987
Fire and other damage to property	426,970	393,430	(201,333)	(121,104)	(49,041)	21,952
Third party liability	222,248	203,488	(138,896)	(55,756)	(7,306)	1,530
Credit and suretyship	19,080	18,560	(21,772)	(4,595)	(267)	(8,074)
Legal expenses	1,760	1,705	(890)	(656)	(9)	150
Assistance	-	-	-	-	-	-
Miscellaneous	51,749	40,299	(18,762)	(16,131)	(6,030)	(624)
	1,071,548	980,013	(557,746)	(296,377)	(85,603)	40,287
Reinsurance	646,021	629,388	(252,713)	(135,264)	(105,497)	135,914
Total	1,717,569	1,609,401	(810,459)	(431,641)	(191,100)	176,201

All insurance business is underwritten in the UK in the Lloyd's insurance market, which has been treated as one geographical segment for the purpose of SSAP25 Segmental Reporting

Whitten Underwriting LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2010

2. Net Operating Expenses	2010	2009
	£	£
Acquisition costs	424,793	393,835
Change in deferred acquisition costs	(8,778)	(32,799)
Administrative expenses	69,568	51,070
Reinsurance commissions and profit participations	(27,698)	(26,420)
Personal expenses	68,513	45,955
	526,398	431,641
3. Investment Income	2010	2009
	£	£
Income from investments	53,961	19,855
Gains on the realisation of investments	20,676	7,826
Bank deposit interest	5	7
	74,642	27,688
4. Investment Expenses and Charges	2010	2009
	£	£
Investment management expenses, including interest	3,059	1,118
Losses on the realisation of investments	17,989	6,379
	21,048	7,497
5. Profit/(Loss) for the Financial Period Before Members' Remuneration and Profit Shares	2010	2009
	£	£
The profit/(loss) on ordinary activities is stated after charging/(crediting)		
Amortisation of syndicate capacity	60,819	57,099
(Profit)/loss on disposal of syndicate capacity	-	(380)
(Profit)/loss on exchange	(23,792)	11,802
Interest on bank loans and overdrafts	-	-
Other interest	-	-

The Limited Liability Partnership has no employees

The fees payable to the Limited Liability Partnership's auditor for audit services are included in the fees payable to the Members' Agent

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NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2010

6. Members' Remuneration

The average number of Members during the period was 5

7. Intangible Assets	2010	2009
	£	£
Purchased syndicate capacity		
Cost		
At 1 January 2010	304,093	288,430
Additions	10,605	18,599
Disposals	-	(2,936)
At 31 December 2010	<u>314,698</u>	<u>304,093</u>
Amortisation		
At 1 January 2010	111,548	54,924
Provided during the year	60,819	57,099
Disposals	-	(475)
At 31 December 2010	<u>172,367</u>	<u>111,548</u>
Net Book Value		
At 31 December 2010	<u>142,331</u>	<u>192,545</u>
At 31 December 2009	192,545	233,506

8. Financial Investments

Other financial investments - Syndicate

	2010 Market Value £	2010 Cost £	2009 Market Value £	2009 Cost £
Shares and other variable yield securities and units in unit trusts	256,213	243,662	93,793	92,548
Debt securities and other fixed income securities	1,392,867	1,397,757	691,098	687,878
Participation in investment pools	71,216	68,016	18,752	17,493
Loans secured by mortgages	13,457	13,540	4,020	4,040
Other loans	8,572	8,572	24	24
Deposits with credit institutions	8,560	8,560	11,966	11,827
Other	64	431	-	103
	<u>1,750,949</u>	<u>1,740,538</u>	<u>819,653</u>	<u>813,913</u>
Listed investments included within the above	<u>1,720,296</u>	<u>1,709,435</u>	<u>803,643</u>	<u>797,919</u>

Whitten Underwriting LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2010

9. Members' Interests

	Syndicate	Limited Liability Partnership Members' Capital Classified as a Liability		Total
	Members' Capital Classified as a Liability £	Syndicate Capacity £	Other Profits £	£
Members' interests at 1 January 2010	170,749	192,955	(3,823)	359,881
Introduced by Members	-	10,829	-	10,829
Allocated profits/(losses) 2008 year of account	72,519	-	-	72,519
Allocated profits/(losses) 2009 year of account	86,775	-	-	86,775
Allocated profits/(losses) 2010 year of account	(40,018)	(60,819)	(25,480)	(126,317)
Reallocate distribution	-	-	-	-
Repayment of debt (including Members' capital classified as a liability)	-	-	(44,692)	(44,692)
Other movements	(110)	-	-	(110)
Members' interests at 31 December 2010	289,915	142,965	(73,995)	358,885

Whitten Underwriting LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2010

10. (a) Reconciliation of Operating Profit/(Loss) to Net Cash Inflow/(Outflow) from Operating Activities	2010	2009
	£	£
Profit/(loss) on ordinary activities before tax	32,977	131,079
(Profit)/loss attributable to syndicate transactions	(119,276)	(200,566)
Profit/(loss) – excluding syndicate transactions	(86,299)	(69,487)
(Increase)/decrease in debtors	-	-
Increase/(decrease) in creditors	69,838	2,681
(Profit)/loss on disposal of syndicate capacity	-	(380)
Amortisation of syndicate capacity	60,819	57,099
Impairment of syndicate capacity	-	-
Realised/unrealised (gains)/losses on investments	-	-
Net cash inflow/(outflow) from operating activities	44,358	(10,087)

(b) Movement in Cash, Portfolio Investments and Financing

	At 1 January 2010	Cash Flow	Changes to Market Value	At 31 December 2010
	£	£	£	£
Cash	111	(110)	-	1
Other financial investments	-	-	-	-
	111	(110)	-	1

11. Related Party Disclosure

There are no related party transactions to be disclosed

12. Ultimate Controlling Party

The ultimate controlling party of the Partnership is Mr K Whitten