
QBE International Holdings (UK) plc

Unaudited Interim Financial Statements

**For the period 1 January 2011
to 15 December 2011**



Registered Number 02641728

QBE INTERNATIONAL HOLDINGS (UK) PLC

UNAUDITED INTERIM FINANCIAL STATEMENTS

Contents	Page
Profit and loss account	2
Balance sheet	3
Notes to the financial statements	4

QBE INTERNATIONAL HOLDINGS (UK) PLC

PROFIT AND LOSS ACCOUNT

Forming part of the interim financial statements

	Notes	Period to 15 December 2011 £'000
Income from shares in group undertakings		266,204
Interest receivable and similar income	4	4,524
Interest payable and similar charges	5	(89,351)
Unrealised losses on investments		(15,899)
Reversal of write down in investment in group undertakings		191,866
Profit on ordinary activities before taxation		357,344
Taxation on profit on ordinary activities		27,665
Profit on ordinary activities after taxation		385,009

The results above are all derived from continuing operations

There are no recognised gains and losses for the period other than those included in the profit and loss account above and therefore no statement of total recognised gains and losses has been prepared

There is no difference between profits on ordinary activities after taxation and the profits for the current period stated above and their historical cost equivalents

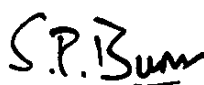
QBE INTERNATIONAL HOLDINGS (UK) PLC

BALANCE SHEET

as at 15 December 2011

	Notes	15 December 2011 £'000
Intangible assets		676
Fixed assets		
Shares in group undertakings		4,118,930
Other financial investments		42,446
		4,161,376
Current assets		
Cash at bank and in hand		5,486
Other debtors including taxation		613,278
Prepayments and accrued income		259
		619,023
Creditors – amounts falling due within one year		(228,294)
Net current assets		390,729
Total assets less current liabilities		4,552,781
Creditors - amounts falling due after more than one year		(1,641,370)
Net assets		2,911,411
Capital and Reserves		
Called up share capital	6,7	2,308,573
Share premium account	7	-
Profit and loss account	7	602,838
Total shareholders' funds	7	2,911,411

The unaudited interim financial statements were approved by the board of directors on 29 December 2011 and signed on its behalf by



S P Burns
Director

QBE International Holdings (UK) plc - Registered Number 02641728

QBE INTERNATIONAL HOLDINGS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS

Forming part of the interim financial statements

1. Accounting policies

(a) Basis of preparation

The financial statements have been prepared on the going concern basis under the historical cost convention, in accordance with Section 838 of the Companies Act 2006 and applicable accounting standards

(b) Investment income and expenses

Investment income and expenses are taken into account in the profit and loss account on an accruals basis, except for dividends, which are taken into account when they become unconditional

(c) Dividends

Interim dividends are recognised when paid and final dividends are recognised as a liability when they are approved by the members passing a written resolution

(d) Administrative expenses

The management and administration of the Company is carried out by QBE Management Services (UK) Limited, a fellow subsidiary undertaking, which also provides these services to other group companies. Administrative expenses, where recharged by QBE Management Services (UK) Limited to the Company, are taken into account on an accruals basis

(e) Realised gains and losses on investments

Realised gains and losses on investments carried at fair value through the profit and loss are calculated as the difference between net sales proceeds and purchase price

(f) Foreign currency transactions

The functional currency of the Company is the UK pound Sterling (£), the Company presents its accounts in thousands of £'s. Transactions denominated in foreign currencies are translated into Sterling at the rates of exchange prevailing at the time of the transactions. Assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange prevailing at the balance sheet date with the exception of non-monetary items which are maintained at historic rates. Exchange gains or losses are recognised in the profit and loss account

(g) Taxation

The charge for taxation is based on the result for the year adjusted for disallowable items. Deferred taxation is provided in full on all timing differences using tax rates that have been substantially enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. No deferred tax is provided in relation to unrealised gains or losses arising from revaluations of subsidiary undertakings. Deferred tax assets and liabilities are not discounted

QBE INTERNATIONAL HOLDINGS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Forming part of the interim financial statements

1. Accounting policies (continued)

(h) Intangible asset

Intangible assets are the cost of intellectual property, business information and business databases relating to the motor underwriting market. These assets are written off over twenty years.

(i) Shares in group undertakings

Shares in group undertakings are included in the Company's balance sheet at cost less any write down, based on the directors having prudent regard for their likely realisable value. Dividends from group undertakings are taken into account when the right to receive payment is established, for interim dividends, when they are paid and, for final dividends, when they are approved by shareholders.

2. Employees

The Company does not employ any staff. All staff based in the UK are employed by QBE Management Services (UK) Limited. The Company is not recharged for the services provided by these staff.

3. Directors' emoluments

The emoluments of the directors are paid by QBE Management Services (UK) Limited for their services to the group as a whole. No emoluments were payable to the directors in respect of their services to the Company for the period ended 15 December 2011 (31 December 2010: £nil).

4. Interest receivable and similar income

	Period to 15 December 2011 £'000
Interest receivable	
From group undertakings	2,907
Other	1,209
Realised gains on sale of investments	140
Other income	268
	<u>4,524</u>

5. Interest payable and similar charges

	Period to 15 December 2011 £'000
Interest payable to group undertakings	85,953
Foreign currency exchange losses	1,408
Other charges	1,990
	<u>89,351</u>

QBE INTERNATIONAL HOLDINGS (UK) PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

Forming part of the interim financial statements

6. Share capital

	15 December 2011 £'000
"A" Class Ordinary Shares – 330,000,000 shares of £1 each	330,000
"B" Class Ordinary Shares – 1,978,572,962 (2010 1,978,572,962) shares of £1 each	1,978,573
	<u>2,308,573</u>

7. Reconciliation of movements in shareholders' funds

Company	Called up share capital £'000	Share premium reserve £'000	Profit and loss reserve £'000	Total 2011 £'000
At 1 January	2,454,133	361,550	334,073	3,149,756
Capital reduction	(145,560)	(361,550)	483,810	(23,300)
Dividend paid			(600,054)	(600,054)
Profit for the period	-	-	385,009	385,009
At 15 December	<u>2,308,573</u>	<u>-</u>	<u>602,838</u>	<u>2,911,411</u>