

FROM: Scott Binskin, Financial Control EXTN: 2301  
DATE: 25 April 2005 REF: Y3548  
SUBJECT: **ADDITIONAL SECURITIES LIMITED (ASL) – 2004 EXPENSE COLLECTION**  
SUBJECT AREA(S):  
ATTACHMENTS: See Appendix 1

---

ACTION POINTS: **To note that the ASL 2004 expense collection is due on 29 April 2005**  
DEADLINE(S): **None**

---

## **1. Introduction**

The 2004 net expense collection is due on 29 April 2005. The expenses will be apportioned based on 2003 premium income and will be allocated to syndicates for all countries including countries where ASL funded deposits from its accumulated reserves.

## **2. Collection**

In order to ensure transparency, ASL's expenses have been allocated equitably to syndicates writing business in each territory that ASL maintained a deposit, regardless of how that deposit was funded.

For those countries where the deposit was funded from reserves, the cost of using those reserves for this purpose has been charged to appropriate syndicates. However, whilst syndicates receive a separate income distribution for those countries where deposits are funded by syndicates, income earned upon deposits funded from reserves has been utilised to offset relevant operating expenditure. Such income includes interest earned together with capital and foreign exchange gains and losses on those deposits.

Overall, a net expense collection of £371,677 is due from syndicates. Appendix 1 provides additional analysis of amounts by country. The collections/(distributions) will be made from/(to) syndicate sterling PTF's on 29 April 2005.

Should you have any queries regarding the collection please contact either Michael FitzGerald on Lloyd's extension 5901 or myself on Lloyd's extension 2301.

This bulletin has been sent to all Managing Agents.

Scott Binskin  
Overseas Accounting Technician  
Financial Control

**APPENDIX 1****ASL OPERATING EXPENSES - 2004****Net Adjustment (£)****DEPOSITS FUNDED BY COLLECTIONS FROM UNDERWRITERS**

<b>COUNTRY</b>	<b>Expenses</b>	<b>Income, Gains &amp; Losses on Deposits</b>	<b>Adjustment Due Coll/(Dist)</b>
Cyprus	35,520	0	35,520
Hong Kong	120,728	(32,501)	88,227
Singapore	118,019	(45,318)	72,701
Switzerland	112,487	(66,535)	45,952
Switzerland CER	16,881	(9,985)	6,896
Trinidad	12,232	(3,547)	8,685
<b>TOTAL</b>	<b>415,867</b>	<b>(157,886)</b>	<b>257,981</b>

**DEPOSITS FUNDED FROM COMPANY RESERVES**

<b>COUNTRY</b>	<b>Expenses (Inc. Cost of Borrowing)</b>	<b>Income, Gains &amp; Losses on Deposits</b>	<b>Adjustment Due Coll/(Dist)</b>
Barbados	1,301	32,498	33,799
Malta	20,460	1,562	22,022
St Kitts	502	7,623	8,125
St Lucia	2,923	22,964	25,887
Zimbabwe	2,035	21,828	23,863
<b>TOTAL</b>	<b>27,221</b>	<b>86,475</b>	<b>113,696</b>

<b><u>GRAND TOTAL</u></b>	<b>443,088</b>	<b>(71,411)</b>	<b>371,677</b>
---------------------------	----------------	-----------------	----------------