





Combined Financial Statements

Combined Financial Statements

Managers' Report

Basis of combination

The Combined Financial Statements that appear on pages 54 to 65 of these Management Highlights have been prepared by combining the accounts of The Steamship Mutual Underwriting Association Limited ("SSM London") with the consolidated accounts of its principal reinsurer The Steamship Mutual Underwriting Association (Bermuda) Limited ("SSM Bermuda"), and those of that Club's principal reinsurer The Steamship Mutual Trust ("the Trust"). All the Members of SSM London are also Members of SSM Bermuda and the Members of both Clubs are the beneficiaries of the Trust.

The Combined Financial Statements are intended to provide an overall summary of the financial position of the three entities which, whilst contractually linked, are not under common management or control.

The consolidated financial statements of SSM Bermuda and the financial statements of SSM London and the Trust are available in separate documents and on the Managers' website: www.simsl.com/report-and-accounts.

Free reserves

As at 20th February 2011, the combined free reserves of the two Clubs and the Trust stood at US\$ 303.31 million, an increase of US\$ 51.75 million, or 20.6% over the financial year. Discounting outstanding claims at a rate of 2.5% over ten years to take account of "run-off", the combined free reserve figure is US\$ 349.51 million compared with US\$ 291.86 million discounted at 2.5% last year. For the year under review, the Directors had ordered a general increase in Class 1 premiums of 5%. At the 2011 renewal the general increase was set at 0%.

Underwriting

During the year mutual and additional premium was levied as follows:

- for the year 2010/11 (Class 1 – P&I) 100% mutual premium;
- for the year 2010/11 (Class 2 – FD&D) 100% mutual premium;
- for the year 2007/08 (Class 1 – P&I) 7% additional premium; and
- for the year 2008/09 (Class 1 – P&I) 10% additional premium.

The 2007/08 year was closed in May 2010.

Gross premium totalled US\$ 316.05 million compared to US\$ 305.43 million last year.

The Directors have set the release call for both Class 1 (P&I) and Class 2 (FD&D) at 20% of mutual premium for the 2010/11 policy year; 15% of mutual premium for the 2009/10 policy year and 5% of mutual premium for the 2008/09 policy year.

Claims

Net claims paid during the financial year, on a combined basis including both SSM Bermuda, SSM London and the Trust, amounted to US\$ 174.20 million, a decrease of 3.9% from the figure (US\$ 181.23 million) for the 2009/10 financial year. Net outstanding claims rose by US\$ 31.79 million to US\$ 534.56 million, an increase of 6.3% from the net outstanding claims as at 20th February 2010.

Gross claims arising in respect of the policy year 2010/11, including IBNR, are projected to be US\$ 242.92 million, a decrease of 5.2% over 2009/10 (US\$ 256.11 million). Claims net of reinsurance recoveries in respect of the policy year amounted to US\$ 206.28 million on a combined basis, an increase of 1.8% from the comparable figure for 2009/10 (US\$ 202.55 million).

Investments

The combined gain on investment amounts to US\$ 32.88 million, or 3.8%, and the overall total of cash and investments rose by US\$ 103.17 million, or 14.3%, to US\$ 824.17 million.

The Trust achieved an investment gain of 4.4% compared to a gain of 7.9% in the previous year.

A review of investment performance is provided in the Investment section of these Highlights.

Accountants' Report

Accountants' report to the Members of The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited.

We report on the unaudited Combined Financial Statements of The Steamship Mutual Trust, The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited for the year ended 20th February 2011 ("the combined financial statements").

Our report is prepared solely for the confidential use of The Steamship Mutual Trust, The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited and solely for the purpose of informing the Members of The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Steamship Mutual Trust, The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited and of the Members of The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited as a body, for our work, for this report, or for the opinions we have formed.

Responsibilities

The Steamship Mutual Trust, The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited are responsible for the preparation of the combined financial statements.

It is our responsibility to carry out procedures designed to enable us to express an opinion as to whether the combined financial statements have been accurately extracted from the financial statements of The Steamship Mutual Trust, The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited for the year ended 20th February 2011.

Basis of opinion

We have performed the procedures enumerated below with respect to the combined financial statements. The procedures were performed solely to assist the Corporate Trustee and the Directors with the preparation of the combined financial statements and are summarised as follows:

- We agreed the figures used in the combined financial statements to the signed financial statements of The Steamship Mutual Trust, The Steamship Mutual Underwriting Association (Bermuda) Limited and

The Steamship Mutual Underwriting Association Limited as at 20th February 2011 respectively, and agreed adjustments on combination to the underlying accounting records.

- The auditors' reports on the financial statements of The Steamship Mutual Trust, The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited were issued by ourselves on 9th May and 10th May 2011 and were unqualified. Our audit opinions in these financial statements did not cover the policy year statements;
- We checked the numerical accuracy of the combined financial statements; and
- We checked that the stated accounting policies in the combined financial statements are consistent with the accounting policies adopted by The Steamship Mutual Trust, The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited, as defined in their respective financial statements to determine whether they are consistent.

Our procedures did not constitute an audit in accordance with Auditing Standards. In particular we have not verified any information or documentation provided to us and we should not be taken to have done so beyond the procedures described above.

Opinion

We report that:

- The combined financial statements have been accurately compiled from the financial statements of The Steamship Mutual Trust and The Steamship Mutual Underwriting Association (Bermuda) Limited and the statutory accounts of The Steamship Mutual Underwriting Association Limited; and
- Accounting policies adopted in the combined financial statements are consistent with those adopted by The Steamship Mutual Trust, The Steamship Mutual Underwriting Association (Bermuda) Limited and The Steamship Mutual Underwriting Association Limited.

Deloitte LLP
Chartered Accountants

London
8th June 2011

Combined Income and Expenditure Account

for the year 20th February 2011

	Note	2011 US\$ 000s	2010 US\$ 000s
Technical account			
Gross premium written	2	316,054	305,431
Outward reinsurance premium	3	(48,543)	(43,935)
Net earned premium		267,511	261,496
Claims paid			
Gross amount	4	211,988	276,237
Reinsurers' share	4	(37,791)	(95,010)
		174,197	181,227
Change in the provision for claims			
Gross amount	5	(7,725)	(6,340)
Reinsurers' share	5	39,511	27,968
		31,786	21,628
Net claims incurred		205,983	202,855
Operating expenses	6	40,417	37,543
Underwriting balance		21,111	21,098
Non-Technical account			
Underwriting balance		21,111	21,098
Investment income	7	29,033	5,098
Unrealised gains on investments	7	3,850	39,994
Investment charges		(2,479)	(2,535)
Other income		230	248
Taxation		–	(3)
Surplus for the financial year		51,745	63,900

Combined Balance Sheet

as at 20th February 2011

	Note	2011 US\$ 000s	2010 US\$ 000s
Assets			
Investments			
Land and buildings		6,910	6,910
Other financial investments	8	802,277	701,633
Reinsurers' share of technical provisions			
Claims outstanding	5	180,404	219,915
Debtors			
Debtors arising out of direct insurance operations	9	25,419	53,235
Debtors arising out of reinsurance operations	10	12,737	14,668
Other debtors	11	4,493	3,111
Other assets			
Cash at bank and in hand		14,979	12,437
Prepayments and accrued income			
Deferred acquisition costs		236	180
Other prepayments and accrued income		4,490	4,607
Total assets		1,051,945	1,016,696
Liabilities			
Capital and reserves			
Free reserves	12	303,307	251,562
Technical provisions			
Provision for unearned premiums		1,594	1,397
Claims outstanding	5	714,962	722,687
Provisions for other risks and charges			
Provision for taxation		–	2
Creditors			
Creditors arising out of direct insurance operations		5,324	8,410
Creditors arising out of reinsurance operations	13	16,320	14,712
Other creditors	14	10,438	17,926
Total liabilities		1,051,945	1,016,696

Notes on the Combined Financial Statements

1. Extract of accounting policies

(a) Accounting convention

The financial statements have been prepared in accordance with the European Commission Insurance Accounts Directive (91/674/EEC) as adopted in the United Kingdom through Section 396 of the Companies Act 2006 and Schedule 3 of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and applicable United Kingdom accounting standards and in all material respects with the ABI SORP issued in December 2005 and amended in December 2006.

(b) Basis of combination

The financial statements combine the accounts of The Steamship Mutual Underwriting Association (Bermuda) Limited and its subsidiary undertakings, Steamship Mutual Underwriting Association (Reinsurance) Limited, Steamship Mutual Property Holdings Limited and its share of Hydra Insurance Company Limited with those of The Steamship Mutual Underwriting Association Limited and The Steamship Mutual Trust to 20th February 2011.

2. Gross premium written

	2011 US\$ 000s	2010 US\$ 000s
Mutual and fixed premium	314,996	302,312
Additional premium	(355)	1,272
Deferred mutual premium and releases	1,610	1,150
Movement in unearned premium	(197)	697
	316,054	305,431

3. Outward reinsurance premium

	2011 US\$ 000s	2010 US\$ 000s
Group Excess Loss	22,755	21,118
Other reinsurance premium	25,788	22,817
	48,543	43,935

4. Claims paid

	2011 US\$ 000s	2010 US\$ 000s
Claims and related expenses	178,360	227,346
Group Pool claims	10,489	26,887
Claims administration expenses	23,139	22,004
	211,988	276,237
Less reinsurers' share		
Group Excess Loss	12,760	30,218
Group Pool	13,089	24,791
Other reinsurers	11,942	40,001
	37,791	95,010
Net claims paid	174,197	181,227

5. Change in net provision for claims

	2011 US\$ 000s	2010 US\$ 000s
Gross outstanding claims		
Provision brought forward	(722,687)	(729,027)
Provision carried forward	714,962	722,687
	(7,725)	(6,340)
Group Pool and Excess Loss reinsurers' share of outstanding claims		
Provision brought forward	158,165	145,647
Provision carried forward	(125,469)	(158,165)
	32,696	(12,518)
Other reinsurers' share of outstanding claims		
Provision brought forward	61,750	102,236
Provision carried forward	(54,935)	(61,750)
	6,815	40,486
Change in reinsurers' share	39,511	27,968
Change in net provision for claims	31,786	21,628
Net claims outstanding	534,558	502,772

6. Operating expenses

	2011 US\$ 000s	2010 US\$ 000s
Brokerage	22,236	22,958
Underwriting administration expenses	7,746	7,409
Other administration expenses	9,599	6,371
Directors' remuneration	532	517
Auditors' remuneration	304	288
	40,417	37,543
Total expenses		
Operating expenses	40,417	37,543
Claims expenses (note 4 above)	23,139	22,004
Investment charges	2,479	2,535
	66,035	62,082

Notes on the Combined Financial Statements

continued

7. Investment income

	2011 US\$ 000s	2010 US\$ 000s
Income		
Dividends and interest	15,830	12,303
Realised gains/(losses)		
Investments	15,084	(10,804)
Exchange	(1,881)	3,599
	29,033	5,098
Unrealised gains/(losses)		
Investments	(527)	34,392
Exchange	4,377	5,602
	3,850	39,994

8. Other financial investments

	2011 US\$ 000s	2010 US\$ 000s
Market value		
Equities	19,145	1,093
Alternative investments	63,984	46,176
Bonds	520,394	542,710
Money market instruments	180,516	68,744
Deposits with credit institutions	7,837	31,145
Cash accounts	10,810	11,679
Open forward exchange contracts	(409)	86
	802,277	701,633
Cost		
Equities	15,485	2,338
Alternative investments	65,571	51,255
Bonds	522,195	540,436
Money market instruments	180,515	68,744
Deposits with credit institutions	7,837	31,145
Cash accounts	10,812	11,703
	802,415	705,621

9. Debtors arising out of direct insurance operations

	2011 US\$ 000s	2010 US\$ 000s
Mutual premium due	25,419	21,925
Additional premium yet to be debited	–	31,310
	25,419	53,235
The outstanding additional premium relates to the following policy years		
2007/08	–	11,665
2008/09	–	19,645
	–	31,310

10. Debtors arising out of reinsurance operations

	2011 US\$ 000s	2010 US\$ 000s
Group Clubs	2,034	2,416
Other reinsurance debtors	10,703	12,252
	12,737	14,668

11. Other debtors

	2011 US\$ 000s	2010 US\$ 000s
Balances with agents	560	579
Other debtors	3,933	2,532
	4,493	3,111

12. Free reserves

	2011 US\$ 000s	2010 US\$ 000s
Brought forward	251,562	187,662
Surplus for year	51,745	63,900
	303,307	251,562

13. Creditors arising out of reinsurance operations

	2011 US\$ 000s	2010 US\$ 000s
Group Excess Loss contract and Group Clubs	4,488	4,558
Other reinsurance creditors	11,832	10,154
	16,320	14,712

14. Other creditors

	2011 US\$ 000s	2010 US\$ 000s
Unsettled investment transactions	3,550	9,120
Other creditors	6,888	8,806
	10,438	17,926

Combined Policy Year Statement

All Classes

Development of policy years

Open policy years

	2010/11 US\$ 000s	2009/10 US\$ 000s	2008/09 US\$ 000s	Total US\$ 000s
Gross premium	309,872	308,688	297,650	916,210
Reinsurance premium	(48,159)	(46,165)	(41,300)	(135,624)
Net earned premium	261,713	262,523	256,350	780,586
Net incurred claims				
Claims paid net of reinsurance recoveries	29,953	64,680	100,519	195,152
Claims administration expenses	19,928	21,981	22,834	64,743
Net claims outstanding	82,233	77,133	50,537	209,903
IBNR provision	94,089	30,337	18,294	142,720
Future claims administration expenses	8,280	2,046	986	11,312
	234,483	196,177	193,170	623,830
Operating expenses				
Brokerage	22,290	20,740	21,745	64,775
Other expenses	16,040	14,575	17,202	47,817
	38,330	35,315	38,947	112,592
Underwriting balance	(11,100)	31,031	24,233	44,164
Additional premium	–	–	41,028	41,028
Brokerage payable on additional premium	–	–	(1,974)	(1,974)
Allocated net investment income	16,363	5,050	(8,020)	13,393
Surplus on open policy years	5,263	36,081	55,267	96,611
Closed policy years				
Surplus in respect of 2006/07 and prior years at 20th February 2010				97,169
Balance on 2007/08 year as at 20th February 2010				11,093
Movements on policy years prior to 2008/09				(7,683)
Surplus on all policy years				197,190

Managers' notes

- Investment income earned by SSM Bermuda and SSM London is credited to the same policy year as the financial year in which it arises. Investment income earned by the Trust is only allocated to the policy year to the extent required to bring that year into overall balance.
- The pure underwriting result excluding additional premium, being the balance of "Net earned premiums" after deducting "Claims paid net of reinsurance recoveries", "Net claims outstanding", "IBNR provision" and "Brokerage" is as follows:

2010/11 US\$ m	2009/10 US\$ m	2008/09 US\$ m
33.1	69.6	65.3

Balance available for outstanding claims by policy year

	2010/11 US\$ 000s	2009/10 US\$ 000s	2008/09 US\$ 000s	Closed years US\$ 000s	Total US\$ 000s
Gross claims outstanding					
Own claims	182,758	105,370	71,593	257,028	616,749
Pool claims	30,158	18,516	3,081	32,651	84,406
Reinsurance recoveries outstanding					
Group Excess Loss contract	–	–	–	(41,715)	(41,715)
Group Pool	(25,656)	(5,956)	(2,254)	(49,888)	(83,754)
Other	(10,938)	(10,460)	(3,589)	(29,948)	(54,935)
Future claims administration expenses	8,280	2,046	986	2,495	13,807
Net provision for claims outstanding	184,602	109,516	69,817	170,623	534,558
Free reserves					
Surplus on policy years	5,263	36,081	55,267	100,579	197,190
Reinsurance balance and statutory reserve	–	–	–	1,348	1,348
Unallocated investment income	–	–	–	104,769	104,769
	5,263	36,081	55,267	206,696	303,307
Balance available for outstanding claims	189,865	145,597	125,084	377,319	837,865

Managers' notes

1 Combined projected net outstanding claims at 20th February 2011, amounting to US\$ 534.6 million, includes IBNR provision totalling US\$ 187.8 million as follows:

2010/11 US\$ m	2009/10 US\$ m	2008/09 US\$ m	Closed years US\$ m	Total US\$ m
94.1	30.3	18.3	45.1	187.8

2 Combined free reserves at 20th February 2011, amounting to US\$ 303.31 million, are stated net of a provision for future expenses on outstanding claims amounting to US\$ 13.8 million. Discounting outstanding claims over a ten year period at a rate of 2.5% would increase combined free reserves to US\$ 349.5 million. The discounting rate of 2.5% compares against an average total return on combined investments, over the last ten years, of 3.3%.

Combined Policy Year Statement

P&I Class

Development of policy years

Open policy years

	2010/11 US\$ 000s	2009/10 US\$ 000s	2008/09 US\$ 000s	Total US\$ 000s
Gross premium	268,556	270,301	261,858	800,715
Reinsurance premium	(40,921)	(39,116)	(35,534)	(115,571)
Net earned premium	227,635	231,185	226,324	685,144
Net incurred claims				
Claims paid net of reinsurance recoveries	26,038	54,043	84,801	164,882
Claims administration expenses	15,714	17,716	18,564	51,994
Net claims outstanding	74,148	72,564	47,369	194,081
IBNR provisions	74,893	26,346	14,590	115,829
Future claims administration expenses	6,999	1,883	876	9,758
	197,792	172,552	166,200	536,544
Operating expenses				
Brokerage	19,603	18,282	19,690	57,575
Acquisition and other expenses	13,463	12,503	14,894	40,860
	33,066	30,785	34,584	98,435
Underwriting balance	(3,223)	27,848	25,540	50,165
Additional premium	–	–	41,028	41,028
Brokerage payable on additional premium	–	–	(1,974)	(1,974)
Allocated net investment income	8,529	4,118	(9,750)	2,897
Surplus on open policy years	5,306	31,966	54,844	92,116
Closed policy years				
Surplus in respect of 2006/07 and prior years at 20th February 2010				84,915
Balance on 2007/08 year as at 20th February 2010				9,136
Movements on policy years prior to 2008/09				(4,706)
Surplus on all policy years				181,461

Managers' notes

- Investment income earned by SSM Bermuda and SSM London is credited to the same policy year as the financial year in which it arises. Investment income earned by the Trust is only allocated to the policy year to the extent required to bring that year into overall balance.
- The pure underwriting result, being the balance of "Net earned premiums" after deducting "Claims paid net of reinsurance recoveries", "Net claims outstanding", "IBNR provision" and "Brokerage" is as follows:

	2010/11 US\$ m	2009/10 US\$ m	2008/09 US\$ m
	33.0	60.0	59.9
	19.2	18.6	18.5

3 Product of 10% supplementary call

Balance available for outstanding claims by policy year

	2010/11 US\$ 000s	2009/10 US\$ 000s	2008/09 US\$ 000s	Closed years US\$ 000s	Total US\$ 000s
Gross claims outstanding					
Own claims	152,593	95,094	64,333	250,431	562,451
Pool claims	30,158	18,516	3,081	32,651	84,406
Reinsurance recoveries outstanding					
Group Excess Loss contract	–	–	–	(41,715)	(41,715)
Group Pool	(25,656)	(5,956)	(2,254)	(49,888)	(83,754)
Other	(8,054)	(8,744)	(3,201)	(28,635)	(48,634)
Future claims administration expenses	6,999	1,883	876	2,429	12,187
Net provision for claims outstanding	156,040	100,793	62,835	165,273	484,941
Free reserves					
Surplus on policy years	5,306	31,966	54,844	89,345	181,461
Reinsurance balance and statutory reserve	–	–	–	1,348	1,348
Unallocated investment income	–	–	–	104,769	104,769
	5,306	31,966	54,844	195,462	287,578
Balance available for outstanding claims	161,346	132,759	117,679	360,735	772,519

Managers' notes

1 Combined projected net outstanding claims at 20th February 2011, amounting to US\$ 484.9 million, including IBNR provision totalling US\$ 156.4 million as follows:

2010/11 US\$ m	2009/10 US\$ m	2008/09 US\$ m	Closed years US\$ m	Total US\$ m
74.9	26.3	14.6	40.6	156.4

Combined Average Expense Ratio

Year ended 20th February

Combined Average Expense Ratio

The Combined Average Expense Ratio for the Clubs' and the Trust's P&I business for the five years ended 20th February 2011 is 12.0%.

Statement of Directors' and Corporate Trustee's Responsibilities

In accordance with Schedule 3 of the International Group Agreement 1999, the Directors are required to calculate and disclose the Average Expense Ratio for the combined results of The Steamship Mutual Underwriting Association (Bermuda) Limited, The Steamship Mutual Underwriting Association Limited (as an affiliated Club) and The Steamship Mutual Trust in respect of the five years ended 20th February 2011 ("the Ratio").

Accountants' Report to the Directors of The Steamship Mutual Underwriting Association (Bermuda) Limited

Basis of preparation

The Directors are responsible for the calculation of the Combined Average Expense Ratio. The Ratio has been calculated in accordance with Schedule 3 of the International Group Agreement 1999 issued by the International Group of P&I Clubs and is calculated using figures extracted from the accounting records of The Steamship Mutual Underwriting Association (Bermuda) Limited, The Steamship Mutual Underwriting Association Limited and The Steamship Mutual Trust using consistent accounting policies with those used to produce the most recent audited financial statements.

Basis of opinion

It is our responsibility to carry out procedures designed to enable us to express an opinion as to whether the figures have been properly extracted from the respective accounting records and whether the Ratio has been calculated in accordance with Schedule 3 of the International Group Agreement 1999 issued by the International Group of P&I Clubs.

We have checked the calculations supporting the Ratio and the extraction of the figures used in the calculation of the Ratio from the accounting records of The Steamship Mutual Underwriting Association (Bermuda) Limited, The Steamship Mutual Underwriting Association Limited and The Steamship Mutual Trust using consistent accounting policies with those used to produce the most recent audited financial statements on which unqualified audit opinions were issued.

Opinion

In our opinion, the figures have been properly extracted from the respective accounting records and the Ratio has been calculated in accordance with Schedule 3 of the International Group Agreement 1999 issued by the International Group of P&I Clubs.

Deloitte LLP
Chartered Accountants

London
8th June 2011

Use of Report

The above report is provided to you solely for your private information under the terms of our engagement letter. You should not without our prior written consent refer to or use our name or the report for any other purpose, refer to them in any document or make them available to any other party. We accept no liability to any other party who is shown or gains access to this report.

	2011 US\$ 000s	2010 US\$ 000s	2009 US\$ 000s	2008 US\$ 000s	2007 US\$ 000s
Operating costs					
All expenditure incurred in running the Club	7,802	6,187	8,330	4,122	4,914
Add:					
Brokerage and acquisition costs	25,220	24,568	28,199	24,950	22,899
Taxes other than those incurred on investments	–	3	55	83	82
Operating costs for P&I business	33,022	30,758	36,584	29,155	27,895
Premium income					
Premium income for P&I business	268,556	270,301	302,886	252,294	224,116
Investment income	29,035	5,203	612	42,728	39,545
Add:					
Unrealised gains/(losses)	3,849	39,889	(101,785)	(16,035)	14,548
Deduct:					
Internal investment management costs	(2,172)	(2,243)	(2,455)	(2,658)	(3,488)
Investment income allocated to non-P&I classes	(228)	(926)	1,073	(554)	(460)
Total adjusted investment income for P&I business	30,484	41,923	(102,555)	23,481	50,145
Expense ratio	11.0%	9.9%	18.3%	10.6%	10.2%
Average:	12.0%				

[Notes on the Combined Average Expense Ratio Guidelines](#)

All figures used in calculating the Combined Average Expense Ratio have been prepared on the same basis of accounting used in the financial statements ended 20th February 2011. Prior year figures have been extracted and restated where necessary on a comparable basis.