MMA Insurance plc

Annual Report and Financial Statements

31 December 2002

MMA Insurance plc

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Chairman's Statement

2002 was a turbulent trading year for all insurers. The heightened awareness of terrorism, stock market reductions and a new regulatory environment have been among the challenges faced by the industry. Against this background, I am pleased to report that MMA has again improved its position, with premium income rising by 17% to £190.8 million (£162.8 million 2001). We ended the year with a pre tax operating profit of £7.3 million (£9.1 million 2001) which was a very satisfactory result against the background of a reduced long term rate of return on equities. Our invested funds rose by 9% to £215.7million (£197.6million 2001).

The continued fall in the United Kingdom stock market has inevitably led to a reduction in shareholders' funds. However, strong operating results have to a large extent offset these falls, and enabled us to maintain a solid level of financial strength. We are confident that this base will support our plans for pursuing the healthy development of our business.

The broker distribution channel remains at the heart of our business strategy and we have continued to offer our insurance products for sale exclusively by insurance intermediaries. Although brokers in the traditional sense are reducing in numbers, largely through mergers and acquisitions, the amount of business remaining in their control is not. The result is a stronger, more concentrated intermediary network well placed to compete with alternative distribution channels.

Significant progress has been made in improving the service and products we deliver to both our policyholders and trading partners. Investments in technology have allowed us to reduce the amount of time taken to offer quotations and process business, generating cost and efficiency savings at both ends. Such efficiency improvements not only bring benefits for our customers but have resulted in our expense ratio reducing further to just 7.5% of gross written premiums. We believe this positions MMA as one of the most cost efficient insurers in the UK while still offering superior customer service.

Strong competition is an ever present in the insurance market. Large financial institutions with their powerful databases have diversified to sell insurance. Supermarkets are now competing hard for a share of the personal lines market. No one insurer is able to underwrite and be competitive for the full range of risks so broker-led panels of insurers still provide an ideal solution. MMA is represented on these panels quite extensively and recognises them as an important growth area.

Commercial insurance remains a stronghold for insurance brokers where they are the principal distribution channel, controlling over 70% of the market. MMA's support for brokers in the commercial market enabled us to increase the volume and value of our portfolio in this sector during 2002. We have developed our website providing online quotations for brokers for some of our key commercial products, construction and commercial motor.

We have also made major improvements to the claims service for our commercial policyholders who now have the speed and convenience of being able to report claims by telephone at any hour of the day, any day of the year. MMA is at the forefront of the market in providing commercial customers with the same high standards of service that are now an accepted industry standard for household and motor insurance.

For all insurance companies regulation was a consistent theme throughout 2002 and will continue to be so for the foreseeable future. We welcome the new FSA regulatory regime that makes public confidence the centre of its approach. Having undertaken a thorough audit of our management processes we are absolutely confident of our position.

In addition, we have carried out a complete Risk Management Programme and implemented a number of initiatives to give the company added protection. We also subjected our Business Continuity Plans to rigorous testing and were delighted with the results.

The regulation of intermediaries will soon pass to the FSA. As with insurance companies, those intermediaries who already have strong systems in place are the ones most likely to adapt readily to the new regulatory environment. MMA's agency selection criteria and agency network are one of the company's great strengths and we believe that the majority of our trading partners will be well placed to implement the changes that are required by the new regime, when the details are finally agreed.

2003 will be at least as big a challenge as 2002. The stock market is unlikely to recover in the short term and this puts an even greater emphasis on the viability of individual products. In 2002 we were able to implement extensive product reviews, particularly on commercial products to ensure that they are strong enough to withstand the trading climate ahead. Fortunately, MMA has always underwritten for profit rather than market share so the approach is not new to us. We see the future in a very positive light.

Turning to Board matters, during the year both Charles Skrzynski and Claude Mémin resigned in order to concentrate on their other business interests. Both had been General Managers of the Company in the past and had served us well for many years. The Board expressed its gratitude for their support. We welcomed in their place from our parent company Michel Roux and Sebastian Coste, the latter's appointment being at our January 2003 meeting.

I would like to take this opportunity to thank my fellow colleagues at MMA – the board members and staff who have contributed to the company's performance. Despite challenging market conditions they have ensured that MMA is in strong financial health and again delivered a superior performance. Our priorities for 2003 will focus on profitability and growth, allied to innovative modern products and first class service. We will work closely with our intermediary partners upon whose support we rely and for which we express our sincere appreciation.

Peter W Woolterton

Chairman

Chief Executive's Review

I am pleased to report a year of growth again in all our principal classes of business, with commercial insurance accounts experiencing the most significant increases.

Personal Lines Overview

Private motor, representing 45.2% of our Gross Written Premium remains the largest of our accounts. Premium income grew by just over 3% during the year and performance of the account was solid, demonstrated by a loss ratio 4 percentage points lower than 2001.

At the start of 2002 we launched our first breakdown product – MMA Motor Breakdown, with cover provided by the RAC. The competitive positioning of the product has made it an attractive new proposition for intermediaries, giving them an incremental sales opportunity and extra commission. For customers, the purchase of breakdown cover alongside motor insurance is convenient and cost effective, and consequently first year's sales have outstripped expectations.

The travel account succeeded in achieving marginal growth despite our decision to withdraw from schemes that were not providing a result in line with our requirements. The upturn in open market travel policy sales fully addressed this shortfall and will also contribute to a stronger technical result overall.

Retail prices for household insurance rose during the year although not as much as industry pundits were predicting. The account grew by over 10% and represented 16% of our portfolio in 2002, becoming our 2nd largest source of premium income after private motor. Despite experiencing a range of inclement weather conditions, from floods and storms to an extended cold spell, the account delivered a favourable result.

Commercial Lines Overview

All commercial accounts performed well in 2002 partly as a result of the reduced capacity for many of these classes. The greatest growth was enjoyed by our construction account which expanded by some 114%. Our Master Tradesman product is clearly established as one of the market leaders providing liability cover for small businesses operating in the building and allied trades.

The commercial motor account, which provides cover for motor traders' road risks insurance increased in size by over 20%. This was in part due to a number of increases implemented early in the year as well as a rise in volume. During the second half of the year our intermediaries were able to access immediate online quotations for this class of business using the MMA website, improving the speed and ease of quoting for our intermediary partners.

Commercial property products, in particular our Shops and Offices insurance packages also experienced rapid growth of over 50% in premium income compared with 2001.

Saturn, our associate company specialising in professional indemnity insurance, also benefited from the shortage of capacity in the market and increased its premium income by 10%. Having undertaken a review of its markets, Saturn has redefined its target risks and is delivering steady growth.

Applying Innovation

The current competitive climate in which we operate determines that customer service must remain a top priority for us. We continually strive to distinguish ourselves by providing a first class service to both our trading partners and our policyholders. Throughout the company new ideas are sought and implemented with the aim of not only maximising our efficiency but also ensuring that doing business with MMA is easier for our customers.

A new initiative on our handling of subsidence claims was successfully introduced in 2002 making the process engineer lead. The system makes full use of web technology to ensure that information is up to the minute and accessible to those involved with the claim. Customers too are kept fully informed and have responded very positively to the new approach. This has resulted in quantifiable improvements to the quality of service to our policyholders with the time it takes to settle a claim now 40% shorter than industry average. Significant cost savings have also been achieved, and in this respect MMA is now industry leading with a subsidence claims cost of 40% lower than the average.

Our Motor Engineers were recognised for their original application of a new vehicle damage profiling system by our inclusion in the shortlist for the Insurer Innovation category of the Insurance Times Awards 2002 with our 'Collision Deformation Classification' entry. The benefits of this system not only include customer service enhancements and cost savings but also enable us to work closer with our approved repairer network.

The outlook

There is little doubt that the year ahead will be challenging for all insurance companies. The financial markets are in the doldrums but despite this, I am pleased to report that MMA is in sound financial health. Our exposure to the stock market is limited and we believe we are well positioned to launch our future plans.

Consumer expectations are constantly rising and we must endeavour to excel in order to maintain a competitive position. Likewise, the service we deliver to our intermediary network must meet their needs and enable them to compete in turn on price and service to their clients. Having one of the lowest expense ratios in the market, we offer excellent value products and we will continue to seek ways of further improving our customer proposition. The internet gives us scope for developing the electronic business tools we provide to our brokers and we will be looking to enhance the Broker Online Services area of the MMA website.

During the coming year the MMA team will continue to concentrate its fundamental objectives of underwriting profitability, delivering competitive, modern products supported by excellence in service.

In Conclusion

Our progress in 2002 has been earned by hard work, focus and commitment. I would like to take this opportunity to express my personal thanks to everyone who has contributed, in particular to our trading partners and all the staff at MMA.

MMA Insurance plc

Report of the Directors
For the Year Ended 31 December 2002

DIRECTORS	Peter Woolterton	Chairman
	Sebastien Coste Appointed 16.01.03	
	Garry Fearn	
	Barry Hulbert	
	Olivier Jarry	
	Scott Nelson	
	George Nixon Appointed 21.03.03	
	Michel Roux Appointed 11.07.02	
	Steven Whittaker	
SECRETARY	Steven Whittaker	

The directors of MMA Insurance plc submit the forty-third annual report and financial statements of the Company for the year to 31 December 2002.

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be the transaction of non-life insurance business in the United Kingdom.

RESULTS

The balance on the technical account was £7,259,000, (2001 - £9,147,000).

The loss for the year after tax was £2,381,000, (2001 - £1,586,000 loss).

The directors propose the payment of a dividend for the year amounting to £1,600,000 (2001 - £2,000,000).

The Company has followed the recommendations of the ABI Statement of Recommended Practice on Accounting for Insurance Business.

FUTURE DEVELOPMENTS

Please refer to the Chairman's statement and Chief Executive's review on pages 1 and 5.

EURO

The directors are monitoring the potential effects of the introduction of the Euro upon the Company. No estimate can be made at this time of the likely costs to be incurred in making the Company's systems Euro compliant.

MMA Insurance plc

Report of the Directors continued
For the Year Ended 31 December 2002

DIRECTORS

The directors named on page 9 served throughout the year except Michel Roux (appointed 11 July 2002), Sebastien Coste (appointed 16 January 2003) and George Nixon (appointed 21 March 2003). Claude Memin and Charles Skrzynski also served until their resignations on 31 October and 31 December 2002 respectively. Garry Fearn and Steven Whittaker retire by rotation and, being eligible, offer themselves for re-election. Michel Roux and Sebastien Coste also retire and, being eligible, offer themselves for re-election.

None of the directors had an interest in the share capital of the Company during the year.

EMPLOYEES

Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

Employee Involvement

Consultation with employees or their representatives has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the Company as a whole. Communication with all employees continues through the inhouse newsletters, briefing groups and the distribution of the annual report.

CREDITOR PAYMENT POLICY

It is the Company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Company and its suppliers, provided that all trading terms and conditions have been complied with. At 31 December 2002 the amount outstanding in other creditors did not exceed agreed payment terms, which are most commonly thirty days from date of invoice.

AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution proposing their reappointment will be submitted at the Annual General Meeting.

By order of the board

S WHITTAKER

Secretary
21 March 2003

Statement of Directors' Responsibilities in Respect of the Financial Statements
For the Year Ended 31 December 2002

Company law requires the directors to prepare accounts for each financial year which 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 those accounts, the directors 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 departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MMA Insurance plc

Independent Auditors' Report to the Members of MMA Insurance plc

We have audited the Company's financial statements for the year ended 31 December 2002 which comprise the Technical Account – General Business, Non-Technical Account, Balance Sheet, Statement of Total Recognised Gains & Losses, Reconciliation of Movement in Shareholders' Funds and the related notes 1 to 25. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 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 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 described in the Statement of Directors' Responsibilities the Company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company 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 directors' remuneration and transactions with the Company is not disclosed.

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

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company'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.

EQUALISATION RESERVES

Our evaluation of the presentation of information in the financial statements has had regard to the statutory requirement for insurance companies to maintain equalisation reserves. The nature of equalisation reserves, the amounts set aside at 31 December 2002, and the effect of the movement in those reserves during the year on the general business technical result and loss before tax, are disclosed in note 18.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
Rolls House
Fetter Lane
London
EC4A 1NH

21 March 2003

MMA Insurance plc

Profit & Loss Account
For the Year Ended 31 December 2002

TECHNICAL ACCOUNT - GENERAL BUSINESS

	Notes	2002 £000	2002 £000	2001 £000	2001 £000
Premiums					
Gross premiums written	1		190,774		162,841
Outward reinsurance premiums			(37,550)		(41,905)
Net premiums written			153,224		120,936
Change in the gross provision for unearned premiums		(12,154)		(13,634)	
Change in the provision for unearned premiums, reinsurers' share		(6,024)		4,063	
Change in the net provision for unearned premiums			(18,178)		(9,571)
Earned premiums, net of reinsurance			135,046		111,365
Allocated investment return transferred from the non-technical account	4		13,538		13,413
			148,584		124,778
Claims paid					
Gross amount		(106,222)		(90,018)	
Reinsurers' share		22,953		21,452	
Net of reinsurance		(83,269)		(68,566)	
Change in the provision for claims					
Gross amount		(35,165)		(31,779)	
Reinsurers' share		10,494		12,968	
Net of reinsurance		(24,671)		(18,811)	
Claims incurred, net of reinsurance			(107,940)		(87,377)
Changes in other technical provisions net of reinsurance			-		1,177
Change in the equalisation provision			(956)		(642)
Net operating expenses	2		(32,429)		(28,789)
Balance on the general business technical account			7,259		9,147

MMA Insurance plc

Profit & Loss Account continued
For the Year Ended 31 December 2002

NON -TECHNICAL ACCOUNT

	Notes	2002 £000	2002 £000	2001 £000	2001 £000
Balance on the general business technical account			7,259		9,147
Total investment return	3	1,142		1,456	
Allocated investment return transferred to the technical account – general business	4	(13,538)		(13,413)	
			(12,396)		(11,957)
Exchange adjustments			(22)		(10)
(Loss)/profit on ordinary activities before tax			(5,159)		(2,820)
Tax on (loss)/profit on ordinary activities	7		2,778		1,234
(Loss)/profit for the financial year			(2,381)		(1,586)
Dividend	8		(1,600)		(2,000)
Retained (loss)/profit for the financial year transferred to reserves	16		(3,981)		(3,586)

There are no material discontinued operations.

MMA Insurance plc

Balance Sheet
As at 31 December 2002

	Notes	2002 £000	2002 £000	2001 £000	2001 £000
ASSETS					
Investments					
Investments in group undertakings and participating interests	9	5,454		3,495	
Other financial investments	10	200,477		190,887	
			205,931		194,382
Reinsurers' share of technical provisions					
Provision for unearned premiums		12,393		18,417	
Claims outstanding	17	50,082		39,605	
			62,475		58,022
Debtors					
Debtors arising out of direct insurance operations	11	33,064		27,456	
Debtors arising out of reinsurance operations		1,557		244	
Other debtors	12	7,888		7,380	
			42,509		35,080
Other assets					
Tangible fixed assets	13	813		891	
Cash at bank and in hand		15,266		6,754	
			16,079		7,645
Prepayments and accrued income					
Accrued interest		2,331		2,605	
Deferred acquisition costs		17,300		14,982	
Other prepayments and accrued income		1,148		677	
			20,779		18,264
Total assets			347,773		313,393

MMA Insurance plc

Balance Sheet continued
As at 31 December 2002

	Notes	2002		2001	
		£000	£000	£000	£000
LIABILITIES					
Capital and reserves					
Called up share capital	14	11,745		11,745	
Revaluation reserve	15	931		563	
Profit and loss account	16	36,829		40,810	
Shareholders' funds attributable to equity interests			49,505		53,118
Technical provisions					
Provisions for unearned premiums		91,071		78,917	
Claims outstanding	17	184,078		149,017	
Claims equalisation reserves	18	2,875		1,919	
			278,024		229,853
Deferred taxation			-		1,657
Creditors					
Creditors arising out of direct insurance operations		97		7	
Creditors arising out of reinsurance operations		6,481		12,233	
Other creditors including taxation and social security	19	4,932		5,660	
			11,510		17,900
Accruals and deferred income	20		8,734		10,865
Total liabilities			347,773		313,393

These financial statements were approved by the board of directors on 21 March 2003 and were signed on its behalf by:

P Woolterton

Peter Woolterton
Chairman

MMA Insurance plc

Statement of Total Recognised Gains and Losses
For the Year Ended 31 December 2002

	2002		2001	
	£000	£000	£000	£000
(Loss)/profit after tax for the financial year		(2,381)		(1,586)
Other recognised gains/(losses)				
Surplus on revaluation of investments	153		148	
Deferred tax movement	213		(45)	
		366		103
Unrealised exchange gains/(losses) net of deferred tax		2		(4)
TOTAL RECOGNISED (LOSSES)/GAINS		(2,013)		(1,487)

STATEMENT OF HISTORICAL COST PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2002

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 not deemed to be a departure from the unmodified Historical Cost basis of accounting. Accordingly, a separate note on Historical Cost profit and losses is not given.

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2001

	2002	2001
	£000	£000
Total recognised (losses)/gains	(2,013)	(1,487)
Less proposed dividend	1,600	2,000
Net addition to shareholders' funds	(3,613)	(3,487)
Shareholders' funds at beginning of year	53,118	56,605
SHAREHOLDERS' FUNDS AT END OF YEAR	49,505	53,118

The principal accounting policies followed by the Company are set out below.

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the provisions of Section 255 of, and Schedule 9A to, the Companies Act 1985, and with the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers (the ABI SORP).

The financial statements have also been prepared in accordance with applicable accounting standards and under Historical Cost accounting rules, modified to include the revaluation of investments.

In preparing the financial statements for the current year, the company has adopted FRS 19 'Deferred Taxation'. Under this standard a deferred tax asset has been created in this current period. Prior periods have not required revision.

CONSOLIDATION

As the Company is ultimately owned by an EU Parent, the Company has not prepared consolidated accounts (see note 24).

BASIS OF ACCOUNTING

The annual basis of accounting has been applied to all classes of business except for non-annual travel business.

The fund basis of accounting has been applied to non-annual travel business as, in the opinion of the directors, it is not possible to obtain all the information necessary to establish an underwriting result with sufficient accuracy at the end of the first year of development. Under the fund basis of accounting, premiums, claims and expenses are carried forward as a fund within the technical provision for outstanding claims, and profit recognition is deferred until the end of the first year following the underwriting year. Any anticipated underwriting losses are recognised as soon as they are foreseen.

PREMIUMS

Written premiums comprise the total premiums receivable for the whole period of cover under contracts incepting during the financial year, together with adjustments arising in the financial year to premiums receivable in respect of business written in previous financial years.

All premiums are shown gross of commission payable to intermediaries and are exclusive of taxes and duties levied thereon.

Outwards reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct or inwards reinsurance business being reinsured.

UNEARNED PREMIUM PROVISION

For business accounted for on an annual basis, written premiums are recognised as earned income over the period of the policy on a time apportionment basis, having regard, where appropriate, to the incidence of risk. The provision for unearned premium is calculated on a daily pro rata basis.

CASH FLOW STATEMENT

In accordance with Financial Reporting Standard 1, the Company has not presented a cash flow statement as the Company's cash flows have been consolidated with those of its ultimate parent company La Mutuelle du Mans Assurances IARD.

CLAIMS

Claims incurred comprise the estimated cost of all claims occurring during the year, whether reported or not, including related direct and indirect claims handling costs and adjustments to claims outstanding from previous years.

The provision for claims outstanding is made on an individual case basis and is based on the estimated ultimate cost of all claims notified but not settled by the balance sheet date, together with the provision for related claims handling costs. The provision also includes the estimated cost of claims incurred, but not reported at the balance sheet date. The number of claims expected and their anticipated final cost are projected from the Company's statistical history. Projections are made separately for each business group, based on information available up to one month after the balance sheet date. It is assumed that the Company's statistical history will provide a suitable base for projection, and that trends included in the data will be maintained. The impacts of case law and legislation are also taken into account. Their impact on the statistical base and current reserves are assessed. The amount of salvage and subrogation recoveries is separately identified and, where material, reported as an asset.

Subsequent information and events may result in the ultimate liability being less than, or greater than, the amount provided. Any differences between provisions and subsequent settlements are dealt with in the technical account - general business of later years.

The fund for the open year of non-annual travel is carried forward within the provision for claims outstanding until the result of the underwriting year is determined at the end of the next year, when a provision for claims outstanding is recognised. These funds are strengthened by transfers from the profit and loss account, where necessary, to ensure that the fund is sufficient to meet all related liabilities in respect of the underwriting year.

DEFERRED ACQUISITION COSTS

Acquisition costs, comprising commission and other costs related to the acquisition of new insurance contracts, are deferred to the extent that they are attributable to premiums unearned at the balance sheet date.

UNEXPIRED RISKS

Provision is made where the cost of claims and expenses arising after the end of the financial year from contracts concluded before that date is expected to exceed the provision for unearned premiums, net of deferred acquisition costs. The assessment of whether a provision is necessary is made by considering separately each category of business accounted for on the annual basis of accounting on the basis of information available up to one month after the balance sheet date. Investment income is taken into account in calculating the provision.

EQUALISATION PROVISION

Equalisation provisions arise from certain classes of business written in the United Kingdom and are calculated in accordance with the Insurance Companies (Reserves) Regulations 1996. The amounts provided are in addition to the provisions required to meet the anticipated ultimate cost of settlement of outstanding claims at the balance sheet date and, in accordance with Schedule 9A to the Companies Act 1985, are included within technical provisions. The movement in the equalisation provision for the period is taken to the technical account - general business.

INVESTMENT INCOME AND EXPENSES

Dividends are included as investment income when the investments to which they relate are declared 'ex-dividend'. Rents and interest income are recognised on an accruals basis, as are investment expenses.

Investment return, comprising investment income and realised and unrealised investment gains and losses, and investment expenses are included initially within the non-technical account.

Realised investment gains and losses are calculated as the difference between net proceeds on disposal and their purchase price, or latest carrying value if investments are carried at amortised cost.

Investment return is allocated from the non-technical account to the technical account - general business so as to reflect the longer term investment return on investments attributable to the general insurance business in the technical account - general business. The allocation is based on the longer term rate of investment return on investments supporting the technical provisions and shareholders' funds.

INVESTMENTS

Investments, consisting of land and buildings, listed investments, units in authorised unit trusts and deposits with credit institutions, are stated at their current values at the end of the year.

Unrealised investment gains and losses are calculated as the difference between the valuation at the balance sheet date and their valuation at the last balance sheet date or purchase price, if acquired during the year. Unrealised investment gains and losses include adjustments in respect of unrealised gains and losses recorded in prior years which have been realised during the year and are reported as realised gains and losses in the current profit and loss account.

Associated and subsidiary companies are included at their current net asset value, or directors' valuation. Differences on valuation are transferred to the revaluation reserve.

TAXATION

The taxation charge in the non-technical account is based on the taxable profits for the year.

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

- provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

TANGIBLE ASSETS

Expenditure on computer equipment, motor vehicles and fixtures, fittings and office equipment is capitalised and depreciated over the estimated useful economic lives of the assets on a straight line basis. The periods used are as follows:

Computer Equipment	-	3 to 5 years
Motor Vehicles	-	3 to 5 years
Fixtures, Fittings and Office Equipment	-	5 years

Depreciation is charged to the technical account - general business and is included in administrative expenses.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded at the rate ruling at 31 December each year or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. Exchange differences arising from transactions are taken to the profit and loss account. Exchange differences arising from the retranslation of the opening net investment in foreign business operations are taken to reserves.

REVALUATION RESERVE

Exchange differences on translating the net investment in the French branch are taken to this account. Unrealised gains and losses on revaluation of associated and subsidiary companies are also taken to this account. Unrealised losses are only taken to this account to the extent that there were previous gains against which they could be matched. Any net deficiency on individual investments is written off in the profit and loss account.

OPERATING LEASES

Payments, less reverse premiums received, are charged to the profit and loss account over the period to the next rent review date.

PENSION COSTS

The Company operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become due under the rules of the scheme.

The Company also operates a defined benefits pension scheme which is now closed to new members. Pension costs are charged to the profit and loss account over the average expected service life of current employees. Costs are assessed in accordance with the advice of qualified actuaries. Additional disclosures required by FRS 17 for this scheme are disclosed in note 23.

MMA Insurance plc

Notes to the Financial Statements
For the Year Ended 31 December 2002

1 SEGMENTAL REPORTING

(a) All contracts of insurance were concluded in the United Kingdom (2001 - Same).

(b) Analysis of *gross written premiums, gross earned premiums, gross incurred claims, gross operating* expenses and the reinsurance balance.

2002	Direct motor	Direct fire and other damage *to property*	Direct liability	Others	Total
	£000	£000	£000	£000	£000
Gross written premiums	108,173	38,246	41,127	3,228	190,774
Gross earned premiums	105,668	35,404	34,330	3,218	178,620
Gross incurred claims	(84,803)	(24,527)	(29,924)	(2,133)	(141,387)
Gross change in other technical provision	-	-	-	-	-
Gross operating expenses	(22,661)	(10,372)	(10,111)	(1,189)	(44,333)
Gross technical result	(1,796)	505	(5,705)	(104)	(7,100)
Reinsurance result	1,787	(1,684)	1,729	(55)	1,777
Net technical result	(9)	(1,179)	(3,976)	(159)	(5,323)
Equalisation provision					(956)
Allocated investment return					13,538
Balance on technical account					7,259
Net technical provisions excluding equalisation reserves	121,920	31,483	57,835	1,436	212,674

MMA Insurance plc

Notes to the Financial Statements continued
For the Year Ended 31 December 2002

1 (Cont.) SEGMENTAL INFORMATION

2001	Direct motor	Direct fire and other damage to property	Direct liability	Others	Total
	£000	£000	£000	£000	£000
Gross written premiums					
United Kingdom	*101,363*	*38,211*	*20,077*	*3,190*	*162,841*
Gross earned premiums	92,811	33,478	19,623	3,295	149,207
Gross incurred claims	(75,518)	(26,141)	(17,083)	(3,055)	(121,797)
Gross change in other technical provision	1,177	-	-	-	1,177
Gross operating expenses	(21,574)	(10,760)	(6,473)	(1,129)	(39,936)
Gross technical result	(3,104)	(3,423)	(3,933)	(889)	(11,349)
Reinsurance result	4,056	948	2,848	(127)	7,725
Net technical result	952	(2,475)	(1,085)	(1,016)	(3,624)
Equalisation provision					(642)
Allocated investment return					13,413
Balance on technical account					9,147
Net technical provisions excluding equalisation reserves	105,770	40,166	22,705	1,271	169,912

2 NET OPERATING EXPENSES

	2002 £000	2001 £000
Acquisition costs		
Commission in respect of direct insurance	33,320	27,589
Others	2,668	2,783
	35,988	30,372
Change in gross deferred acquisition costs	(2,318)	(1,775)
	33,670	28,597
Administrative expenses	8,046	7,434
Motor Insurers Bureau levy	2,504	2,573
Financial services compensation scheme	113	1,332
Gross operating expenses	44,333	39,936
Reinsurance commissions	(9,980)	(12,260)
Change in deferred reinsurance commission	(1,924)	1,113
	32,429	28,789

Auditors' remuneration in respect of audit services amounted to £72,000, (2001 - £63,000) and in respect of non-audit services amounted to £24,000, (2001 - £39,000).

Administrative expenses also include:

	2002 £000	2001 £000
Depreciation of tangible assets	384	405
Operating lease rentals	1,163	935

MMA Insurance plc

Notes to the Financial Statements continued
For the Year Ended 31 December 2002

3 INVESTMENT RETURN

Investment Income	2002 £000	2001 £000
Income from other investments	11,984	12,495
Gains/(losses) on disposal of fixed interest investments	34	(658)
	12,018	11,837

Investment Expenses and Charges		
Losses on the realisation of equity investments	1,585	1,147
Loss on sale of shares in associated company	-	72
Unrealised losses on investments	9,291	9,156
Interest payable on deposits to reinsurers	-	6
	10,876	10,381
Total Investment Return	1,142	1,456

4 ALLOCATED INVESTMENT RETURN

The allocation of investment return is based on the longer term return on investments.

(a) Assumptions

The longer term return on equities is estimated with regard to historical real rates of return for the market and current inflation expectation adjusted for consensus economic and investment market forecasts of investment return.

The longer term investment return on redeemable fixed interest securities is calculated using the amortised cost basis with realised gains and losses subject to continuing amortisation over the remaining period to the maturity date.

The allocated longer term returns for other categories of investments is the actual interest income receivable for the year.

The principal assumptions underlying the calculation of the longer term investment return are as follows:

	2002 %	2001 %
U.K. Equities	7.0	8.2
U.K. Fixed Interest	5.7	5.9
U.S. Fixed Interest	-	7.5

The directors are of the opinion that these rates of return are appropriate and have been selected with a view to ensuring that returns credited to operating results are not inconsistent with the actual returns which will be earned over the longer term.

(b) Comparison of Longer Term Investment Return with Actual Return

The actual return on investments attributable to general business and shareholders in the period from 1 January 1998 to 31 December 2002 is compared below with the aggregate longer term return which would have been recognised in the balance on the technical account - general business over the same period using the longer term rate of return described above:

	1998-2002 £000	1997-2001 £000
Actual investment return attributable to shareholders dealt with in profit on ordinary activities in the non-technical account	39,072	53,737
Longer term investment return attributable to shareholders credited to operating profit and to the technical account - general business	64,309	61,570
(Deficit)/Surplus	(25,237)	(7,833)

5 DIRECTORS' EMOLUMENTS

The aggregate amount of emoluments, including benefits in kind, paid to or receivable by directors during the year was as follows:

	2002 £000	2001 £000
Emoluments	500	426
Contributions to pension fund in respect of directors	57	51
	557	477
Highest paid director:		
Emoluments	280	219
Pension contributions	36	31
	316	250

Two directors are accruing retirement benefits under the Company's defined benefits pension scheme. The highest paid director's accrued pension at 31 December 2002 was £55,000, (2001 - £43,000).

6 STAFF NUMBERS AND COSTS

The average number of persons employed by the Company (including directors) during the year was as follows:

	2002	2001
Non Executive Directors	6	6
Executive Directors	2	2
Senior Management	4	4
Underwriting	101	92
Claims	85	92
Marketing	19	19
Finance	63	62
IS	23	20
	303	297

The aggregate payroll costs in respect of these persons were as follows:

	£000	£000
Wages and salaries	6,595	6,226
Social security costs	482	454
Other pension costs	683	964
	7,760	7,644

MMA Insurance plc

Notes to the Financial Statements continued
For the Year Ended 31 December 2002

7 TAXATION

a) Current tax	2002 £000	2001 £000
UK Corporation tax	-	823
Tax overprovided in prior years	(45)	(15)
	(45)	808
Deferred tax		
Unutilised tax losses	(2,569)	-
Unrealised deficit/(surplus)	564	(2,169)
Group relief re: subsidiary company	(512)	244
Other timing differences	(216)	(117)
Deferred tax (Note 21)	(2,733)	(2,042)
Tax credit for year	(2,778)	(1,234)

b) Factors affecting current tax charge

The tax credit in the year is at a higher rate than the standard rate of corporation tax in the UK of 30%. Differences as below:

Loss on ordinary activities before tax	(5,159)	(2,820)
Loss on ordinary activities at 30%	(1,547)	(846)
Expenses not deductible for tax purposes	12	30
Income on which no further tax is payable	(424)	(403)
Tax losses recognised as deferred tax asset	2,569	-
Unrealised (deficit)/surplus	(564)	2,169
Group relief re: subsidiary company	512	(244)
Other timing differences	216	117
Group relief from Subsidiary company for no payment	(288)	-
Deferred tax overprovided in previous years	(486)	-
Corporation tax overprovided in previous years	(45)	(15)
Total current tax (Note 7(a))	(45)	808

8 DIVIDEND

	2002 £000	2001 £000
Proposed dividend	1,600	2,000

9 INVESTMENTS IN GROUP UNDERTAKINGS AND PARTICIPATING INTERESTS

Shares in group undertakings

	Current Value £000	Cost £000
Value at 31.12.01	2,782	2,742
Purchase of shares	1,800	1,800
Movement in current accounts	6	6
Value at 31.12.02	4,588	4,548

Other participating interests

Value 31.12.01	713	4
Increase in Net Asset value	153	-
Value at 31.12.02	866	4

Shares in group undertakings represent the Company's investment in its subsidiary undertakings:

1) Gateway Insurance Agency Limited, registered in England, with a holding of 100% ordinary shares. This company has ceased trading. It previously traded as an insurance intermediary.

2) its4me plc, registered in England, trades as an insurance intermediary, with a holding of 100% preference shares and 60% ordinary shares.

   During the year MMA Insurance plc purchased a further 1,800,000 preference shares at £1 each, fully paid.

Other participating interests represent 45% of the ordinary shares of Saturn Professional Risks Limited, registered in England, which is an insurance underwriting agency.

10 OTHER FINANCIAL INVESTMENTS

	Market value		Cost	
	2002 £000	2001 £000	2002 £000	2001 £000
Shares and other variable-yield securities and units in unit trusts	40,538	52,340	49,564	49,632
Debt securities and other fixed-income securities	139,829	136,781	139,935	140,464
Deposits with credit institutions	20,110	1,766	20,110	1,766
	200,477	190,887	209,609	191,862
Listed investments included in the above	180,367	189,121	189,499	190,096

11 DEBTORS ARISING OUT OF DIRECT INSURANCE OPERATIONS

	2002 £000	2001 £000
Amounts owed by policyholders	13,576	9,733
Amounts owed by intermediaries	19,488	17,723
	33,064	27,456

12 OTHER DEBTORS

	2002 £000	2001 £000
Salvage & subrogation recoveries	5,805	5,971
Amounts owed by group undertakings	285	145
Corporation tax recoverable	-	727
Deferred tax (Note 21)	1,289	-
Other debtors	509	537
	7,888	7,380

13 TANGIBLE ASSETS

	Computer equipment £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Cost				
At beginning of year	2,099	1,904	300	4,303
Additions	170	111	56	337
Disposals	(160)	(7)	(84)	(251)
At the end of the year	2109	2,008	272	4,389
Depreciation				
At beginning of year	1,564	1,738	110	3,412
Charged in year	253	59	72	384
On disposals	(160)	(8)	(52)	(220)
At the end of the year	1,657	1,789	130	3,576
Net book value				
At 31 December 2002	452	219	142	813
At 31 December 2001	535	166	190	891

14 CALLED UP SHARE CAPITAL

	2002 No.	2002 £000	2001 No.	2001 £000
Authorised				
Ordinary Shares of £1 each	15,000,000	15,000	15,000,000	15,000
Issued - fully paid	10,993,334	10,993	10,993,334	10,993
Issued - 25p called and paid	3,006,666	752	3,006,666	752
	14,000,000	11,745	14,000,000	11,745

Ordinary shares 25p called and paid; the balance of 75p per share is uncalled.

15 REVALUATION RESERVE

	2002 £000	2001 £000
Balance brought forward	563	464
Differences on exchange	2	(4)
Surplus on revaluation of investments	153	148
	718	608
Transfers from /(to) deferred taxation (note 21)	213	(45)
	931	563

16 PROFIT AND LOSS ACCOUNT

	2002 £000	2001 £000
Balance brought forward	40,810	44,396
Retained (loss)/profit for the year	(3,981)	(3,586)
Balance carried forward	36,829	40,810

17 CLAIMS OUTSTANDING

	Gross £000	Reinsurance £000	Net £000
2002			
Notified outstanding claims	127,351	36,261	91,090
Provision for claims incurred but not reported	53,988	13,821	40,167
	181,339	50,082	131,257
Claims handling expenses	2,267	-	2,267
	183,606	50,082	133,524
Open year funds for funded business	472	-	472
	184,078	50,082	133,996
2001			
Notified outstanding claims	112,973	30,910	82,063
Provision for claims incurred but not reported	33,051	8,695	24,356
	146,024	39,605	106,419
Claims handling expenses	2,546	-	2,546
	148,570	39,605	108,965
Open year funds for funded business	447	-	447
	149,017	39,605	109,412

18 EQUALISATION PROVISION

These provisions, which are in addition to the provisions required to meet the anticipated ultimate cost of settlement of outstanding claims at the balance sheet date, are required by rule 6.5 of the interim prudential source book for insurers to be included within technical provisions in the balance sheet, notwithstanding that they do not represent liabilities at the balance sheet date. After tax relief this has had the cumulative effect of reducing shareholders' funds by £1,983,000, (2001 - £1,313,000). The movement in equalisation provisions during the year resulted in a decrease in the general business - technical account result and the loss before taxation of £956,000, (2001 – £642,000 increase).

19 OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	2002 £000	2001 £000
Corporation taxation payable	10	378
Investments purchased for subsequent settlements	34	47
Other taxes including insurance premium tax and social security costs	2,416	2,137
Dividend proposed for the current financial year	1,600	2,000
Amounts due to group companies	-	28
Other	872	1,070
	4,932	5,660

20 ACCRUALS AND DEFERRED INCOME

	2002 £000	2001 £000
Deferred reinsurance commissions	3,910	5,834
Other accruals and deferred income	1,446	1,396
Motor Insurers Bureau levy	2,613	2,303
Financial Services Compensation Scheme	765	1,332
	8,734	10,865

21 DEFERRED TAXATION

Full provision has been made for deferred taxation, at 30% (2001 - 30%) as follows:

		2002	2002	2001	2001
		£000	£000	£000	£000
On revaluation of investments			1,433		1,082
Trading losses			(2,569)		-
Group relief re: subsidiary company		-		512	
Other timing differences			(182)		34
Differences on exchange			29		29
			(1289)		1,657
Balance at beginning of year			1,657		3,654
Unrealised deficit/(surplus)		564		(2,169)	
Group relief re: subsidiary company	(512)		244		
Carry forward losses		(2,569)		-	
Other timing differences		(216)		(117)	
Current taxation (note 7)		(2,733)		(2,042)	
Differences on revaluation of associated company (note 15)		(213)		45	
			(2,946)		(1,997)
Differences on exchange			-		-
Balance at end of year			(1,289)		1,657

22 COMMITMENTS

a) Annual commitments under non-cancellable operating leases are as follows:

	2002	2001
Land and buildings	£000	£000
Operating leases which expire:		
Over five years	1,163	1,163
	1,163	1,163

b) At 31 December 2002 the Company had agreed to subscribe to an additional £450,000 of preference shares in its subsidiary company its4me plc. At 31 December 2001 there was a similar obligation to subscribe for £300,000 of preference shares. All of this was discharged in cash in the first quarter of 2002.

c) In addition to b) above the Company intends to provide financial support for its subsidiary company its4me plc, in line with their business plan, by the purchase of further preference shares.

23 PENSION BENEFIT

The company operates two pension schemes. The assets of both schemes are held independently and separately from those of the company in trust administered accounts.

Defined contribution scheme
This scheme is open to employees who became eligible to join **on or** after 1 January 2001. Benefits are based on contributions made to the scheme by the Company during the employees membership.

Defined benefits scheme
Benefits are based on final pensionable salary. This scheme closed to new members on 31 December 2000. The disclosures below refer to this scheme.

SSAP 24 disclosures

The amounts contributed to the defined benefit scheme in the year were:

	2002 £000	2001 £000
Salary based contributions	581	635
Additional contributions	-	281
	581	916

The contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions *over the employees' working lives with the Company.*

Contributions are made on the advice of an independent qualified actuary using the projected unit method. The latest actuarial assessment was as at 1 January 2000. The main actuarial assumptions are a rate of investment return of 7.25% per annum and a rate of salary increase of 5.25% per annum. The next full actuarial assessment is due in 2003, based on the position as at 1 January 2003.

The scheme had assets with a market value of £9,141,600 at 1 January 2000. At that date the actuarial value of the scheme assets represented 102% of the liabilities for benefits that had accrued to members, allowing for expected future increases in salaries. The level of contributions was 15% of pensionable salaries until October 2002 and 15.9% of pensionable salaries for the remainder of the year. (2001 - 15%).

FRS 17 disclosures

In order to calculate the FRS 17 figures as at 31 December 2002, a qualified independent actuary projected the results of the actuarial valuation as at 1 January 2000 to 31 December 2002 using the FRS 17 assumptions. The disclosures required by Financial Reporting Standard are as follows:

The major assumptions used by the actuary were:

	2002	2001
Discount rate	5.6%	5.8%
Inflation assumption	2.4%	2.7%
Rate of increase in salaries	4.0%	4.7%
Rate of increase in pensions in payment	2.4%	2.7%

23(Cont) PENSION BENEFIT

The assets in the scheme and the rate of return were:

	Long term rate of return 2002	Long term rate of return 2001	2002 £000	2001 £000
Equities	7.5%	7.0%	5,578	7,346
Bonds	5.0%	5.0%	885	850
Other	3.0%	2.7%	1,029	561
Total market value of assets			7,492	8,757
Present value of scheme liabilities			(14,478)	(13,629)
Deficit in the Scheme			(6,986)	(4,872)
Related deferred tax asset			2,096	1,462
Pension liability			(4,890)	(3,410)

Note : Additional Voluntary Contributions, which represent a matching asset and liability, have been excluded from the valuation.

Effect on net assets	2002 £000	2001 £000
Net asset excluding pension liability	49,245	53,118
Net pension liability	(4,890)	(3,410)
Net assets including pension liability	44,355	49,708

Effect on profit and loss account	2002 £000	2001 £000
Profit and loss reserve excluding pension asset	36,829	40,810
Pension reserve	(4,890)	(3,410)
Profit & loss reserve including pension liability	31,939	37,400

Movements in Deficit During the Year	2002 £000
Deficit in scheme at beginning of the year	(4,872)
Movement in year:	
Current service cost	(869)
Contributions	736
Past service costs	-
Other finance income	(224)
Actuarial gain/(loss)	(1,757)
Deficit in scheme at the end of year	(6,986)

23(Cont) PENSION BENEFIT

Analysis of Amount Credited to Other Finance Income

	2002 £000
Expected return on pension scheme assets	586
Interest on pension scheme liabilities	(810)
Net return	(224)

Analysis of Amount Recognised in Statement of Total Recognised Gains and Losses (STRGL)

	2002 £000
Actual return less expected return on pension scheme assets	(2,374)
Experience gains and losses arising on the scheme liabilities	(433)
Changes in financial assumptions underlying the scheme liabilities	1,050
Actuarial gain/(loss) recognised in STRGL	(1,757)

History of Experience Gains and Losses

	2002
Difference between the expected and actual return on scheme assets:	
Amount (£000)	(2,374)
Percentage of scheme assets	(32%)
Experience gains and losses on scheme liabilities:	
Amount (£000)	(433)
Percentage of the present value of the scheme liabilities	(3%)
Total amount recognised in statement of total recognised gains and losses:	
Amount (£000)	(1,757)
Percentage of the present value of the scheme liabilities	(12%)

Summary

In order to mitigate the potential shortfall in the fund the Company has:

- Closed the defined benefit scheme to new members
- Increased contributions into the scheme during the year

Based on the results of the full actuarial review being carried out based on 1 January 2003, consideration will be given to the most appropriate action to be taken.

24 ULTIMATE PARENT COMPANY

(a) The ultimate parent company is La Mutuelle du Mans Assurances IARD, a company incorporated in France. Copies of the group accounts prepared by the parent company can be obtained from the registered office, the address of which is shown on page 40.

(b) Group Company Balances

Included in debtors arising out of direct insurance operations:
- Balances due from intermediaries – are the following:

	2002 £000	2001 £000
Due from subsidiary companies	458	95
Due from fellow subsidiary companies	2675	1,668

Included in balances arising out of reinsurance operations are the following:

	2002 £000	2001 £000
Due (to) parent company	(506)	(504)
Due (to)/from fellow subsidiary companies	(132)	(183)

Other Balances are reflected in note 12.

25 RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemption allowed by Financial Reporting Standard 8 – Related party disclosures, from disclosing transactions with entities within the group.

There were no other material related party transactions.

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