

**SWINTON (DENTON) LIMITED**

**DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2004**



**Registered number: 1232766 England**

**SWINTON (DENTON) LIMITED**

<b>DIRECTORS:</b>	P J Halpin A M Hazeldine A E Jackson J Ordish P J E Smith
<b>SECRETARY:</b>	S A Hargreaves
<b>REGISTERED OFFICE:</b>	Swinton House 6 Gt. Marlborough Street Manchester M1 5SW
<b>REGISTERED AUDITORS:</b>	Ernst & Young LLP 100 Barbirolli Square Manchester M2 3EY
<b>REGISTERED NUMBER:</b>	1232766 England

## SWINTON (DENTON) LIMITED

### REPORT OF THE DIRECTORS

The directors submit their report and financial statements of the Company for the year ended 31 December 2004.

#### BUSINESS REVIEW

During the year, the Company sold its interest in Swinton Group Limited to its immediate parent company, Swinton (Holdings) Limited. Other than this transaction, the Company did not trade during the year and is likely to remain dormant in the future.

#### RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 5.

A dividend of £62,522,433 (2003: £nil) has been paid to Swinton (Holdings) Limited leaving the Company with no remaining distributable reserves.

#### DIRECTORS

The members of the board during the year were:

P J Halpin  
A M Hazeldine  
A E Jackson  
J Ordish  
P J E Smith

No director had any interests in the shares or debentures of the Company.

P J E Smith, A E Jackson and J Ordish have acquired shares in Swinton (Holdings) Limited, another group company. Details of these shares can be found in the accounts of Swinton (Holdings) Limited. The shares issued to these three directors as at 1 January 2004 and 31 December 2004 are as follows:

Director	Number of shares
P J E Smith	13,829,340
A E Jackson	3,918,313
J Ordish	3,918,313

P J E Smith also holds through his interests in Webbshare Limited, 49,356 Ordinary 'A' Shares (16.5% of the Ordinary Share Capital) in Its4me plc, a subsidiary of MMA Holdings (UK) plc.

## SWINTON (DENTON) LIMITED

### REPORT OF THE DIRECTORS

#### DIRECTORS' RESPONSIBILITIES

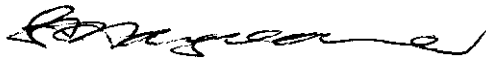
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to select suitable 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 financial statements, and to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in 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 financial statements 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.

#### AUDITORS

Ernst & Young LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

By Order of the Board



S A HARGREAVES

Secretary

20 April 2005

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SWINTON (DENTON) LIMITED**

We have audited the Company's financial statements for the year ended 31 December 2004 which comprise the Profit and Loss Account, Balance Sheet and the related notes 1 to 8. 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 auditors' 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.

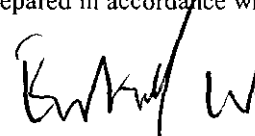
**Basis of Audit opinion**

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.

**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 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP  
Registered Auditor  
Manchester  
20 April 2005

**SWINTON (DENTON) LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

	Note	2004 £	2003 £
Profit on sale of investment		79,931,563	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		79,931,563	-
Tax on profit on ordinary activities	2	-	-
<b>PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>		79,931,563	-
Dividends		(62,522,433)	-
<b>PROFIT RETAINED FOR THE FINANCIAL YEAR</b>		17,409,130	-
Retained loss brought forward		(17,409,130)	(17,409,130)
<b>RETAINED LOSS CARRIED FORWARD</b>		-	(17,409,130)

There is no difference between the profit on ordinary activities before taxation and its historical cost equivalent.

**SWINTON (DENTON) LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2004**

	Note	2004 £	2003 £
<b>FIXED ASSETS</b>			
Investments	3	-	68,437
<b>CURRENT ASSETS</b>			
Amounts owed by intermediate parent company		26,260	-
<b>CREDITORS</b>			
Amounts falling due after one year	4	-	(17,451,307)
<b>NET ASSETS / ( LIABILITIES)</b>		<u>26,260</u>	<u>(17,382,870)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	26,260	26,260
Profit and loss account		-	(17,409,130)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	6	<u>26,260</u>	<u>(17,382,870)</u>

The financial statements on pages 5 to 9 were approved by the board on 20 April 2005 and signed on their behalf by:



**P J HALPIN**  
**DIRECTOR**

# SWINTON (DENTON) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

### 1. ACCOUNTING POLICIES

#### Basis of preparation

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### Fixed Asset Investments

Fixed asset investments are valued at cost.

#### Cash Flows

The Company's ultimate parent undertaking is La Mutuelle du Mans Assurances IARD (which is registered in France) and its cash flows are included in the consolidated cash flow statement of that company. Consequently the Company is exempt from the requirement of Financial Reporting Standard 1 to prepare a cash flow statement.

### 2. TAXATION

#### (a) The tax charge is made up as follows:

	2004 £	2003 £
<i>Current tax:</i>		
UK corporation tax	-	-
Adjustments in respect of previous periods	-	-
	<hr/>	<hr/>
Total current tax (b)	-	-
	<hr/>	<hr/>
<i>Deferred tax:</i>		
Short term timing differences	-	-
Accelerated capital allowances	-	-
	<hr/>	<hr/>
Total deferred tax	-	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	-	-
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#### (b) Factors affecting tax charge for the period:

Profit on ordinary activities before tax	79,931,563	-
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard tax rate in the UK of 30% (2003 – 30%)	23,979,469	-
Profit on sale of investment in a subsidiary to intermediate parent company not taxable	(23,979,469)	-
	<hr/>	<hr/>
Total current tax (a)	-	-
	<hr/>	<hr/>



**SWINTON (DENTON) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**

**3. FIXED ASSET INVESTMENTS**

In subsidiary undertakings at cost:

	£
At 1 January 2004	68,437
Disposals (note 7)	(68,437)
	<hr/>
At 31 December 2004	-
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**4. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	2004 £	2003 £
Amounts due to group undertakings	-	17,451,307
	<hr/>	<hr/>

**5. SHARE CAPITAL**

	2004 £	2003 £
Authorised, issued and fully paid		
26,000 ordinary shares of 1p each	260	260
26,000 deferred shares of £1 each	26,000	26,000
	<hr/>	<hr/>
	26,260	26,260
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Holders of deferred shares are not entitled to vote at any General Meeting of the Company. They are entitled to a 5% per annum fixed non-cumulative dividend if net profits of the Company for a financial year available for distribution are in excess of £2 million. On winding up of the Company they are entitled to a return of the capital paid up on these shares only after £2 million has been distributed in respect ordinary shares.

**6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	2004 £	2003 £
Opening shareholders' funds	(17,382,870)	(17,382,870)
Profit for the financial year	79,931,563	-
Dividends	(62,522,433)	-
	<hr/>	<hr/>
Closing shareholders' funds	26,260	(17,382,870)
	<hr/>	<hr/>

## **SWINTON (DENTON) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004**

#### **7. DETAILS OF SUBSIDIARY COMPANIES**

During the year, the Company sold its interest in Swinton Group Limited to its immediate parent company, Swinton (Holdings) Limited.

#### **8. ULTIMATE PARENT COMPANY & CONTROLLING PARTY**

The Company's immediate parent company continues to be Swinton (Holdings) Limited.

In the directors' opinion, the Company's ultimate parent company, controlling party and largest undertaking which produces consolidated accounts (which include the Company and its subsidiary undertakings) continues to be La Mutuelle du Mans Assurances IARD ["MMA IARD"] which is registered in France. Copies of its group accounts can be obtained from MMA Insurance plc, Norman Place, Reading RG1 8DA.

The smallest undertaking in the group which produces consolidated accounts (which include the Company and its subsidiary undertakings) continues to be Swinton (Holdings) Limited which is registered in England & Wales. A copy of its accounts can be obtained from the Company's registered office.

The Company has applied the provisions of Financial Reporting Standard 8 ("Related Party Transactions") and taken the exemption allowed by the Standard from disclosing transactions with entities in the MMA IARD Group.