

AMBASSADOR INSURANCE COMPANY LIMITED

REPORT AND ACCOUNTS 2002

Registered Office:

**25 Gresham Street
London EC2V 7HN**

Registered Number:

2123239

Directors:

**P D Loney (Managing Director)
J A Green**

Company Secretary:

S N Slattery

Member of Lloyds TSB Group



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COMPANIES HOUSE**

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AMBASSADOR INSURANCE COMPANY LIMITED

REPORT OF THE DIRECTORS

Principal activity and business review

During the year ended 31 December 2002 the company did not trade.

Results and dividends

The profit after taxation for the year ended 31 December 2002 amounted to £ nil (2001: £392,000) as set out in the profit and loss account on page 5. No dividend is proposed for the year ended 31 December 2002 (2001: £18,000,000).

Directors

The names of the present directors of the company are shown on page 1.

Mr G W Fillery and Mr J C Pain resigned as directors on 7 February and 1 September 2003, respectively.

Mrs J A Green was appointed a director on 7 February 2003.

Mr P D Loney was appointed a director and managing director on 1 September 2003.

Reference is made on page 8 in note 9 to the interests of the directors in the capital of Lloyds TSB Group plc, the ultimate parent company, and its subsidiaries.

On behalf of the board



S N Slattery
Company Secretary
15 October 2003

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF AMBASSADOR INSURANCE COMPANY LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared in accordance with the accounting policies set out in page 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report including, as described below, the financial statements. The United Kingdom Companies Act 1985 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 as at the end of the year and of the profit or loss of the company for that year. 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
- 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 accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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.

Our responsibilities, as independent auditors, are established in the United Kingdom by statute and the auditing standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing. 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 United Kingdom 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 is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with 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.

AMBASSADOR INSURANCE COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT (continued)

Opinion

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



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Bristol

15 October 2003

AMBASSADOR INSURANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2002

		2002	2001
	<u>Notes</u>	<u>£'000</u>	<u>£'000</u>
Investment income	4	-	560
Profit on ordinary activities before taxation		<u>-</u>	<u>560</u>
Taxation on profit on ordinary activities	5	-	(168)
Profit on ordinary activities after taxation		<u>-</u>	<u>392</u>
Dividends		-	(18,000)
		<u>-</u>	<u>(17,608)</u>

The results for 2002 are wholly attributable to discontinued operations. There are no recognised gains and losses other than those set out above.


The notes on pages 7 to 9 form part of these accounts.

AMBASSADOR INSURANCE COMPANY LIMITED

BALANCE SHEET

AS AT 31ST DECEMBER 2002

Assets		2002		2001	
	Notes	£'000	£'000	£'000	£'000
Debtors					
Amounts owed by group undertakings		5,492		23,381	
Other debtors	6	-		111	
			5,492		23,492
Total assets			<u>5,492</u>		<u>23,492</u>
Liabilities					
Capital and reserves					
Called up share capital	7	5,250		5,250	
Profit and loss account		242		242	
Shareholder's funds attributable to equity interests			5,492		5,492
Creditors:					
Amounts falling due within one year	8		-		18,000
Total liabilities			<u>5,492</u>		<u>23,492</u>


 J A Green
 Director
 15 June 2003

The notes on pages 7 to 9 form part of these accounts.

AMBASSADOR INSURANCE COMPANY LIMITED

NOTES TO THE ACCOUNTS

1. Accounting policies

The accounts have been prepared in compliance with the provisions relating to insurance companies of section 255 of, and schedule 9A to, the Companies Act 1985, and with the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers ("the ABI SORP") dated December 1998.

The company is exempt from producing a cash flow statement since a consolidated cash flow statement prepared in accordance with the requirements of Financial Reporting Standard 1 (revised) is included in the accounts of its ultimate parent undertaking, Lloyds TSB Group plc.

2. Net operating expenses

Auditors' remuneration for audit services is borne by Lloyds TSB Insurance Services Limited, a fellow subsidiary undertaking

The company does not directly employ any staff, the cost of employee services are also borne by Lloyds TSB Insurance Services Limited.

3. Directors' emoluments

No remuneration was paid or is payable by the company to the directors (2001: £ nil). The directors are employed by other companies in the Lloyds TSB Group and consider that their services to this company are incidental to their other activities within the group.

One director exercised share options during the year (2001: one).

4. Investment income

	Year ended 31 December 2002 £'000	Year ended 31 December 2001 £'000
Income from other investments		
Income from deposits with credit institutions	-	382
Other interest received	-	178
Total income	<u>-</u>	<u>560</u>

5. Taxation

The charge for taxation in the profit and loss account is as follows:

	Year ended 31 December 2002 £'000	Year ended 31 December 2001 £'000
Corporation Tax @ 30% (2001: 30%)	-	168
	<u>-</u>	<u>168</u>

AMBASSADOR INSURANCE COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

6. Other debtors

	31 December 2002 £'000	31 December 2001 £'000
Corporation tax	-	111
	<u>-</u>	<u>111</u>

7. Share capital

	31 December 2002 £'000	31 December 2001 £'000
Authorised, allotted and issued fully paid 5,250,000 ordinary shares of £1 each	<u>5,250</u>	<u>5,250</u>

The company regarded by the directors as the ultimate parent company is Lloyds TSB Group plc, which is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the company is a member. Lloyds TSB Bank plc is the parent undertaking of the smallest such group of undertakings. Copies of the group accounts of both can be obtained from the Company Secretary's office, Lloyds TSB Group plc, 25 Gresham Street, London EC2V 7HN.

8. Creditors: amounts falling due within one year

	31 December 2002 £'000	31 December 2001 £'000
Proposed dividend	-	18,000
	<u>-</u>	<u>18,000</u>

9. Directors' interests

The interests of G W Fillery and J C Pain, who were directors at the end of the year, in the capital of Lloyds TSB Group plc are disclosed in the accounts of Lloyds TSB General Insurance Holdings Limited.

10. Related party transactions

The company has taken advantage of the exemption available under Financial Reporting Standard 8, not to disclose details of transactions with the Lloyds TSB Group plc or the subsidiaries and associated undertakings thereof.

In the opinion of the directors, there have been no other transactions with any related parties other than those covered by the above exemption.

AMBASSADOR INSURANCE COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

11. Contingent liabilities and commitments

In the opinion of the directors, there were no contingent liabilities or commitments requiring disclosure.

12. Date of approval

The directors approved the accounts on *15 October* 2003.