

TSB GENERAL INSURANCE SERVICES LIMITED

REPORT AND ACCOUNTS 2004

Registered Number:

2376164

Registered Office:

**Charlton Place
Andover
Hampshire
SP10 1RE**

Directors:

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

Company Secretary:

S N Slattery



Member of Lloyds TSB Group

TSB GENERAL INSURANCE SERVICES LIMITED

REPORT OF THE DIRECTORS

Principal activity and business review

During the year ended 31 December 2004, the company did not trade. Its only income was interest receivable in respect of cash on deposit.

Results and dividends


The profit after taxation for the year ended 31 December 2004 amounted to £23,000 (2003: £178,000), as set out in the profit and loss account on page 5. No dividend is proposed for the year ended 31 December 2004 (2003: £nil).

Directors

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

Reference is made in note 12 on page 10 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



J A Green
Director
20 June 2005

TSB GENERAL INSURANCE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF TSB GENERAL INSURANCE SERVICES LIMITED

We have audited the financial statements on pages 5 to 10, which have been prepared in accordance with the accounting policies set out on 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.

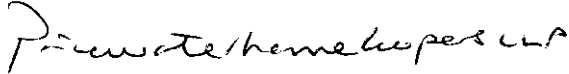
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

TSB GENERAL INSURANCE SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of the affairs of the company 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Bristol

20 June 2005

TSB GENERAL INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004 £'000	2003 £'000
Turnover		-	-
Cost of sales		-	63
Operating profit	3	<u>-</u>	<u>63</u>
Interest receivable and similar income	4	41	191
Profit on ordinary activities before taxation		<u>41</u>	<u>254</u>
Taxation on profit on ordinary activities	5	(18)	(76)
Retained profit for the financial period	10	<u>23</u>	<u>178</u>
Profit brought forward	10	489	311
Profit carried forward	10	<u><u>512</u></u>	<u><u>489</u></u>

The results for the year are wholly attributable to continuing activities.

There are no recognised gains and losses other than those set out above.

A reconciliation of movements in shareholder's funds is given in note 11 on page 9 to these accounts.

The notes on pages 7 to 10 form part of these accounts.

TSB GENERAL INSURANCE SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2004

	Note	As at 31 December 2004 £'000	As at 31 December 2003 £'000
Current assets			
Debtors	6	3	29
Cash and short term deposits with group undertakings		515	946
Deferred taxation	7	-	8
		<u>518</u>	<u>983</u>
Creditors: amounts falling due within one year	8	<u>(6)</u>	<u>(494)</u>
Net current assets		<u>512</u>	<u>489</u>
Net assets		<u>512</u>	<u>489</u>
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	<u>512</u>	<u>489</u>
Equity shareholder's funds	11	<u>512</u>	<u>489</u>

The notes on pages 7 to 10 form part of these accounts.


 J A Green
 Director
 20 June 2005

NOTES TO THE ACCOUNTS

1. Accounting policies

Basis of accounting

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards and the requirements of the Companies Act 1985.

Deferred taxation

Full provision is made for deferred taxation liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a taxation computation. Deferred taxation assets are recognised to the extent that it is regarded as 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 taxation is measured at the average taxation rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on taxation rates and laws that have been enacted or substantively enacted by the balance sheet date.

Cash flow statement and related party transactions

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 is included in the accounts of its ultimate parent undertaking.

2. Directors' emoluments

No remuneration was paid or is payable by the company to the directors (2003: £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.

None of the directors exercised share options during the year (2003: None).

3. Profit on ordinary activities before taxation

The company does not directly employ any staff. The costs of employees' services provided to the company are borne by a fellow subsidiary, Lloyds TSB Insurance Services Limited.

Remuneration payable to the auditors for audit work has been borne by a fellow subsidiary company, Lloyds TSB General Insurance Limited, in respect of the year ended 31 December 2004 (2003: £nil).

4. Interest receivable and similar income

Interest receivable includes £41,000 (2003: £191,000) from group companies.

TSB GENERAL INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

5. Taxation on profit/(loss) on ordinary activities

	2004 £000	2003 £000
UK corporation taxation:		
Current taxation on profit for the year	12	73
Adjustments in respect of prior years	(2)	-
	<u>10</u>	<u>73</u>
Current taxation charge	10	73
Deferred taxation charge	8	3
	<u>18</u>	<u>76</u>

The charge for taxation on the profit for the year is based on a United Kingdom corporation taxation rate of 30% (2003: 30%).

A reconciliation of the current taxation charge for the year to the charge that would result from applying the standard United Kingdom corporation taxation rate to profit before taxation is given below:

	2004 £000	2003 £000
Taxation charge at UK corporation taxation rate of 30%	12	76
Adjustments in respect of prior years	(2)	-
Other deferred taxation timing differences	-	(3)
Current taxation charge	<u>10</u>	<u>73</u>

6. Debtors

	2004 £'000	2003 £'000
Corporation tax receivable	-	17
Other debtors	3	12
	<u>3</u>	<u>29</u>

7. Deferred taxation

	Balance at 1 January 2004 £'000	(Charge) to the profit and loss account £'000	Balance at 31 December 2004 £'000
Accelerated capital allowances	8	(8)	-
Total	<u>8</u>	<u>(8)</u>	<u>-</u>

There is no unprovided deferred taxation at the year end (2003: £ nil).

TSB GENERAL INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

8. Creditors: amounts falling due within one year

	2004 £'000	2003 £'000
Amounts falling due within one year:		
Amounts owing to fellow subsidiary undertakings	-	494
Corporation taxation	6	-
	<u>6</u>	<u>494</u>

9. Called up share capital

	2004 £	2003 £
Authorised:		
1000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</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 company of the smallest such group of undertakings. Copies of the accounts of both companies may be obtained from the Company Secretary's office, Lloyds TSB Group plc, 25 Gresham Street, London, EC2V 7HN.

10. Reserves

	Profit and loss account £000
At 1 January 2004	489
Transfer from profit and loss account for the year	<u>23</u>
At 31 December 2004	<u>512</u>

11. Reconciliation of movements in shareholder's funds

	2004 £'000	2003 £'000
Profit after tax for the year	<u>23</u>	<u>178</u>
Net increase in shareholder's funds	23	178
Opening shareholder's funds	<u>489</u>	<u>311</u>
Closing shareholder's funds	<u>512</u>	<u>489</u>

NOTES TO THE ACCOUNTS (continued)

12. Directors' interests

The interests of the 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.

13. 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.

14. Contingent liabilities and commitments

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

15. Date of approval

The directors approved the accounts on 20 June 2005.