

TSB GENERAL INSURANCE SERVICES LIMITED

REPORT AND ACCOUNTS 2001

Registered Number

2376164

Registered Office

**Charlton Place
Andover
Hampshire
SP10 1RE**

Directors

**J C Pain (Managing Director)
G W Fillery**

Company Secretary

S N O'Connor

Member of Lloyds TSB Group



TSB GENERAL INSURANCE SERVICES LIMITED

REPORT OF THE DIRECTORS

Principal activity and business review

The principal activity of the company is to arrange general insurance underwritten by authorised insurers.

The directors are satisfied with the level of business and anticipate continued focus in the future on the existing core lines of business.

Results and dividends

The profit after taxation for the year ended 31 December 2001 amounted to £3,547,000 (2000: £5,620,000), as set out in the profit and loss account on page 5.


A dividend of £2,000,000 is proposed for 2001 (2000: £4,900,000).

Directors

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

Reference is made in note 11 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



G W Fillery
Director
13 August 2002

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. 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 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.

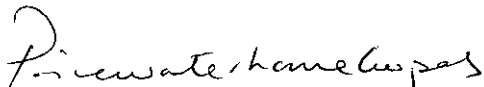
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Bristol

15 August 2002

TSB GENERAL INSURANCE SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2001

NOTE

		Year ended 31 December 2001 £'000	Year ended 31 December 2000 £'000
1	Turnover	5,023	8,300
3	Cost of sales	(241)	(305)
	Gross profit	4,782	7,995
3	Administration expenses	-	-
	Operating profit	4,782	7,995
4	Interest receivable and similar income	286	254
	Profit on ordinary activities before taxation	5,068	8,249
5	Tax on profit on ordinary activities	(1,521)	(2,629)
	Profit on ordinary activities after taxation	3,547	5,620
	Dividends	(2,000)	(4,900)
	Retained profit for the financial period	1,547	720
	Profit / (loss) brought forward	11	(709)
	Profit carried forward	1,558	11

The results for the year are wholly attributable to continuing operations. 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 10 on page 9 to these accounts.

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


TSB GENERAL INSURANCE SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2001

NOTE		31 December 2001 £'000	31 December 2000 £'000
	Current assets		
6	Debtors	3,314	2,742
	Cash and short term deposits with group undertakings	5,720	3,907
		<u>9,034</u>	<u>6,649</u>
7	Creditors: amounts falling due within one year	(7,008)	(6,175)
	Net current assets	<u>2,026</u>	<u>474</u>
	Provision for liabilities and charges		
8	Deferred taxation	(468)	(463)
	Net assets	<u>1,558</u>	<u>11</u>
	Capital and reserves		
9	Called up share capital	-	-
	Profit and loss account	1,558	11
10	Equity shareholder's funds	<u>1,558</u>	<u>11</u>

The notes on page 7 to 10 form part of these financial statements.


G W Fillery
Director
13 August 2002

TSB GENERAL INSURANCE SERVICES LIMITED

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.

During the year the company has adopted Financial Reporting Standard 18 'Accounting Policies'; the effect has not been significant.

Turnover

Turnover which all arises in the United Kingdom comprises commissions receivable from general insurance activities.

Deferred taxation

Taxation deferred or accelerated by reason of timing differences between financial and taxable profit is accounted for to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

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 (2000: £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 (2000: two).

3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging operating expenses recharged from a fellow subsidiary, Lloyds TSB Insurance Services Limited.

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 2001 (2000: £nil).

TSB GENERAL INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

4. Interest receivable and similar income

Interest receivable includes £286,000 (2000: £254,000) from group companies.

5. Tax on profit on ordinary activities

	Year ended 31 December 2001 £'000	Year ended 31 December 2000 £'000
Taxation charge comprises:		
Corporation Tax at 30% (2000: 30%) payable on profit in the period	1,516	2,468
Deferred taxation	5	161
	<u>1,521</u>	<u>2,629</u>

6. Debtors

	31 December 2001 £'000	31 December 2000 £'000
Trade debtors	1,689	1,116
Other debtors	1,625	1,626
	<u>3,314</u>	<u>2,742</u>

7. Creditors: amounts falling due within one year

	31 December 2001 £'000	31 December 2000 £'000
Amounts falling due within one year:		
Proposed dividend	2,000	4,900
Corporation Tax payable	458	1,142
Amounts owing to fellow subsidiary undertakings	4,550	133
	<u>7,008</u>	<u>6,175</u>

TSB GENERAL INSURANCE SERVICES LIMITED

NOTES TO THE ACCOUNTS (continued)

8. Deferred taxation

	Balance at 1 January 2001	(Charge) to the profit and loss account	Balance at 31 December 2001
	£'000	£'000	£'000
Accelerated capital allowances	19	(5)	14
Pension credit	(482)	-	(482)
Total	(463)	(5)	(468)

There is no unprovided deferred taxation at the year end (2000: £nil).

9. Called up share capital

	31 December 2001 £	31 December 2000 £
Authorised: Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid: Ordinary shares of £1 each	2	2

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, 71 Lombard Street, London, EC3P 3BS.

10. Reconciliation of movements in shareholder's funds

	31 December 2001 £'000	31 December 2000 £'000
Profit after tax for the year	3,547	5,620
Dividends	(2,000)	(4,900)
Net increase in shareholder's funds	1,547	720
Opening shareholder's funds	11	(709)
Closing shareholder's funds	1,558	11

NOTES TO THE ACCOUNTS (continued)

11. Directors' interests

The interests of J C Pain and G W Fillery in the capital of Lloyds TSB Group plc are disclosed in the accounts of Lloyds TSB General Insurance Holdings Limited.

12. 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.

13. Contingent liabilities and commitments

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

14. Date of approval

The directors approved the accounts on 13 August 2002.