

GROUPAMA INSURANCES GROUP LIMITED
(Registered No: 2772002)

FINANCIAL STATEMENTS
FOR YEAR ENDED 31 DECEMBER 2002



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Directors' Report

The Directors of Groupama Insurances Group Limited present their Report and the audited Financial Statements for the year ended 31 December 2002.

Principal activity

The principal activity of the Company was as a holding company for the UK general insurance business operations.

On 28 March 2002 the Company sold its shareholdings in all its subsidiary undertakings as part of a reorganisation of the UK group structure. These subsidiary undertakings were Minster Insurance Company Limited, formerly Groupama Insurance Company Limited ("Minster Insurance"), Groupama Insurance Company Limited, formerly Groupama General Insurance Company Limited ("Groupama Insurance"), Groupama UK Services Limited and Minster Management Services Limited and their respective subsidiary undertakings. The shareholdings in these companies were acquired by GAN UK Holdings Limited. Of the consideration £50,000,000 was received in cash and the balance is shown as an amount owed by fellow subsidiary undertakings on the balance sheet.

The Directors do not foresee the Company undertaking any significant activities following the sale.

Investment in subsidiary undertakings

The Company acquired 25,000,000 ordinary £1 shares at par in Minster Insurance on both 23 May 2001 and 28 February 2002. To fund these investments, the Company borrowed the equivalent amounts from Groupama (UK) Limited on the same dates. The aggregate loan of £50,000,000 was repaid on 28 March 2002.

Results and dividends

The profit for the financial year was £213,000 (2001 : loss of £106,438,000). The Directors do not propose a dividend in 2002 (2001: nil).

Directors

The Directors currently holding office are:

P. Lefèvre	Chairman and Chief Executive
M. A. B. M. Beauchesne	
T. H. Bishop	
J-P. Bouquin	
A. Clyti	
C. H. Lemaire	
P. W. Picknett	

They have all held office throughout the year, with the exception of J-P. Bouquin, who was appointed on 13 February 2002, and P. Lefèvre, who was appointed Chairman and Chief Executive on 5 March 2002.

A. P. D. Lancaster and S. A. Hartigan left the Board on 13 February 2002. L. K. Arnold retired from the Board on 11 July 2002. T. A. Ablett served as a Director until his resignation on 17 April 2003.

None of the Directors holding office at the year end have an interest in the shares of the Company or any other group undertaking.

None of the Directors received any remuneration for services to the Company during the year.

Directors' Report (continued)

Expenses

All contracts of employment of the UK Group's employees are with fellow subsidiary undertakings. All expenses including auditors' remuneration are borne by Groupama UK Services, a fellow subsidiary undertaking.

Statement of 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 the Group and of the profit or loss for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently, with the exception of changes arising on the adoption of new accounting standards in the year;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure 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 and the Group will continue in business.

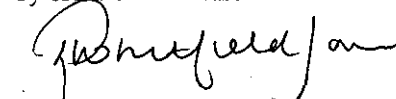
The Directors confirm that the Financial Statements comply with the above requirements.

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

Following the conversion of our auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 7 March 2003 and the Directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the Company will be proposed at the annual general meeting.

By order of the Board



R. WHITFIELD-JONES
Secretary
27 May 2003

Groupama House
24-26 Minories
London EC3N 1DE

Independent Auditors' Report

Independent auditors' report to the members of Groupama Insurances Group Limited

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

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the annual report and the Financial Statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of Directors' responsibilities on page 3.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This opinion has been prepared for and only for the Company's members 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 in to 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 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 other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. The other information comprises only the Directors' report.


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.

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 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

Southwark Towers,
32 London Bridge Street,
London SE1 9SY
United Kingdom

27 May 2003

Profit and Loss Account

For the year ended 31 December 2002

	Notes	2002 £000	2001 £000
Diminution in value of subsidiary undertakings		-	(106,438)
Other income		213	-
Profit (Loss) on ordinary activities		<u>213</u>	<u>(106,438)</u>
Tax on profit (loss) on ordinary activities	3	<u>-</u>	<u>-</u>
Retained profit (loss) for the financial year		213	(106,438)

All accounts shown are for discontinued operations.

All recognised gains and losses are accounted for in the Profit and Loss Account.

The Notes on pages 7 to 9 form an integral part of these Financial Statements.

Balance Sheet

As at 31 December 2002

	Notes	2002		2001	
		£000	£000	£000	£000
Fixed assets					
Investments in subsidiary undertakings	4		-		112,186
Current Assets					
Debtors					
Amounts owed by fellow subsidiary undertakings		87,458		25,059	
Cash at bank		<u>6</u>		<u>6</u>	
		87,464		25,065	
Creditors : amounts falling due within one year	5	<u>(9)</u>		<u>(50,009)</u>	
Net current assets (liabilities)			<u>87,455</u>		<u>(24,944)</u>
Total assets less current liabilities			87,455		87,242
Creditors : amounts falling due after more than one year	6		<u>(5,950)</u>		<u>(5,950)</u>
Net assets			81,505		81,292
Capital and reserves					
Called up share capital	7		246,869		246,869
Share premium account	8		29,573		29,573
Other reserves	8		13,405		13,405
Profit and loss account	8		<u>(208,342)</u>		<u>(208,555)</u>
Total shareholders' funds			81,505		81,292

The Financial Statements on pages 5 to 9 were approved by the Board of Directors on 27 May 2003.

Director

Director

The Notes on pages 7 to 9 form an integral part of these Financial Statements.

Notes to the Financial Statements

For the year ended 31 December 2002

1. ACCOUNTING POLICIES

Basis of Presentation

The Financial Statements have been prepared in accordance with schedule 4 to the Companies Act 1985 and with applicable accounting standards.

The Company has elected not to prepare group financial statements in accordance with Section 228 of the Companies Act 1985, as it is a wholly owned subsidiary of its ultimate parent company, Caisse Centrale des Assurances Mutuelle Agricoles, which prepares group financial statements, established under the laws of an EU Member State. The comparatives have been restated accordingly.

The Company, which is a wholly owned subsidiary, has used the exemption available in FRS 1 (Revised) and does not produce a cash flow statement.

Investments in subsidiary undertakings

Investments are included at cost less amounts provided for any diminution in value. In the opinion of the Directors the value of investments in group undertakings is not less than the aggregate amount at which they are shown in the Company's balance sheet. Where the Directors consider the value of any subsidiary undertaking is less than its cost, a provision is made for the diminution in value in the Profit and Loss Account. *Appreciation in the value of any subsidiary undertaking is credited to the Profit and Loss Account only to the extent of provisions for diminution in value accounted for in previous accounting periods.*

Deferred taxation

Deferred taxation is recognised as an asset or liability if transactions have occurred at the balance sheet date that gave rise to the right to pay less taxation in future or an obligation to pay more tax in future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

2. AUDITORS REMUNERATION

Auditors' remuneration is paid by a fellow subsidiary undertaking. The amounts paid on behalf of the Company were £21,150 (2001 : £29,375).

Notes to the Financial Statements

3. TAXATION ON PROFIT (LOSS) ON ORDINARY ACTIVITIES

(a) Current tax charge

	2002 £000	2001 £000
Profit (Loss) on ordinary activities before tax	213	(10,040)
Profit (Loss) at current rate of corporation tax (30%)	64	(3,012)
Utilisation of tax losses	(64)	3,012
Current tax charge for the year	-	-

(b) Factors affecting future tax charges

There are no amounts of unprovided deferred tax at 31 December 2002.

4. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

	Current value £000	Cost £000
At 1 January 2002	112,186	320,584
Additional investment in subsidiary undertakings	25,000	25,000
Disposal of subsidiary undertakings	(137,186)	(345,584)
At 31 December 2002	-	-

All investments in subsidiary undertakings were sold on 28 March 2002 to GAN UK Holdings Limited.

5. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £000	2001 £000
Due to parent and fellow subsidiary undertakings	-	50,000
Other	9	9
	<u>9</u>	<u>50,009</u>

6. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2002 £000	2001 £000
Amounts owed to fellow subsidiary undertakings	5,950	5,950

Notes to the Financial Statements

7. CALLED UP SHARE CAPITAL

	2002 £000	2001 £000
Authorised 355,000,000 (2001 : 355,000,000) ordinary shares of £1 each	355,000	355,000
Allotted and fully paid 246,869,000 (2001 : 246,869,000) ordinary shares of £1 each	246,869	246,869

8. RESERVES

	Share Premium Account £000	Capital Reserve £000	Capital Redemption Reserve £000	Profit and loss account £000
At 1 January 2002	29,573	5,950	7,455	(208,555)
Retained profit for the year	-	-	-	213
At 31 December 2002	29,573	5,950	7,455	(208,342)

9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £000	2001 £000
Movement in retained profits (losses)	213	(106,438)
Shareholders' funds at beginning of year	81,292	187,730
Shareholders' funds at end of year	81,505	81,292

10. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under FRS8 – Related Party Disclosures, that no disclosure is required in the Financial Statements of related party transactions in relation to subsidiary undertakings, 90% or more of whose voting rights are controlled within the Group.

11. ULTIMATE PARENT UNDERTAKING

The Company's parent undertaking is Groupama (UK) Limited, which is registered in England, and its ultimate parent undertaking is Caisse Centrale Des Assurances Mutuelles Agricoles, which is incorporated in France. Copies of the financial statements of both companies can be obtained from the registered office of Groupama Insurances Group Limited, as shown in the Directors' Report.