

Delian Alpha Limited

Annual Report & Financial Statements

31 December 2003



Registered Number: 2852027

Registered Office:
St. Helen's
1 Undershaft
London
EC3A 8ND

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Directors, officers and advisors

Directors

R A Hextall
J leT Illingworth
C E L Philipps

Secretary

C C T Pender

Registered office

St. Helen's
1 Undershaft
London
EC3A 8ND

Auditors

Deloitte & Touche LLP
London

Directors' report for the year ended 31 December 2003

The directors present their annual report and the audited financial statements for the year ended 31 December 2003.

Principal activities

The Company's business has been to act as a Corporate Member of Lloyd's, underwriting insurance. The Company has not underwritten since the 1996 year of account and does not expect to trade in the future.

The Company is a wholly owned subsidiary of AUT Holdings Limited, itself a wholly owned subsidiary of Amlin plc.

Results and dividends

The profit before tax of the Company for the year ended 31 December 2003 amounted to £16,181 (2002: £32,596), full details of which are set out in the profit and loss account on page 6 and the related notes.

The directors do not propose that any dividend be paid in respect of the year (2002: £nil).

Directors and officers

The current directors of the Company, who served throughout the year ended 31 December 2003, are shown on page 2. The following director resigned during the year:

<u>Name</u>	<u>Date of resignation</u>
J L Stace	30 December 2003

Directors' interests

The following directors, and their related parties, held the following shares and share options in Amlin plc:

<u>Name</u>	<u>Shares</u>		<u>Executive share and Sharesave options</u>			
	<u>At 1/1/03</u>	<u>At 31/12/03</u>	<u>At 1/1/03</u>	<u>Exercised</u>	<u>Granted</u>	<u>At 31/12/03</u>
J leT Illingworth	34,198	46,453	771,203	11,744	75,000	834,459

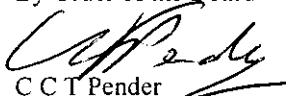
Messrs Hextall and Philipps, who were directors of the Company throughout the year and were directors of Amlin plc as at 31 December 2003, held shares and share options in Amlin plc, which are disclosed in the consolidated financial statements of that company.

Other than the above, the directors did not hold any shares or debentures in any group controlled companies nor had a material interest in any contract with the Company at any time during the year.

Auditors

During the year the consent of the Company was given by the Board to treating the appointment of Deloitte & Touche as auditors to the Company as extending to Deloitte & Touche LLP, pursuant to Section 26 (5) of the Companies Act 1989. Pursuant to Section 386 of the Companies Act 1985, an elective resolution has been passed dispensing with the requirement to appoint auditors annually. In accordance with Section 386 (2) Deloitte & Touche LLP therefore continue in office until the Company or the auditors determine otherwise.

By Order of the Board


C C T Pender

Secretary

29 January 2004

Statement of directors' responsibilities

United Kingdom 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 as at the end of the financial year 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; 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 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 the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the independent auditors to the member of Delian Alpha Limited

We have audited the financial statements of Delian Alpha Limited for the year ended 31 December 2003, which comprise the profit and loss account, the balance sheet and related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's member, 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 member 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 member 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 United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

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 at 31 December 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London
29 January 2004

Profit and loss account For the year ended 31 December 2003

	Notes	2003 £'000	2002 £'000
Technical Account – general business			
Net operating income	3	16	32
Balance on the technical account - general business		16	32
Other investment income		-	1
Profit on ordinary activities before taxation	4	16	33
Tax on profit on ordinary activities	5	(7)	(6)
Retained profit for the financial year		9	27

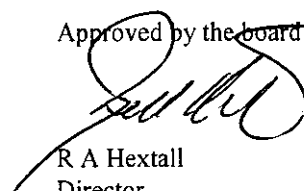
The profit and loss account relates entirely to the movements on discontinued underwriting activities. The Company has not underwritten since the 1996 year of account.

There are no recognised gains or losses in either the current or preceding year other than those included in the profit and loss account and therefore no statement of total recognised gains and losses is presented.

Balance sheet At 31 December 2003

	Notes	2003 £'000	2002 £'000
ASSETS			
Debtors			
Other debtors	6	651	638
Total assets		651	638
LIABILITIES			
Capital and reserves			
Called up share capital	7	400	400
Profit and loss account		101	92
Equity shareholders' funds	8	501	492
Provision for liabilities and charges	9	-	9
Creditors	10	150	137
Total liabilities		651	638

Approved by the board of Directors and signed on its behalf by:



R A Hextall

Director

29 January 2004

Notes to the accounts for the year ended 31 December 2003

1 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost accounting convention and in accordance with Section 255 of, and Schedule 9A to, the Companies Act 1985. The Company has also adopted the recommendations of the Statement of Recommended Practice on Accounting for Insurance Business, issued by the Association of British Insurers in 1998 ("ABI SORP").

Under Financial Reporting Standard No.1 (revised) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated cash flow statement.

As the Company is a wholly owned subsidiary within the group headed by Amlin plc, the Company has taken advantage of the exemption contained in Financial Reporting Standard No. 8 and it has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties).

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Taxation

The charge for taxation is based on the profit for the year and takes into account the effect of timing differences between the accounting and tax treatment of certain items of revenue and expense to the extent that it is probable that a liability will arise or that an asset will be realised in the foreseeable future. Deferred tax assets and liabilities are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date. Deferred tax assets are recognised to the extent that, on the basis of all available evidence, it is regarded as more likely than not that there will be sufficient profits from which future reversal of the underlying timing difference can be deducted.

3 Net operating income

	2003 £'000	2002 £'000
Refund of member's special contribution	<u>16</u>	<u>32</u>

4 Profit on ordinary activities before taxation

In both the current and preceding year the Company had no employees and no directors' fees have been paid. Auditors' remuneration is borne by Amlin plc, the Company's ultimate parent company, in both the current and preceding year.

Notes to the accounts for the year ended 31 December 2003

5 Tax on profit on ordinary activities

(a) Analysis of tax charge in the year

	2003 £'000	2002 £'000
Current tax		
UK corporation tax on profit of the year	14	22
Irrecoverable overseas tax	2	(3)
Total current tax (see note 5(b))	16	19
Deferred tax		
On timing differences (see note 9)	(9)	(13)
Total deferred tax	(9)	(13)
Tax on profit on ordinary activities	<u>7</u>	<u>6</u>

(b) Factors affecting the tax charge for the year

The tax assessed for the year varies from the standard rate of corporation tax in the UK (30% for 2003 and for 2002). The differences are explained below:

	2003 £'000	2002 £'000
Profit on ordinary activities before taxation	16	33
Profit on ordinary activities before taxation multiplied by the standard rate of corporation tax in the UK of 30% (2002: 30%)	5	10
Effects of :		
Timing differences		
Net change in taxable technical profits	9	12
Tax charges not related to this period		
Overseas tax irrecoverable	2	(3)
Total current tax charge (see note 5(a))	<u>16</u>	<u>19</u>

Notes to the Accounts for the year ended 31 December 2003

6 Other debtors

	2003 £'000	2002 £'000
Amounts falling due within one year		
Amounts owed by parent and group undertakings	635	619
Corporation tax recoverable	11	12
Overseas tax recoverable	5	7
	<u>651</u>	<u>638</u>

7 Called up share capital

	2003		2002	
	Authorised £'000	Called up, allotted and fully paid £'000	Authorised £'000	Called up, allotted and fully paid £'000
Ordinary shares of £1 each	<u>400</u>	<u>400</u>	<u>400</u>	<u>400</u>

8 Reconciliation of movements in equity shareholders' funds

	2003 £'000	2002 £'000
Retained profit for the financial year	9	27
Opening equity shareholders' funds	492	465
Closing equity shareholders' funds	<u>501</u>	<u>492</u>

9 Provision for liabilities and charges

	2003 £'000	2002 £'000
Deferred tax		
On result for the year	-	9
Deferred tax provision at 31 December	<u>-</u>	<u>9</u>
At 1 January	9	
Deferred tax credit in the profit and loss account for the year (note 5)	<u>(9)</u>	
At 31 December	<u>-</u>	

Notes to the Accounts for the year ended 31 December 2003

10 Creditors

	2003 £'000	2002 £'000
Amounts falling due within one year		
Amounts owed to group undertakings	124	102
UK corporation tax	26	35
	<u>150</u>	<u>137</u>

11 Parent Company

The Company's immediate parent company is AUT Holdings Limited which is incorporated in Great Britain and registered in England and Wales. The ultimate parent company and controlling party is Amlin plc, a company incorporated in Great Britain and registered in England and Wales, which is the largest group in which the results of the Company are consolidated. The consolidated accounts of Amlin plc are available to the public and may be obtained from St Helen's, 1 Undershaft, London, EC3A 8ND.