

Delian Alpha Limited

Annual Report & Financial Statements

31 December 2004

Registered Number: 2852027

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



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Directors, officers and advisers

Directors

R A Hextall
C E L Philipps

Secretary

J M Clarke

Registered office

St. Helen's
1 Undershaft
London
EC3A 8ND

Auditors

Deloitte & Touche LLP
Chartered Accountants
London

Directors' report for the year ended 31 December 2004

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

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 2004 amounted to £891 (2003: £16,181), 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 for the year ended 31 December 2004 (2003 - £nil).

Directors and officers

The current directors of the Company, who served throughout the year ended 31 December 2004, are shown on page 2. The following director resigned during the year:

<u>Name</u>	<u>Date of resignation</u>
J leT Illingworth	28 April 2004

Messrs Hextall and Philipps, who were directors of the Company throughout the year and were directors of Amlin plc as at 31 December 2004, 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

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



J M Clarke
Secretary
8 February 2005

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 2004, 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 2004 and of its loss 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
8 February 2005

Profit and loss account for the year ended 31 December 2004

	Notes	2004 £	2003 £
Investment income	3	56	147
Net operating income	4	-	16,034
Balance on the technical account – general business		56	16,181
Other investment income		835	-
Profit on ordinary activities before taxation	5	891	16,181
Tax on profit on ordinary activities	6	(2,125)	(6,670)
Retained (loss)/profit for the financial year		(1,234)	9,511

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 2004

	Notes	2004 £	2003 £
ASSETS			
Current Assets			
Debtors	7	632,852	651,353
Total assets		<u>632,852</u>	<u>651,353</u>
LIABILITIES			
Capital and reserves			
Called up share capital	8	400,000	400,000
Profit and loss account		99,418	100,652
Equity shareholders' funds	9	<u>499,418</u>	<u>500,652</u>
Creditors	10	<u>133,434</u>	<u>150,701</u>
Total liabilities		<u>632,852</u>	<u>651,353</u>

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



R A Hextall
Director
8 February 2005

Notes to the accounts for the year ended 31 December 2004

1 Basis of preparation

The financial statements have been prepared in accordance with applicable United Kingdom law and 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 2003 ("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 policy has 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 Investment income

	2004	2003
	£	£
Interest	<u>56</u>	<u>147</u>

4 Net operating income

	2004	2003
	£	£
Refund of member's special contribution	<u>-</u>	<u>16,034</u>

5 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 2004

6 Tax on profit on ordinary activities

(a) Analysis of the tax charge in the year

	2004 £	2003 £
Current tax		
UK corporation tax on profits of the year	7,477	14,474
Adjustment in respect of prior periods	(10,271)	-
Irrecoverable overseas tax	4,919	1,816
Total current tax (see note 6(b))	<u>2,125</u>	<u>16,290</u>
Deferred tax		
Origination and reversal of timing differences	-	(9,620)
Total deferred tax	<u>-</u>	<u>(9,620)</u>
Tax on profit on ordinary activities	<u><u>2,125</u></u>	<u><u>6,670</u></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 2004). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>891</u>	<u>16,181</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003: 30%)	267	4,854
Effects of:		
Net change on annual accounting result provided for	-	9,620
Other permanent differences	7,210	-
Irrecoverable overseas tax	4,919	1,816
Adjustment in respect of prior periods	(10,271)	-
Current tax charge for the year (see note 6(a))	<u><u>2,125</u></u>	<u><u>16,290</u></u>

7 Debtors

	2004 £	2003 £
Amounts falling due within one year		
Amounts owed by parent and group undertakings	632,852	634,838
Corporation tax recoverable	-	11,803
Overseas tax recoverable	-	4,712
	<u><u>632,852</u></u>	<u><u>651,353</u></u>

Notes to the Accounts for the year ended 31 December 2004

8 Called up share capital

	2004		2003	
	Authorised £	Called up, allotted and fully paid £	Authorised £	Called up, allotted and fully paid £
400,000 Ordinary shares of £1 each	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>

9 Reconciliation of movements in equity shareholders' funds

	2004 £	2003 £
Retained (loss)/profit for the financial year	(1,234)	9,511
Opening equity shareholders' funds	<u>500,652</u>	<u>491,141</u>
Closing equity shareholders' funds	<u>499,418</u>	<u>500,652</u>

10 Creditors

	2004 £	2003 £
Amounts falling due within one year		
Amounts owed to group undertakings	125,957	123,829
UK corporation tax	<u>7,477</u>	<u>26,872</u>
	<u>133,434</u>	<u>150,701</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 smallest and 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.