

01-03-95

2852888

DELIAN LAMBDA LIMITED

Period ended 30 September 1994



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DIRECTORS -

Appointed

Lord Stewartby (Chairman)	7 December 1993
S. R. Arnold	7 December 1993
R. W. Jewson	7 December 1993
J. R. Sclater	7 December 1993
C.F.E. Shakerley	7 December 1993

The initial directors of the Company, Instant Companies Limited and J.G.Hill, resigned on 5 October 1993 and on 7 December 1993, respectively.

NOTICE OF MEETING

NOTICE is hereby given that the first Annual General Meeting of the Company will be held at Exchange House, Primrose Street, London EC2A 2NY on 15 February 1995 at 11.35 AM

1.To receive and adopt the directors' report and accounts for the period ended 30 September 1994.

2.To re-appoint the auditors and authorise the directors to fix their remuneration .

By Order of the Board
Foreign & Colonial Management Limited
Secretary

REGISTERED OFFICE
Exchange House
Primrose Street
London EC2A 2NY

Company Registration No 2852888

20 January 1995

Note:

A member entitled to vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him, and such proxy need not be a member of the Company. In the case of a corporation this proxy must be under seal or under the hand of an officer duly authorised in writing.

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REPORT OF THE DIRECTORS

The directors present their report and the accounts of the Company for the period ended 30 September 1994.

The Company was incorporated on 13 September 1993 as Submitexist Limited and changed its name by Special Resolution on 22 October 1993 to Delian Lambda Limited.

The principal activity of the Company is to act as a corporate member of Lloyd's and to participate in the Lloyd's insurance market through the provision of underwriting capacity to various Lloyd's syndicates which write insurance and re-insurance business.

The Company commenced its participation at Lloyd's on 1 January 1994. A review of the activities and results of the Group is given in the Chairman's Statement accompanying the accounts of Delian Lloyd's Investment Trust PLC for the period to 30 September 1994.

The results for the period ended 30 September 1994 show a loss of £105,185 after taxation and the directors recommend that no dividend be paid.

The Company's participation in Lloyd's syndicates for the 1994 underwriting year of account is as follows:

Syndicate Number	Capacity £ millions
172	2
183	1
439	1
535	2.5
657	2
1019	1.5
1084	2
1184	0.5
	<hr/> 12.5

At an Extraordinary General Meeting held on 20 December 1993 a special resolution was passed which increased the authorised share capital of the Company to £200,000 by the creation of an additional 199,000 shares of £1 each. Each of the said shares was issued fully paid.

At another Extraordinary General Meeting held on 15 December 1994 a special resolution was passed which further increased the authorised share capital of the Company to £400,000 by the creation of an additional 200,000 shares of £1 each. Each of the said shares was issued fully paid.

No directors or their families held any interest in the shares of the Company during the period under review. All the directors of Delian Lambda Limited, are directors of the ultimate parent undertaking Delian Lloyd's Investment Trust PLC. This company is registered in England and Wales.

The interests of directors in other Group companies are referred to in the Directors' Report of the ultimate holding company, Delian Lloyd's Investment Trust PLC.

The following director had an interest as a active personal member of Lloyd's in syndicates supported by Delian Lambda Limited in the 1994 underwriting year of account as follows:-

Mr R.W. Jewson


Syndicate number
183,439

The auditors, Price Waterhouse, have indicated their willingness to continue in office and a resolution re-appointing them and authorising the directors to fix their remuneration will be submitted at the Annual General Meeting.

By Order of the Board
Foreign & Colonial Management Limited
Secretary

13 January 1995

For and on behalf of
FOREIGN & COLONIAL MANAGEMENT LIMITED


..... SECRETARY

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PROFIT AND LOSS ACCOUNT

Period ended 30 September 1994

	Notes	£	1994 £
Revenue			-
Profit on underwriting activities			36
Interest receivable and similar income			<u>36</u>
Expenses	4		
Administrative expenses		104,221	
Auditors' remuneration		<u>1,000</u>	105,221
Loss on ordinary activities before taxation			<u>(105,185)</u>
Tax on loss on ordinary activities	5		-
Loss on ordinary activities after taxation			<u>(105,185)</u>
Profit and loss account carried forward			<u><u>(105,185)</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Period ended 30 September 1994

There are no recognised gains and losses other than the loss for the period and all operations are continuing.

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BALANCE SHEET

At 30 September

Current Assets

Amounts owed by Group Undertakings
 Prepayments and accrued income
 Cash at bank

Notes

£

1994
£

6 200,000
 2,918
 1,731
 204,649

Current Liabilities

Creditors : amounts falling due within one year
 Accruals and deferred income

13,963
13,963

190,686

Net current assets

Creditors : amounts falling due after more than one year.

7

95,871

Net Assets94,815**Capital and reserves**

Authorised and called up share capital
 200,000 ordinary shares of £1 each

9

200,000

Profit and loss account

(105,185)

94,815

Approved by the Board on

13 January 1995

Lord Stewartby

J. R. Selater

Stewartby)
J.R. Selater)

Directors

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NOTES ON ACCOUNTS**1. Accounting period.**

The accounts cover the period from 13 September 1993 (date of incorporation) to 30 September 1994. The Company commenced operations on 1 January 1994.

This is the Company's first accounting period and thus there are no comparatives.

Under Financial Reporting Statement 1, the Company is exempt from the requirement to prepare a cashflow statement on the grounds that it is a wholly owned subsidiary undertaking.

2. Accounting Policies

The accounts have been prepared on the historical cost basis of accounting and in accordance with applicable accounting standards.

Profits arising on Lloyd's underwriting activities are recognised in the period in which the related underwriting year is closed. Provision is made for losses as soon as they are foreseen on the basis of information which is available to the directors at the date on which the accounts are approved.

Whilst the directors consider that any provision for losses on open years are fairly stated on the basis of information available to them, the ultimate liability will vary as a result of subsequent information and events and may result in significant adjustments to the losses foreseen. Adjustments to the amounts of provisions are reflected in the accounts for the period in which the adjustments are made.

Expenses of the corporate member subsidiaries are borne by the corporate member subsidiaries, not the premium trust funds, and are charged to profit and loss account as incurred. Franked investment income includes the imputed tax credit relating to dividends receivable and any related tax is written off within the taxation charge.

Deferred tax is provided on any material timing differences expected to crystallise in the foreseeable future.

3. Ultimate Parent Undertaking

The Company's parent undertaking is Delian Lloyd's Investment Trust PLC registered in England. A copy of the group accounts may be obtained from the registered office of the Company.

4. Expenses

Director's emoluments
Auditors' remuneration:
for services as auditors
for non audit services

1994
£
-
1,000
<u>25,000</u>

No staff were employed by the Company during the period.

None of the directors were paid any emoluments in respect of their services to the Company.

The directors of the Company are remunerated by the Ultimate Parent Company Delian Lloyd's Investment Trust PLC for their management of the affairs of that Company and its subsidiaries.

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NOTES ON ACCOUNTS

* The emoluments received by the directors were as follows :

Directors' emoluments
-remuneration

£'000's95

No pension payments were paid or payable during the period.

The emoluments of the Chairman who was also the highest paid director were £35,000.

The emoluments of the directors (including the Chairman), fell within the following bands :

Number of directors

£0 -£5,000*

4

£10,001 -£15,000

4

£30,001 -£35,000

1

*The initial directors of the Parent Company received no emoluments for their services.

5.Taxation.

1994

£

Corporation tax at 33%

Nil

No tax charge arises on the result for the period.

6.Amounts owed by Group Undertakings

Amounts owed by Group undertakings are repayable at the discretion of the Company which is not expected to be exercised within one year.

7.Creditors : amounts falling due after more than one year

This relates to amounts owed to Group undertakings which are interest free and repayable at the discretion of the Company which is not expected to be exercised, in each instance, within one year.

8.Reconciliation of movement in shareholders' funds

1994

£

New share capital raised

200,000

Loss on ordinary activities after taxation

(105,185)

Ordinary shareholders' funds at 30 September

94,8159.Share Capital

1994

£

Authorised capital

200,000

200,000 shares of £1 each

Called up share capital

200,000

200,000 shares of £1

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DIRECTORS' STATEMENT OF RESPONSIBILITY

As required by company law, the Directors are responsible for the preparation of financial statements which give a true and fair view of the state of affairs of the Company at 30 September 1994 and of the results for the period.

In preparing the financial statements, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made.

In all respects the financial statements are prepared in accordance with applicable accounting standards and on a going concern basis. The Directors are also responsible for ensuring that adequate accounting records are maintained and have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS' REPORT

To the Shareholders of Delian Lambda Limited

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described above the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 Group'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 the Company's affairs as at 30 September 1994 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Price Waterhouse
Chartered Accountants
and Registered Auditors

Southwark Towers
32 London Bridge Street
London SE1 9SY

13 January 1995