

BUDGET INSURANCE COMPANY LIMITED

**Return to the Insurance and Friendly Societies
Division of the Financial Services Authority
FOR THE YEAR ENDING
30TH JUNE 2000**

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Covering sheet to Form 9

Name of company

Budget Insurance Company Limited

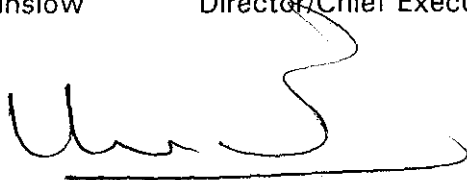
Global business

Financial year ended 30th June 2000



P A Winslow

Director/Chief Executive



I R Leech

Director/Company Secretary

Statement of solvency

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
R9	2593721	GL	30	06	2000	£000
	As at the end of this financial year	As at the end of the previous year	Source			
	1	2	Form	Line	Column	

GENERAL BUSINESS**Available assets**

Other than long term business assets allocated towards general business required minimum margin	11	12,646	10,979	See instructions 1 and 2	
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Required minimum margin

Required minimum margin for general business	12	3,818	4,452	12	49
Excess (deficiency) of available assets over the required minimum margin (11-12)	13	8,828	6,527		

LONG TERM BUSINESS**Available assets**

Long term business admissible assets	21	-	-	10	11
Other than long term business assets allocated towards long term business required minimum margin	22	-	-	See instructions 1 and 3	
Total mathematical reserves (after distribution of surplus)	23	-	-	See instruction 4	
Other insurance and non-insurance liabilities	24	-	-	See instruction 5	
Available assets for long term business required minimum margin (21+22-23-24)	25	-	-		

Implicit items admitted under regulation 23(5) of the Insurance Companies Regulations 1994

Future profits	31	-	-		
Zillmerising	32	-	-		
Hidden reserves	33	-	-		

Total of available assets and implicit items (25+31+32+33)	34	-	-		
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Required minimum margin

Required minimum margin for long term business	41	-	-	60	69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	-	-		
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	-	-		
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	-	-		

CONTINGENT LIABILITIES

Quantifiable contingent liabilities in respect of other than long term business as shown in a supplementary note to Form 15	51	-	-	See instruction 6	
Quantifiable contingent liabilities in respect of long term business as shown in a supplementary note to Form 14	52	-	-	See instruction 6	

Statement of net assets

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30 June 2000

Financial year ended 30 June 2000		Company registration number	GL/UK/CM	Period ended			Units	
		R10	2593721	GL	30	06	2000	£000
		As at the end of this financial year	As at the end of the previous year	Source				
		1	2	Form	Line	Column		
Long term business - admissible assets		11	-	-	13	89	1	
Long term business - liabilities and margins		12	-	-	14	59	1	

Other than Long term business - admissible assets	21	44,464	62,999	13	89	1	
Other than Long term business - liabilities	22	32,773	53,133	15	69	1	
Net admissible assets (21-22)	23	11,691	9,866				
Other assets allowed to be taken into account in covering the required minimum margin	Unpaid amounts (including share premium) on partly paid shares	24	-				
	Supplementary contributions for a mutual carrying on general business	25	-				
Liabilities allowed to be left out of account in covering the required minimum margin	Subordinated loan capital	26	955	1,113			
	Cumulative preference share capital	27	-	-			
Available assets (23 to 27)	29	12,646	10,979				

Represented by:

Paid up share capital (other than cumulative preference share capital)	51	15,600	15,600			
Amounts included in lines 24 to 27 above	52	955	1,113			
Amounts representing the balance of net assets	56	(3,909)	(5,734)			
Total (51 to 56) and equal to line 29 above	59	12,646	10,979			

**Movement of balance of net assets for solvency
purposes - as per line 56**

Balance brought forward at the beginning of the financial year	61	(5,735)	(17,284)	10	56	2
Retained profit/(loss) for the financial year	62	3,943	358	16	59	1
Movement in asset valuation differences	63	(2,117)	(6,809)	See instruction 2		
Decrease/(increase) in the provision for adverse changes	64	-	-	See instruction 3		
Other movements (particulars to be specified by way of supplementary note)	65	-	18,000			
Balance carried forward at the end of the financial year (61 to 65)	69	(3,909)	(5,735)			

General business : Calculation of required margin of solvency - first method

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Company registration number		GL/UK/CM	Period ended			Units	
			day	month	year		
R11	2593721	GL	30	06	2000	£000	
			This financial year			Previous year	
			1			2	
Gross premiums receivable		11	12,902			5,720	
Premium taxes and levies (included in line 11)		12	-			-	
Sub-total A (11-12)		13	12,902			5,720	
Adjusted Sub-total A if financial year is not a 12 month period to produce an annual figure		14	-			-	
Division of Sub-total A (or adjusted Sub-total A if appropriate)	Other than health insurance	Up to and including sterling equivalent of 10M ECU x 18/100	15	1,151			1,030
		Excess (if any) over 10M ECU x 16/100	16	1,041			-
	Health insurance	Up to and including sterling equivalent of 10M ECU x 6/100	17	-			-
		Excess (if any) over 10M ECU x 16/300	18	-			-
Sub-total B (15+16+17+18)		19	2,192			1,030	
Claims paid		21	22,581			22,322	
Claims outstanding carried forward at the end of the financial year	For business accounted for on an underwriting year basis		22	-			-
	For business accounted for on an accident year basis		23	30,671			49,206
Claims outstanding brought forward at the beginning of the financial year	For business accounted for on an underwriting year basis		24	-			-
	For business accounted for on an accident year basis		25	49,206			65,322
Sub-total C (21+22+23-(24+25))		29	4,046			6,206	
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		30	(4,081)			7,380	
Sub-total D (29-30)		39	8,127			(1,174)	
First result Sub-total B x (Sub-total D /Sub-total C) (or, if 1/2 is a greater fraction, x 1/2)		41	2,192			515	

General business : Calculation of required margin of solvency - second method, and statement of required minimum margin

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

		Company registrati number	GL/UK/CM	Period ended day month year			Units
R12		2593721	GL	30	06	2000	£000
		This financial year		Previous year		Source	
		1		2		Form	Line
						Column	
Reference period (No. of financial years) Insert "0" if there is no reference period otherwise insert "3" or "7"		3	11			See instruction 1	
Claims paid in reference period		21	82,241	99,435			
Claims outstanding carried forward at the end of the reference period	For business accounted for on an underwriting year basis	22	-	-			
	For business accounted for on an accident year basis	23	30,746	49,206			
Claims outstanding brought forward at the beginning of the reference period	For business accounted for on an underwriting year basis	24	-	-			
	For business accounted for on an accident year basis	25	64,951	34,447			
Sub-total E (21+22+23-(24+25))		29	48,036	114,194			
Sub-total F - Conversion of Sub-total E to annual figure (Multiply by 12 and divide by number of months in reference period)		31	16,012	38,065			
Division of Sub-total F	Other than health insurance	Up to and including sterling equivalent of 7M ECU x 26/100	32	1,164	1,284		
		Excess (if any) over 7M ECU x 23/100	33	2,654	7,619		
	Health insurance	Up to and including sterling equivalent of 7M ECU x 26/300	34	-	-		
		Excess (if any) over 7M ECU x 23/300	35	-	-		
Subtotal G (32 to 35)		39	3,818	8,903			
Second result Sub-total G x Sub-total D / Sub-total C (or, if 1/2 is a greater fraction, x 1/2)		41	3,818	4,452			
First result		42	2,192	515	11	41	
Required margin of solvency (the higher of lines 41 and 42)		43	3,818	4,452			
Minimum guarantee fund		44	256	282			
Required minimum margin (the higher of lines 43 and 44)		49	3,818	4,452			

Analysis of admissible assets

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Category of assets Total other than long term business assets

			Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
			R13	2593721	GL	30	06	2000	£000	1
Investments								As at the end of this financial year	As at the end of the previous year	
								1	2	
Land and buildings						11	-	-		
Investments in group undertakings and participating interests	UK insurance dependants	Shares	21	-	-					
		Debt securities issued by, and loans to, dependants	22	-	-					
	Other insurance dependants	Shares	23	-	-					
		Debt securities issued by, and loans to, dependants	24	-	-					
	Non-insurance dependants	Shares	25	-	-					
		Debt securities issued by, and loans to, dependants	26	-	-					
	Other group undertakings and participating interests	Shares	27	-	-					
		Debt securities issued by, and loans to, group undertakings	28	-	-					
		Participating interests	29	-	-					
		Debt securities issued by, and loans to, undertakings in which the company has a participating interest	30	-	-					
Total sheet 1 (11 to 30)						39	-	-		

Analysis of admissible assets

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Category of assets

		Company registration number	GL/UK/CM	Period ended day month year			Units	Category of assets	
		R13	2593721	GL	30	06	2000	£000	1
Investments (continued)								As at the end of this financial year	As at the end of the previous year
Deposits with ceding undertakings								1	2
Assets held to cover linked liabilities									
Other financial investments	Equity shares			41				-	-
	Other shares and other variable yield securities			42				-	-
	Holdings in collective investment schemes			43				-	-
	Rights under derivative contracts			44				-	-
	Debt securities and other fixed income securities	Fixed interest	Approved securities	45				-	-
			Other	46				-	-
		Variable interest	Approved securities	47				-	-
			Other	48				-	-
	Participation in investment pools			49				-	-
	Loans secured by mortgages			50				-	-
	Other loans	Loans to public or local authorities and nationalised industries or undertakings		51				-	-
		Loans secured by policies of insurance issued by the company		52				-	-
		Other		53				-	-
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less		54		7,988		10,798	
		Withdrawal subject to a time restriction of more than one month		55				-	-
	Other			56				-	-
Deposits with ceding undertakings			57				-	-	
Assets held to match linked liabilities	Index linked			58				-	-
	Property linked			59				-	-
Reinsurers' share of technical provisions	Provision for unearned premiums			60				-	-
	Claims outstanding			61		30,270		48,809	
	Provision for unexpired risks			62				-	-
	Other			63				-	-
Total sheet 2 (41 to 63)			69		38,258		59,607		

Analysis of admissible assets

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Category of assets Total other than long term business assets

		Company registration number	GLUKCM	Period ended day month year			Units	Category of assets
R13		2593721	GL	30	06	2000	£000	1
Debtors							As at the end of this financial year 1	As at the end of the previous year 2
Other assets								
Debtors arising out of direct insurance operations	Policyholders			71			-	-
	Intermediaries			72			-	-
Salvage and subrogation recoveries				73			-	-
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74			3,818	1,389
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75			1,534	1,061
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year		76			-	-
		Due more than 12 months after the end of the financial year		77			-	-
	Other	Due in 12 months or less after the end of the financial year		78			330	361
		Due more than 12 months after the end of the financial year		79			-	-
Tangible assets				80			-	-
Cash at bank and in hand	Deposits not subject to time restriction on withdrawal, with approved credit institutions and approved financial institutions and local authorities			81			4	81
	Cash in hand			82			-	-
Other assets (particulars to be specified by way of supplementary note)				83			-	-
Prepayments and accrued income	Accrued interest and rent			84			-	-
	Deferred acquisition costs			85			-	-
	Other prepayments and accrued income			86			519	500
Deductions (under regulations 57(2)(b) and 57(3) of the Insurance Companies Regulations 1994) from the aggregate value of assets				87			-	-
Total sheet 3 (71 to 86 less 87)				88			6,205	3,392
Grand total of admissible assets (39+69+88)				89			44,464	62,999

Reconciliation to asset values determined in accordance with the
shareholder accounts rules

Total admissible assets (as per line 89 above)	91	44,464	62,999
Total assets in excess of the admissibility limits of Schedule 12 of the Insurance Companies Regulations 1994, (as valued in accordance with those Regulations before applying admissibility limits)	92	9,188	7,070
Solvency margin deduction for insurance dependants	93	-	-
Other differences in the valuation of assets (other than for assets not valued above)	94	-	-
Assets of a type not valued above, (as valued in accordance with the shareholder accounts rules)	95	-	-
Total assets determined in accordance with the shareholder accounts rules (91 to 95)	99	53,652	70,069

Amounts included in line 89 attributable to debts due from related companies, other than those under contracts of insurance or reinsurance	100	-	200
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Liabilities (other than long term business)

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

		Company registration number	GL/UK/CM	Period ended			Units	
		R15	2593721	GL	30	06	2000	£000
					day	month	year	
					As at the end of this financial year 1			As at the end of the previous year 2
Technical provisions (gross amount)	Provision for unearned premiums		11				-	252
	Claims outstanding		12				30,745	49,406
	Provision for unexpired risks		13				-	-
	Equalisation provisions	Credit business	14				-	-
		Other than credit business	15				-	-
	Other		16				-	-
	Total (11 to 16)		19				30,745	49,658
Provisions for other risks and charges	Taxation		21				-	-
	Other		22				-	-
Deposits received from reinsurers			31				-	-
Creditors	Arising out of insurance operations	Direct business	41				-	-
		Reinsurance accepted	42				-	-
		Reinsurance ceded	43				-	1,795
	Debenture loans	Secured	44				-	-
		Unsecured	45				-	-
	Amounts owed to credit institutions		46				-	30
	Other creditors	Taxation	47				-	-
		Recommended dividend	48				-	-
		Other	49				-	-
Accruals and deferred income			51				378	-
Total (19 to 51)			59				31,123	51,483
Provision for adverse changes (calculated in accordance with regulation 61 of the Insurance Companies Regulations 1994)			61				-	-
Cumulative preference share capital			62				-	-
Subordinated loan capital			63				1,650	1,650
Total (59 to 63)			69				32,773	53,133
Amounts included in line 69 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance			71				-	-

Profit and loss account (non-technical account)

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

		Company registration number	GL/UK/CM	Period ended			Units
				day	month	year	
R16		2593721	GL	30	06	2000	£000
			This financial year	Previous year			Source
			1	2			Form Line Column
Transfer (to)/from the general business technical account	From Form 20	11	3,441	(293)			20 59
	Equalisation provisions	12	-				
Transfer from the long term business revenue account		13	-				40 26
Investment income	Income	14	502	608			
	Value re-adjustments on investments	15	-				
	Gains on the realisation of investments	16	-				
Investment charges	Investment management charges, including interest	17	-				
	Value re-adjustments on investments	18	-				
	Loss on the realisation of investments	19	-				
Allocated investment return transferred to the general business technical account		20	-				20 51
Other income and charges (particulars to be specified by way of supplementary note)		21	-	43			
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	3,943	358			
Tax on profit or loss on ordinary activities		31	-				
Profit or loss on ordinary activities after tax (29-31)		39	3,943	358			
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41	-				
Tax on extraordinary profit or loss		42	-				
Other taxes not shown under the preceding items		43	-				
Profit or loss for the financial year (39+41-(42+43))		49	3,943	358			
Dividends (paid and proposed)		51	-				
Profit or loss retained for the financial year (49-51)		59	3,943	358			

General business : Technical account (excluding equalisation provisions)

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/ business class Summary

		Company registration number	GL/UK/C	Period ended			Units	Accounting class/ summary			
		R20	2593721	GL	30	06	2000	£000	00		
Items to be shown net of reinsurance				This financial year			Previous year	Source			
				1			2	Form	Line	Column	
This year's underwriting (accident year accounting)	Earned premium	11	12,850			4,564			21	19	5
	Claims incurred	12	8,704			3,714			22	17	4
	Claims management costs	13	-			225			22	18	4
	Adjustment for discounting	14	-			-			22	52	4
	Increase in provision for unexpired risks	15	-			-			22	19	4
	Other technical income and charges (particulars to be specified by way of supplementary note)	16	-			-					
	Net operating expenses	17	1,282			1,373			22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	2,864			(748)					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21	-			(4,433)			21	11	5
	Claims incurred	22	(577)			(4,888)			22	13	4
	Claims management costs	23	-			-			22	14	4
	Adjustment for discounting	24	-			-			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25	-			-					
	Net operating expenses	26	-			-			22	41	4
	Balance (21-22-23+24+25-26)	29	577			455					
Balance from underwriting year accounting	Per Form 24	31	-			-			24	69	99-99
	Other technical income and charges (particulars to be specified by way of supplementary note)	32	-			-					
	Total	39	-			-					
Balance of all years' underwriting (19+29+39)		49	3,441			(293)					
Allocated investment return		51	-			-					
Transfer to non-technical account (49+51)		59	3,441			(293)					

General business : Technical account (excluding equalisation provisions)

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/business class Motor

		Company registration number	GL/UK/C	Period ended			Units	Accounting class/ summary	
		R20	2593721	GL	30	06	2000	£000	2
Items to be shown net of reinsurance				This financial year			Previous year	Source	
				1			2	Form	Line
This year's underwriting (accident year accounting)	Earned premium	11		-	431	21	19	5	
	Claims incurred	12		-	725	22	17	4	
	Claims management costs	13		-	225	22	18	4	
	Adjustment for discounting	14		-	-	22	52	4	
	Increase in provision for unexpired risks	15		-	-	22	19	4	
	Other technical income and charges (particulars to be specified by way of supplementary note)	16		-	-				
	Net operating expenses	17		1,282	1,297	22	42	4	
	Balance of year's underwriting (11-12-13+14-15+16-17)	19		(1,282)	(1,816)				
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21		-	(4,433)	21	11	5	
	Claims incurred	22		(577)	(4,888)	22	13	4	
	Claims management costs	23		-	-	22	14	4	
	Adjustment for discounting	24		-	-	22	51	4	
	Other technical income or charges (particulars to be specified by way of supplementary note)	25		-	-				
	Net operating expenses	26		-	-	22	41	4	
	Balance (21-22-23+24+25-26)	29		577	455				
Balance from underwriting year accounting	Per Form 24	31		-	-	24	69	99-99	
	Other technical income and charges (particulars to be specified by way of supplementary note)	32		-	-				
	Total	39		-	-				
Balance of all years' underwriting (19+29+39)		49		(705)	(1,361)				
Allocated investment return		51		-	-				
Transfer to non-technical account (49+51)		59		(705)	(1,361)				

General business : Technical account (excluding equalisation provisions)

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/business class Non-proportional treaty

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary			
		R20	2593721	GL	30	06	2000	£000	9		
Items to be shown net of reinsurance				This financial year			Previous year	Source			
				1				2			Form
This year's underwriting (accident year accounting)	Earned premium	11	12,846			4,129			21	19	5
	Claims incurred	12	8,704			2,989			22	17	4
	Claims management costs	13	-			-			22	18	4
	Adjustment for discounting	14	-			-			22	52	4
	Increase in provision for unexpired risks	15	-			-			22	19	4
	Other technical income and charges (particulars to be specified by way of supplementary note)	16	-			-					
	Net operating expenses	17	-			76			22	42	4
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	4,142			1,064					
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21	-			-			21	11	5
	Claims incurred	22	-			-			22	13	4
	Claims management costs	23	-			-			22	14	4
	Adjustment for discounting	24	-			-			22	51	4
	Other technical income or charges (particulars to be specified by way of supplementary note)	25	-			-					
	Net operating expenses	26	-			-			22	41	4
	Balance (21-22-23+24+25-26)	29	-			-					
Balance from underwriting year accounting	Per Form 24	31	-			-			24	69	99-99
	Other technical income and charges (particulars to be specified by way of supplementary note)	32	-			-					
	Total	39	-			-					
Balance of all years' underwriting (19+29+39)		49	4,142			1,064					
Allocated investment return		51	-			-					
Transfer to non-technical account (49+51)		59	4,142			1,064					

General business : Technical account (excluding equalisation provisions)

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/business class Household

		Company registration number	GL/UK/CM	Period ended			Units	Accounting class/ summary			
		R20	2593721	GL	30	06	2000	£000	6		
Items to be shown net of reinsurance				This financial year		Previous year		Source			
				1		2		Form	Line	Column	
This year's underwriting (accident year accounting)	Earned premium	11	4		4		21	19	5		
	Claims incurred	12	-		-		22	17	4		
	Claims management costs	13	-		-		22	18	4		
	Adjustment for discounting	14	-		-		22	52	4		
	Increase in provision for unexpired risks	15	-		-		22	19	4		
	Other technical income and charges (particulars to be specified by way of supplementary note)	16	-		-						
	Net operating expenses	17	-		-		22	42	4		
	Balance of year's underwriting (11-12-13+14-15+16-17)	19	4		4						
Adjustment for prior years' underwriting (accident year accounting)	Earned premium	21	-		-		21	11	5		
	Claims incurred	22	-		-		22	13	4		
	Claims management costs	23	-		-		22	14	4		
	Adjustment for discounting	24	-		-		22	51	4		
	Other technical income or charges (particulars to be specified by way of supplementary note)	25	-		-						
	Net operating expenses	26	-		-		22	41	4		
	Balance (21-22-23+24+25-26)	29	-		-						
Balance from underwriting year accounting	Per Form 24	31	-		-		24	69	99-99		
	Other technical income and charges (particulars to be specified by way of supplementary note)	32	-		-						
	Total	39	-		-						
Balance of all years' underwriting (19+29+39)		49	4		4						
Allocated investment return		51	-		-						
Transfer to non-technical account (49+51)		59	4		4						

Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of premiums

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/business class Summary

Accounting/business class Summary

	Company registration number	GL/UK/CM	Period ended			Units	Accounting class
			day month year				
			30	06	2000		
R21	2593721	GL			£000	00	
Premiums receivable during the financial year	Gross premiums written		Reinsurers share			Net of reinsurance	
	Earned in previous financial years 1	Earned in previous financial years 3	Earned in previous financial years 5				
In respect of risks incepted in previous financial years	11	-	-				
		Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4	Earned In this financial year 5	Unearned at end of this financial year 6
In respect of risks Incepted in previous financial years	12	-	-	-	-	-	-
In respect of risks incepted in this financial year	13	-	-	-	-	-	-
	14	12,650	-	52	-	12,598	-
	15	-	-	-	-	-	-
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	252	-	-	-	252	-
Total (12 to 16)	19	12,902	-	52	-	12,850	-

Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of premiums

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/business class Motor

Accounting/business class	Company registration number	GL/UK/CM	Period ended			Units	Accounting class
			day month year				
			30	06	2000		
Premiums receivable during the financial year	R21	2593721	GL			£000	2
	Gross premiums written		Reinsurers share			Net of reinsurance	
	Earned in previous financial years		Earned in previous financial years			Earned in previous financial years	
	1		3			5	
In respect of risks incepted in previous financial years	11	-				-	
		Earned In this financial year	Earned In this financial year	Unearned at end of this financial year	Unearned at end of this financial year	Earned In this financial year	Unearned at end of this financial year
		1	3	2	4	5	6
In respect of risks incepted in previous financial years	12	-	-			-	
In respect of risks incepted in this financial year	13	-	-			-	
	14	-	-			-	
	15	-	-			-	
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	-	-			-	
Total (12 to 16)	19	-	-			-	

Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of premiums

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/business class Household

Accounting/business class Household									
	Company registration number	GL/UK/CM	Period ended			Units	Accounting class		
			day month year						
			30	06	2000				
	R21	2593721	GL			£000	6		
Premiums receivable during the financial year	Gross premiums written		Reinsurers share			Net of reinsurance			
	Earned in previous financial years		Earned in previous financial years			Earned in previous financial years			
	1		3			5			
In respect of risks incepted in previous financial years	11	-							
		Earned In this financial year	Unearned at end of this financial year	Earned In this financial year	Unearned at end of this financial year	Earned In this financial year	Unearned at end of this financial year		
		1	2	3	4	5	6		
In respect of risks incepted in previous financial years	12	-	-	-	-	-	-		
In respect of risks incepted in this financial year	13	-	-	-	-	-	-		
	14	4	-	-	-	-	4		
	15	-	-	-	-	-	-		
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	-	-	-	-	-	-		
Total (12 to 16)	19	4	-	-	-	-	4		

Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of premiums

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/business class Non-proportional treaty

Accounting/business class Non-proportional treaty									
	Company registration number	GL/UK/CM	Period ended			Units	Accounting class		
			day month year						
			30	06	2000				
	R21	2593721	GL				£000	9	
Premiums receivable during the financial year	Gross premiums written		Reinsurers share			Net of reinsurance			
	Earned in previous financial years 1		Earned in previous financial years 3		Earned in previous financial years 5				
In respect of risks incepted in previous financial years	11	-							
		Earned In this financial year 1	Unearned at end of this financial year 2	Earned In this financial year 3	Unearned at end of this financial year 4	Earned In this financial year 5	Unearned at end of this financial year 6		
In respect of risks incepted in previous financial years	12	-	-	-	-	-	-		
In respect of risks incepted in this financial year	13	-	-	-	-	-	-		
	14	12,646	-	52	-	12,594	-		
	15	-	-	-	-	-	-		
Premiums receivable (less rebates and refunds) in previous financial years not earned in those years and brought forward to the financial year	16	252	-	-	-	252	-		
Total (12 to 16)	19	12,898	-	52	-	12,846	-		

General business (accident year accounting) : analysis of claims, expenses and technical provisions

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/business class Summary

		Company registratio number	GL/UK/CM	Period ended day month year			Units	Accounting class
		R22	GL	30	06	2000	£000	00
		2593721						
			Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2		Amount carried forward to next financial year 3	Amount attributable to this financial year 4	
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	49,206	14,277		30,271	(4,658)	
	Reinsurers' share	12	48,629	14,277		30,271	(4,081)	
	Net (11-12)	13	577	-		-	(577)	
	Claims management costs	14	200	125		75	-	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15	-	8,304		400	8,704	
	Reinsurers' share	16	-	-		-	-	
	Net (15-16)	17	-	8,304		400	8,704	
	Claims management costs	18	-	-		-	-	
Provision for unexpired risks		19	-	-		-	-	
Net operating expenses	Commissions	21	-	697		-	697	
	Other acquisition expenses	22	-	-		-	-	
	Administrative expenses	23	-	585		-	585	
	Reinsurance commissions and profit participations	24	-	-		-	-	
	Total (21+22+23-24)	29	-	1,282		-	1,282	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31	-	-		-	-	
	Reinsurers' share	32	-	-		-	-	
	Claims management costs	33	-	-		-	-	
	Total (31-32+33)	39	-	-		-	-	
Split of line 29	Prior financial years	41	-	-		-	-	
	This financial year	42	-	1,282		-	1,282	
Split of line 39	Incidents occurring prior to this financial year	51	-	-		-	-	
	Incidents occurring in this financial year	52	-	-		-	-	

General business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/business class Motor

		Company registratio number	GL/UK/CM	Period ended			Units	Accounting class	
		R22	2593721	GL	30	06	2000	£000	2
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2			Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	48,629	14,277			30,271	(4,081)	
	Reinsurers' share	12	48,629	14,277			30,271	(4,081)	
	Net (11-12)	13	-	-			-	-	
	Claims management costs	14	200	125			75	-	
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15	-	-			-	-	
	Reinsurers' share	16	-	-			-	-	
	Net (15-16)	17	-	-			-	-	
	Claims management costs	18	-	-			-	-	
Provision for unexpired risks		19	-	-			-	-	
Net operating expenses	Commissions	21	-	-			-	-	
	Other acquisition expenses	22	-	-			-	-	
	Administrative expenses	23	-	585			-	585	
	Reinsurance commissions and profit participations	24	-	-			-	-	
	Total (21+22+23-24)	29	-	585			-	585	
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31	-	-			-	-	
	Reinsurers' share	32	-	-			-	-	
	Claims management costs	33	-	-			-	-	
	Total (31-32+33)	39	-	-			-	-	
Split of line 29	Prior financial years	41	-	-			-	-	
	This financial year	42	-	585			-	585	
Split of line 39	Incidents occurring prior to this financial year	51	-	-			-	-	
	Incidents occurring in this financial year	52	-	-			-	-	

General business (accident year accounting) : Analysis of claims, expenses and technical provisions

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Accounting/business class Non-proportional treaty

		Company registratio number	GL/UK/CM	Period ended			Units	Accounting class	
		R22	2593721	GL	30	06	2000	£000	9
				Amount brought forward from previous financial year 1	Amount payable/receivable in this financial year 2			Amount carried forward to next financial year 3	Amount attributable to this financial year 4
Claims incurred in respect of incidents occurring prior to this financial year	Gross amount	11	577				-	-	(577)
	Reinsurers' share	12	-				-	-	-
	Net (11-12)	13	577				-	-	(577)
	Claims management costs	14	-				-	-	-
Claims incurred in respect of incidents occurring in this financial year	Gross amount	15	-			8,304		400	8,704
	Reinsurers' share	16	-			-		-	-
	Net (15-16)	17	-			8,304		400	8,704
	Claims management costs	18	-			-		-	-
Provision for unexpired risks		19	-			-		-	-
Net operating expenses	Commissions	21	-			697		-	697
	Other acquisition expenses	22	-			-		-	-
	Administrative expenses	23	-			-		-	-
	Reinsurance commissions and profit participations	24	-			-		-	-
	Total (21+22+23-24)	29	-			697		-	697
Adjustments for discounting in respect of the items shown at lines 11 to 18 above	Gross amount	31	-			-		-	-
	Reinsurers' share	32	-			-		-	-
	Claims management costs	33	-			-		-	-
	Total (31-32+33)	39	-			-		-	-
Split of line 29	Prior financial years	41	-			-		-	-
	This financial year	42	-			697		-	697
Split of line 39	Incidents occurring prior to this financial year	51	-			-		-	-
	Incidents occurring in this financial year	52	-			-		-	-

Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of net claims and premiums

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Risk group Property (Householders & All Risks)

Financial year ended 30th June 2000											
Risk group Property (Householders & All Risks)											
Accident year ended		Company registration number	GL/UK/CM	Period ended day month year		Units	Accounting class				
				30	06 2000						
Month	Year	R23	2593721	GL	Deduction for discounting from claims outstanding carried forward (net)	10	11	12	13	Claims ratio %	
											Balance on each accident year (4+5+6-7-8)
06	2000	11	1	2	3	4	5	6	7	8	9
06	1999	12	-	-	-	-	-	-	-	-	-
06	1998	13	-	-	-	-	-	-	-	-	-
06	1997	14	-	-	-	-	-	-	-	-	-
06	1996	15	-	-	-	-	-	-	-	-	-
06	1995	16	-	-	-	-	-	-	-	-	-
06	1994	17	-	(21)	(21)	-	-	-	-	-	-
06	1993	18	-	34	25	-	-	-	-	-	-
-	-	19	-	-	-	-	-	-	-	-	-
-	-	20	-	-	-	-	-	-	-	-	-
Prior accident years		21	-	-	-	-	-	-	-	-	-
Reconciliation		22	-	-	-	-	-	-	-	-	-
Total (11 to 22)		29	-	-	-	-	-	-	-	-	-

Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of net claims and premiums

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Risk group Non-proportional treaty

Financial year ended 30th June 2000											
Risk group Non-proportional treaty											
Accident year ended		Company registration number	GL/UK/CM	Period ended day month year		Units	Accounting class				
				3d	06 2000						
Month	Year	R23	2593721	GL	11	12	9	10	11	12	13
		Claims outstanding brought forward	Balance on each accident year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original reserve %	Claims ratio %				
		Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)	Reported (net)	Incurred but not reported (net)
		5	6	7	8	9	10	11	12	13	14
		1	2	3	4	5	6	7	8	9	10
		Claims paid (net) during the accident year	Claims outstanding (net) as at end of the accident year	Total claims paid (net) since the end of the accident year, but prior to this financial year	Claims paid (net) during this financial year	Claims outstanding carried forward	Claims outstanding brought forward	Balance on each accident year (4+5+6-7-8)	Deduction for discounting from claims outstanding carried forward (net)	Earned premiums (net)	Deterioration/ (surplus) of original reserve %
06	2000	11			8,304			8,704	-	12,846	67.8%
06	1999	12	2,412		-			(577)	-	4,129	58.4%
-	-	13	-	-	-	-	-	-	-	-	
-	-	14	-	-	-	-	-	-	-	-	
-	-	15	-	-	-	-	-	-	-	-	
-	-	16	-	-	-	-	-	-	-	-	
-	-	17	-	-	-	-	-	-	-	-	
-	-	18	-	-	-	-	-	-	-	-	
-	-	19	-	-	-	-	-	-	-	-	
-	-	20	-	-	-	-	-	-	-	-	
Prior accident years		21			-	-	-	-	-	-	
Reconciliation		22			-	-	-	-	-	-	
Total (11 to 22)		29			8,304	400	577	8,127	-	-	

Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of net claims and premiums by category for treaty reinsurance

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Risk group Non-proportional treaty

Financial year ended 30th June 2000																									
Risk group Non-proportional treaty																									
Accident year ended		Company registration number	GL/UK/CM	Period ended			Monetary units	Business category	Accounting class	Currency															
				day	month	year																			
Month	Year	R26	2593721	GL	Claims outstanding brought forward		Claims paid (net) during this financial year	Total claims paid (net) since the end of the accident year but prior to this financial year	Claims outstanding (net) as at end of the accident year	Claims paid (net) during the accident year	1	2	3	4	5	6	7	8	9	10	11	12	13	AA	
					Reported (net)	Incurred but not reported (net)																			
06	2000	11					2,304									400					8,704		12,846		67.8%
06	1999	12								2,412								577							58.4%
-	-	13																							
-	-	14																							
-	-	15																							
-	-	16																							
-	-	17																							
-	-	18																							
-	-	19																							
-	-	20																							
Prior accident years		21																							
Reconciliation		22																							
Total (11 to 22)		29					8,304									400									

General business (accident year accounting) Analysis of gross claims and premiums by category for treaty reinsurance

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Risk group Non-proportional treaty

Financial year ended 30th June 2000

Risk group Non-proportional treaty

Accident year ended		Company registration number	GL/UK/CM	Period ended		Monetary units	Business category	Accounting class	Currency			
				day	month year							
Month		R27		2593721	GL	30 06 2000	£000	b0	09	AA		
Year		Claims outstanding carried forward			Claims outstanding brought forward		Deduction for discounting from claims outstanding carried forward (gross)	Earned premiums (gross)	Deterioration/ (surplus) of original reserve %	Claims ratio %		
		Reported (gross)	Incurred but not reported (gross)	Reported (gross)	Incurred but not reported (gross)							
1	2	3	4	5	6	7	8	9	10	11	12	13
06	2000	11			3,304	-	400		8,704	-	12,898	67.5%
06	1999	12	2,412	-	-	-	577	(577)	-	-	3,900	61.8%
-	-	13	-	-	-	-	-	-	-	-	-	
-	-	14	-	-	-	-	-	-	-	-	-	
-	-	15	-	-	-	-	-	-	-	-	-	
-	-	16	-	-	-	-	-	-	-	-	-	
-	-	17	-	-	-	-	-	-	-	-	-	
-	-	18	-	-	-	-	-	-	-	-	-	
-	-	19	-	-	-	-	-	-	-	-	-	
-	-	20	-	-	-	-	-	-	-	-	-	
Prior accident years		21			-	-	-	-	-	-	-	
Reconciliation		22			-	-	-	-	-	-	-	
Total (11 to 22)		29			8,304	-	400	577	8,127	-	-	

Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of gross claims and premiums by risk group for direct insurance and facultative reinsurance

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Risk Group Householders & All Risks

Financial year ended 30th June 2000

Risk Group Householders & All Risks

Accident year ended		Company registration number	GL/UK/CM	Period ended			Monetary units	Country	Accounting class			
				day month year								
Month	Year	R31	2593721	GL	Gross claims outstanding brought forward			£000	AA	Claims ratio %		
		Gross claims outstanding carried forward		Gross claims outstanding brought forward		Gross claims outstanding brought forward		Balance for each accident year (4+5+6-7-8)	Gross earned premiums			
		Reported	Incurred but not reported	Reported	Incurred but not reported	Reported	Incurred but not reported					
		1	2	3	4	5	6	7	8	9	10	11
06	2000	-	-	-	-	-	-	-	-	-	4	-
06	1999	-	-	-	-	-	-	-	-	-	4	-
06	1998	-	-	-	-	-	-	-	-	-	4	-
06	1997	-	-	-	-	-	-	-	-	-	4	-
06	1996	-	-	-	-	-	-	-	-	-	4	-
06	1995	-	-	-	-	-	-	-	-	-	4	-
06	1994	244	-	-	-	-	-	-	-	-	-	-
06	1993	184	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
Prior accident years		-	-	-	-	-	-	-	-	-	-	-
Total (11 to 22)		-	-	-	-	-	-	-	-	-	-	-
Line 29 expressed in sterling		-	-	-	-	-	-	-	-	-	-	-

Returns under Insurance Companies Legislation

General business (accident year accounting) : Analysis of gross claims and premiums for motor vehicle direct insurance and facultative reinsurance

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Risk Group Motor Private Comprehensive

Currency

Financial year ended 30th June 2000																			
Risk Group Motor Private Comprehensive																			
Accident year ended		Number of claims		Gross claims paid		Gross claims outstanding carried forward		Gross claims outstanding brought forward		R32	2593721	GL	Period ended		Monetary units	Country			
													day month year						
Month	Year	1	2	3	4	5	6	7	8	9	10	11	12	13					
06	2000	-	-	-	-	-	-	-	-	-	-	-	-	-					
06	1999	781	16	720	167	(397)	18	254	144	(610)	1,215	41.81%	4	19.93%					
06	1998	13,784	170	14,077	1,525	745	1,679	3,777	1,830	(1,658)	21,390	84.27%	62	22.51%					
06	1997	17,726	106	20,868	1,975	2,012	364	4,384	887	(920)	25,784	97.81%	69	25.84%					
06	1996	15,955	38	19,926	1,165	3,030	795	3,101	663	1,226	21,291	117.03%	59	27.11%					
06	1995	8,370	13	10,052	201	3,190	8	2,797	(118)	720	12,382	108.63%	32	26.20%					
06	1994	5,077	1	5,695	448	727	(40)	308	(434)	1,261	-	-	-	-					
06	1993	433	-	523	(61)	212	(8)	-	(41)	184	-	-	-	-					
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-					
Prior accident years		-	-	-	-	-	-	-	-	-	-	-	-	-					
Total (11 to 21)		-	344	-	5,420	9,519	2,816	14,621	2,931	203	-	-	-	-					
Line 29 expressed in sterling		-	-	-	-	-	-	-	-	-	-	-	-	-					

[illegible]

Return to the Friendly Societies Division of the Financial Services Authority

Notes to the Return

Name of Company Budget Insurance Company Limited

Financial year ended 30th June 2000

Form 9

Code 0901 – Section 68 Order

In June 1999, the Treasury, on the application of the company, made an order under section 68 of the Insurance Companies Act 1982. The effect of the order was to permit the Company to take deposits with certain approved credit institutions into account to a greater extent than specified by regulation 57 of, and Schedule 12 to, the Insurance Companies Regulations 1994.

Code 1001 – Reconciliation of net assets to accounts

Reconciliation of net assets	2000 £000	1999 £000
Net assets per the FSA Return		
Line 99 on Form 13	53,652	70,069
Line 59 on Form 15	<u>(31,123)</u>	<u>(51,483)</u>
	22,529	18,586
Difference	<u>(1,650)</u>	<u>(1,650)</u>
Capital and reserves as per shareholders accounts	<u>20,879</u>	<u>16,934</u>

The difference above is attributable to hybrid capital.

Code 1002 – Reconciliation of net assets brought forward and carried forward

In accordance with the High Court of Justice, Chancery Division, Companies Court dated 16 June 1999, share premium of £7,000,000 and £11,000,000 ordinary shares of £1 each were cancelled and a special reserve for £18,000,000 was created. The reserve was applied against the accumulated deficit on the profit and loss account at 30th June 1999.

Code 1003 – Section 68 order

The Secretary of State for Trade and Industry, in exercise of his powers under Section 68 of the Insurance Companies Act 1982 has allowed Budget Insurance Company Limited, for the purposes of calculating its margin of solvency, part of the £1,650,000 subordinated loan. The total subordinated loan may rank as a component of the Company's solvency margin up to a limit of 25% of the Company's required margin of solvency as determined in accordance with Section 32 of the Act.

Form 13

Code 1305 – Maximum counterparty limit

The company's investment guidelines regarding counterparty exposure is that the maximum exposure to any one approved counterparty shall not exceed 20% of the GBA.

Code 1306 – Large counterparties

As at 30th June 2000

Approved Credit Institutions

	£	<u>Maturity</u>
1. Sun Banking Plc	1,000,000	03/07/00
2. Lloyds/TSB Plc	988,329	03/07/00
3. Irish Intercontinental Bank Ltd	1,000,000	03/07/00
4. Hamburgische Landesbank	1,000,000	03/07/00
5. Lazard Brother & Co. Ltd	1,000,000	03/07/00
6. First Active Bank	1,000,000	03/07/00
7. MBNA International Bank Limited	1,000,000	05/07/00
8. Barclays Bank Plc	1,000,000	03/07/00

In calculating available assets, limits are applied under the concession dated 30th June 1999 from HM Treasury, other than this, all debts due from approved credit institutions are restricted to 20% of the General Business Account.

Code 1308 – 1313

None

Form 15

Code 1501 – Provision for adverse changes

No provision for adverse changes has been made as at 30 June 2000 as the Company has not entered into any derivative contracts or contracts that have an equivalent effect to a derivative contract during the year.

Code 1502 – Other than long term business assets/liabilities

- a) No charge has been made on the assets of the company to secure the liabilities of any other person.
- b) There is no potential capital gains tax liability.
- c) There are no guarantees, indemnities or other contractual commitments, effected.
- d) There are no other contingent liabilities.
- e) None.

Code 1603 – Profit and Loss Account (Non-Technical) – analysis of other income and charges

	2000 £000	1999 £000
Other income		
Legal protections	-	42

Code 1702 – Quasi Derivatives

The company does not use derivative instruments. Form 17 is omitted.

Form 20

Code 2002 – Business accounted for within Accounting Class

All premiums written in the UK

Code 2004 – Reinsurance disclosure

The company has entered into reinsurance agreements, which fall to be treated in accordance with FRS 5 to the extent that part of the premium payable is matched by amounts receivable under an existing contract of reinsurance.

	2000 £000	1999 £000
Total premium payable	4,750	11,395
Less set off under FRS5	(6,400)	(9,600)
Net premium (receivable)/payable	(1,484)	1,795

Form 21

Code 2102 – Provision for unearned premium calculation

Premiums are deemed to accrue evenly on a daily basis over the period of insurance.

Form 22

Code 2202 – Claims management costs

Claims management costs are derived from detailed management reports, which attribute general overhead and directly incurred costs to each area of activity within the business. The proportion of total claims management cost attributed to claims carried forward is determined by reference to the projected cost of handling all outstanding claims.

Code 2203 – Investment income taken into account in determining the claims management costs

None

Code 2204 – Acquisition expenses

None

Code 2205 – General business – Investment income

Future investment income is not taken into account

Forms 24 and 25 are nil returns as the company accounts on an accident year basis

Form 26

Code 2602 – Basis of allocating or apportioning reinsurance treaties accepted

All treaty reinsurance are recorded in class 9 non-proportional treaty

Return to the Friendly Societies Division of the Financial Services Authority

Additional Information on general business: major treaty reinsurers required by regulation 19 of the Insurance Companies (Accounts and Statements)

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Name	Address	Details of connection	Treaty premiums payable in the financial year £000	Debtor included at F1375 £000	Deposits Received £000	Anticipated Recoveries £000
Euro-Reinsurance Corporation Limited	P.O. Box HM 1669 Sedgewick House 31 Reid Street Hamilton Bermuda HMGX	None	-	1484	-	-
The Hartford Fire Insurance Company	The London Underwriting Centre, 3 Minster Court Mincing Lane London HMGX	None	-	-	-	16,700

Return to the Friendly Societies Division of the Financial Services Authority

Additional Information on general business: Major facultative reinsurers required by regulation 20 of the Insurance Companies (Accounts and Statements) Regulations 1996

Name of Company Budget Insurance Company Limited

Global business

Financial year ended 30 June 2000

The company has no facultative reinsurance

Return to the Friendly Societies Division of the Financial Services Authority

Additional information of general business : major general business reinsurance cedants required by regulation 21 of the Insurance Companies (Accounts and Statements) Regulations 1996

Name of company Budget Insurance Company Limited

Global business

Financial year ended 30th June 2000

Name and Address	Connection	Premium Receivable £000	Deposit included at Linesy for AA 13 £000	Debt included at line 74 of form 13 £000
Auto & General Insurance Ltd P.O. Box 11250 Johannesburg 2001 SOUTH AFRICA	Yes. Common ultimate parent company	3,738	-	1,404
The Hollard Insurance Company 53 Main Street Johannesburg 2001 SOUTH AFRICA	None	3,117	-	-
Harvey Bowring Syndicate 362 Jutland House 10-12 Alie Street LONDON, E1 8DE	None	6,042	-	930

Return to the Friendly Societies Division of the Financial Services Authority

Statement of Additional Information on Derivative Contracts required by regulation 23 of the Insurance Companies (Accounts and Statements) Regulations 1996

Name of Company Budget Insurance Company Limited

Global business

Financial year ended 30 June 2000

It is not the Company's policy to enter into derivative contracts. During the financial year, the company did not enter into any derivative contracts.

Return to the Friendly Societies Division of the Financial Services Authority

Statement of Information on Shareholder Controllers Required by Regulation 24 of the Insurance Companies (Accounts and Statements) Regulations 1996

Name of Company Budget Insurance Company Limited

Global Business

As at 30 June 2000, Budget Group Limited owned 100% of the issued share capital of Budget Insurance Company Limited and was able to exercise 100% of the voting power at any general meeting. The other shareholder controller's interests in Budget Group Limited as at 30 June 2000 were as follows:

Name	Shares and voting rights held
Budget Holdings Limited	100% Budget Group Limited
Reef Holdings Limited	60% Budget Holdings Limited
The Trustees of the Family t'Hooft Trust (Credit Suisse Fides Trust Limited)	40% Budget Holdings Limited
The Trustees of The Concrete Trust (R & H Trust Co. (Guernsey) Limited)	100% Reef Holdings Limited

Return to the Friendly Societies Division of the Financial Services Authority

Additional Information of general business ceded required by regulation 26 of the Insurance Companies (Accounts and Statements) Regulations 1996

Name of Company Budget Insurance Company Limited

Global Business

Financial year ended 30th June 2000

Type of business	Type of reinsurance cover	Period of cover	Maximum net probable loss to the company		Reinsurers share of gross premiums £000	Reinsurers potential liability under contract £000	Remarks
			Any one risk £000	Any one event £000			
Non-proportional treaty	Excess of loss	01-01-00 to 31-12-00	£0	£0	£52	Risk and catastrophe excess of loss up to ZAR 2m, clash excess of loss ZAR 500k, catastrophe excess of loss ZAR 17.5m. All ultimate net loss each and every occurrence.	

Return to the Friendly Societies Division of the Financial Services Authority

Certificate required by Regulation 28(a) of the Insurance Companies (Accounts and Statements) Regulations 1996

Name of Company Budget Insurance Company Limited

Global business

Financial year ended 30 June 2000

We certify:

1.
 - (a) that in relation to the part of this return comprising Forms 9 to 13, 15 to 17, 20 to 29 and 31 to 39 (including the supplementary notes thereto) and the statements required by regulations 19 to 21, 23, 24 and 26 of the Insurance Companies (Accounts and Statements) Regulations 1996:
 - (i) the return has been prepared in accordance with the Regulations as modified by an Order made under Section 68 of the Insurance Companies Act 1982 in June 1999;
 - (ii) proper accounting records have been maintained and adequate information has been obtained by the company; and
 - (iii) an appropriate system of control has been established and maintained by the company over its transaction and records;
 - (b) that reasonable enquiries have been made by the company for the purpose of determining whether any person and any body corporate are connected for the purpose of regulations 19, 20 and 21 of the Insurance Companies (Accounts and Statements) Regulations 1996;
 - (c) that in respect of the company's business which is not excluded by regulation 32 of the Insurance Companies Regulations 1994, the assets held throughout the financial year enabled the company to comply with regulations 27 to 31 (matching and localisation) of those Regulations;
2. That the margin of solvency required by Section 32 of the Insurance Companies Act 1982 has been maintained throughout the financial year.
3.
 - (a) That the systems of control established and maintained by the company in respect of its business complied at the end of the financial year with the following published guidance:
 - Prudential Guidance Note 1994/6 "Systems of control over the investments (and counterparty exposure) of insurance companies with particular reference to the use of derivatives", and

CERTIFICATE REQUIRED BY REGULATION 28(a) (continued)

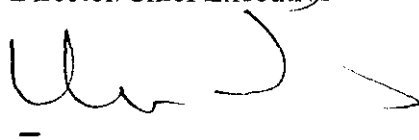
- Prudential Guidance Note 1996/1 "controls over general business claims provisions", and it is reasonable to believe that those systems continued to so comply subsequently and will continue to so comply in future;
- (b) that the return has been prepared in accordance with the following published guidance:
- Prudential Guidance Note 1995/1 "Guidance for insurance companies and auditors on the Valuation of Assets Regulations".
 - Prudential Guidance Note 1995/3 "The use of derivatives in insurance funds"; and
 - Prudential Guidance Note 1998/1 "the Preparation of annual returns to the Insurance Directorate of HM Treasury".

PA Winslow



Director/Chief Executive

IR Leech



Director/Company Secretary

Return to the Friendly Societies Division of the Financial Services Authority

Report of the Auditors to the Directors pursuant to Regulation 29 of the Insurance Companies (Accounts and Statements) Regulations 1996

Name of Company Budget Insurance Company Limited

Global business

Financial year ended 30 June 2000

We have examined the following documents prepared by the company pursuant to section 17 of the Insurance Companies Act 1982 ("the Act") and the Insurance Companies (Accounts and Statements) Regulations 1996 ("the Regulations")

- forms 9 to 13, 15 to 17, 20 to 23, 26 to 27 and 31 to 32 (including the supplementary notes thereto) ("the Forms")
- the statements required by regulations 19, 20, 21 and 23 ("the statements"); and
- the certificate signed in accordance with regulation 28(a) ("the certificate")

In the case of the certificate, our examination did not extend to paragraph 1 in relation to the statements required by regulations 24 and 26, concerning shareholder controllers and general business ceded.

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the forms, statements and certificate) under the provisions of the Act and the Regulations. The requirements of the Regulations have been modified by an Order issued under Section 68 of the Act on 30 June 1999. Under regulation 5 the forms and statements are required to be prepared in the manner specified by the Regulations and to state fairly the information provided on the basis required by the Regulations.

It is our responsibility to form an independent opinion as to whether the forms and statements meet these requirements, and in the case of the certificate whether it was or was not unreasonable for the persons giving the certificate to have made the statements therein, and to report our opinions to you.

Report of the Auditors (continued)

Bases of opinions

We conducted our work in accordance with Practice Note 20 "The audit of insurers in the United Kingdom" issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the forms and statements. The evidence included that previously obtained by us relating to the audit of the financial statements of the company for the financial year on which we reported on 8 December 2000. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the forms and statements.

We planned and performed our work 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 forms and statements are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with regulation 5.

In the case of the certificate, the work performed involved a review of the procedures undertaken by the signatories to enable them to make the statements therein, and does not extend to an evaluation of the effectiveness of the company's internal control systems.

Opinions

In our opinion:

- (a) the forms and statements fairly state the information provided on the basis required by the Regulations as modified and have been properly prepared in accordance with the provisions of those Regulations; and
- (b) according to the information and explanations received by us:
 - (i) the certificate has been properly prepared in accordance with the provisions of the Regulations; and
 - (ii) it was not unreasonable for the persons giving the certificate to have made the statements therein.

Moore Stephens

Moore Stephens
Chartered Accountants
Registered Auditor
London

8 December 2000