

TPFL Limited

Registered office: Pitheavlis, Perth, Scotland PH2 ONH

**Annual FSA Insurance Returns for the period ended
31st December 2003**



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Global Business

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Returns under the Accounts and Statements Rules

Index to Appendices 9.1, 9.3, 9.4 and 9.6 of IPRU (INS)

Name of insurer **TPFL Limited**

Global Business

Financial year ended **31st December 2003**

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Statement of solvencyName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

R9	Company registration number 173201	GL/UK/CM GL	Period ended			Units £000
			day	month	year	
			31	12	2003	
	As at the end of this financial year 1	As at the end of the previous year 2	Source			
			<	>	?	

GENERAL INSURANCE BUSINESS**Available assets**

Other than long term insurance business assets allocated towards general insurance business required minimum margin	11			See instructions 1 and 2
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Required minimum margin

Required minimum margin for general insurance business	12			12 . 49
Excess (deficiency) of available assets over the required minimum margin (11-12)	13			

LONG TERM INSURANCE BUSINESS**Available assets**

Long term insurance business admissible assets	21	15112	10508	10 . 11
Other than long term insurance business assets allocated towards long term insurance business required minimum margin	22	9869	14726	See instructions 1 and 3
Total mathematical reserves (after distribution of surplus)	23	12292	8360	See instruction 4
Other insurance and non-insurance liabilities	24	770	291	See instruction 5
Available assets for long term insurance business required minimum margin (21+22-23-24)	25	11919	16583	

Implicit Items admitted under Rule 2.10(5) as modified

Future profits	31			
Zillmerising	32			
Hidden reserves	33			

Total of available assets and implicit items (25+31+32+33)	34	11919	16583	
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Required minimum margin

Required minimum margin for long term insurance business	41	549	506	60 . 69
Explicit required minimum margin (1/6 x 41, or minimum guarantee fund if greater)	42	549	506	
Excess (deficiency) of available assets over explicit required minimum margin (25-42)	43	11370	16077	
Excess (deficiency) of available assets and implicit items over the required minimum margin (34-41)	44	11370	16077	

CONTINGENT LIABILITIES

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

Analysis of the effect of financial engineering on long-term available assetsName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

	R9A	Company registration number 173201	GL/UK/CM GL	Period ended			Units £000
				day	month	year	
				31	12	2003	
		As at the end of this financial year 1	As at the end of the previous year 2	Source			
Required minimum margin for long term insurance business	11	549	506	See instruction 2			
Excess (deficiency) of available assets and implicit items over the required minimum margin	12	11370	16077	See instruction 3			
Total available assets and implicit items (11+12)	13	11919	16583				
Analysed as follows:							
Value of implicit items	14			See instruction 5			
Financial reinsurance- ceded	15			See instruction 6			
Financial reinsurance- accepted	16			See instruction 7			
Outstanding contingent loans	17			See instruction 8			
Any other charges on future profits	18			See instruction 9			
Sum of financial engineering adjustments (14+15-16+17+18)	19						
Other assets (13-19)	20	11919	16583				
Total available assets and implicit items (19+20)	21	11919	16583				

Statement of net assetsName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

	R10	Company registration number 173201	GL/UK/CM GL	Period ended			Units £000
				day	month	year	
				31	12	2003	
				1	2		
				As at the end of this financial year	As at the end of the previous year	Source	
				1	2	< > ?	
Long term insurance business - admissible assets	11	15112		10508		13 . 89 . 1	
Long term insurance business - liabilities and margins	12	15112		10508		14 . 59 . 1	

Other than Long term insurance business - admissible assets	21	11632		15258		13 . 89 . 1	
Other than Long term insurance business - liabilities	22	1763		532		15 . 69 . 1	
Net admissible assets (21-22)	23	9869		14726			
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 insurance business	25					
Liabilities allowed to be left out of account in covering the required minimum margin	Subordinated loan capital	26					
	Cumulative preference share capital	27					
Available assets (23 to 27)	29	9869		14726			

Represented by:

Paid up share capital (other than cumulative preference share capital)	51	28000		28000			
Amounts included in lines 24 to 27 above	52						
Amounts representing the balance of net assets	56	(18131)		(13274)			
Total (51 to 56) and equal to line 29 above	59	9869		14726			

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

Balance brought forward at the beginning of the financial year	61	(13274)		(25455)		10 . 56 . 2	
Retained profit/(loss) for the financial year	62	484		663		16 . 59 . 1	
Movement in asset valuation differences	63	(5341)		11518		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						
Balance carried forward at the end of the financial year (61 to 65)	69	(18131)		(13274)			

Analysis of admissible assetsName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total other than long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	173201	GL	31	12	2003	£000	1
					day	month	year		
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 business 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			977		863	
		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 insurer has a participating interest	30						
Total sheet 1 (11 to 30)					39		977		863

Analysis of admissible assetsName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	173201	GL	31	12	2003	£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		10464	14162	
		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					
	Provision for unexpired risks		62					
	Other		63					
Total sheet 2 (41 to 63)			69		10464	14162		

Analysis of admissible assetsName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total other than long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	173201	GL	31	12	2003	£000	1
Debtors								
Other assets								
						As at the end of this financial year		As at the end of the previous year
						1		2
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				
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75				
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		85		77
		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		6		42
	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				14
	Deferred acquisition costs			85				
	Other prepayments and accrued income			86		100		100
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets				87				
Total sheet 3 (71 to 86 less 87)				88		191		233
Grand total of admissible assets (39+69+88)				89		11632		15258
Reconciliation to asset values determined in accordance with the insurance accounts rules								
Total admissible assets (as per line 89 above)				91		11632		15258
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)				92		10201		4746
Solvency margin deduction for subsidiary undertakings which are insurance undertakings				93				
Other differences in the valuation of assets (other than for assets not valued above)				94				114
Assets of a type not valued above, (as valued in accordance with the insurance accounts rules)				95				
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99		21833		20118
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100				

Analysis of admissible assetsName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	173201	GL	31	12	2003	£000	10
					day	month	year		
Investments					As at the end of this financial year 1		As at the end of the previous year 2		
Land and buildings					11				
Investments in group undertakings and participating interests	UK insurance business 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 insurer has a participating interest		30					
Total sheet 1 (11 to 30)					39				

Analysis of admissible assetsName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	173201	GL	31	12	2003	£000	10
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	69				
	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			2915	
			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	2699			
		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	11481		7546		
Reinsurers' share of technical provisions	Provision for unearned premiums		60					
	Claims outstanding		61					
	Provision for unexpired risks		62					
	Other		63					
Total sheet 2 (41 to 63)			69	14249		10461		

Analysis of admissible assetsName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term insurance business assets**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R13	173201	GL	31	12	2003	£000	10
Debtors								
Other assets								
						As at the end of this financial year		As at the end of the previous year
						1		2
Debtors arising out of direct insurance operations	Policyholders			71				1
	Intermediaries			72				
Salvage and subrogation recoveries				73				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted			74				
	Due from reinsurers and intermediaries under reinsurance contracts ceded			75				
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		26		46
		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		837		
	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				
Deductions (under rules 4.14(2)(b) and 4.14(3)) from the aggregate value of assets				87				
Total sheet 3 (71 to 86 less 87)				88		863		47
Grand total of admissible assets (39+69+88)				89		15112		10508
Reconciliation to asset values determined in accordance with the insurance accounts rules								
Total admissible assets (as per line 89 above)				91		15112		10508
Total assets in excess of the admissibility limits of Appendix 4.2 (as valued in accordance with those Rules before applying admissibility limits)				92		69		78
Solvency margin deduction for subsidiary undertakings which are insurance undertakings				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 insurance accounts rules)				95				
Total assets determined in accordance with the insurance accounts rules (91 to 95)				99		15181		10586
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100		8		16

Long term insurance business liabilities and marginsName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term insurance business assets**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
				day	month	year			
R14		173201	GL	31	12	2003	£000	10	
				As at the end of this financial year 1	As at the end of the previous year 2		Source		
Mathematical reserves, after distribution of surplus		11	12292	8360		See Instruction 2			
Cash bonuses which had not been paid to policyholders prior to end of the financial year		12				See Instruction 3			
Balance of surplus/(valuation deficit)		13	2045	1857		See Instruction 4			
Long term insurance business fund carried forward (11 to 13)		14	14337	10217		See Instruction 5			
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	15							
	Reinsurers' share	16							
	Net (15-16)	17							
Provisions for other risks and charges	Taxation	21							
	Other	22							
Deposits received from reinsurers		23							
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	31						
		Reinsurance accepted	32						
		Reinsurance ceded	33						
	Debenture loans	Secured	34						
		Unsecured	35						
	Amounts owed to credit institutions		36		130				
	Other creditors	Taxation	37		6				
Other		38	770	155					
Accruals and deferred income		39							
Provision for adverse changes (calculated in accordance with rule 5.3)		41							
Total other insurance and non-insurance liabilities (17 to 41)		49	770	291					
Excess of the value of net admissible assets		51	5			See Instruction 6			
Total liabilities and margins		59	15112	10508					
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance		61	277	146					
Amounts included in line 59 attributable to liabilities in respect of property linked benefits		62	11481	7546					
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate		63				See Instruction 7			

Liabilities (other than long term insurance business)Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

		Company registration number	GL/UK/CM	Period ended			Units		
		R15	173201	GL	31	12	2003	£000	
				As at the end of this financial year			As at the end of the previous year		
				1			2		
Technical provisions (gross amount)	Provision for unearned premiums			11					
	Claims outstanding			12					
	Provision for unexpired risks			13					
	Equalisation provisions	Credit business			14				
		Other than credit business			15				
	Other			16					
Total (11 to 16)				19					
Provisions for other risks and charges	Taxation			21					
	Other			22					
Deposits received from reinsurers				31					
Creditors	Arising out of insurance operations	Direct insurance business			41				
		Reinsurance accepted			42				
		Reinsurance ceded			43				
	Debenture loans	Secured			44				
		Unsecured			45				
	Amounts owed to credit institutions				46				
	Other creditors	Taxation			47	207		532	
		Recommended dividend			48				
		Other			49	1556			
Accruals and deferred income				51					
Total (19 to 51)				59	1763		532		
Provision for adverse changes (calculated in accordance with rule 5.3) [Regulation 61 of the Insurance Companies Regulations 1994]				61					
Cumulative preference share capital				62					
Subordinated loan capital				63					
Total (59 to 63)				69	1763		532		
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance				71	1556				

Profit and loss account (non-technical account)Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

		R16	Company registration number 173201	GL/UK/CM GL	Period ended			Units £000	
					day	month	year		
		1	2	31	12	2003	Source < > ?		
Transfer (to)/from the general insurance business technical account	From Form 20	11					20 . 59		
	Equalisation provisions	12							
Transfer from the long term insurance business revenue account		13					40 . 26		
Investment income	Income	14	691		897				
	Value re-adjustments on investments	15			17				
	Gains on the realisation of investments	16							
Investment charges	Investment management charges, including interest	17			1				
	Value re-adjustments on investments	18							
	Loss on the realisation of investments	19							
Allocated investment return transferred to the general insurance business technical account		20					20 . 51		
Other income and charges (particulars to be specified by way of supplementary note)		21							
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	691		913				
Tax on profit or loss on ordinary activities		31	207		250				
Profit or loss on ordinary activities after tax (29-31)		39	484		663				
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	484		663				
Dividends (paid and proposed)		51							
Profit or loss retained for the financial year (49-51)		59	484		663				

Long term insurance business : Revenue accountName of insurer **TPFL Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Pension 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund
			day	month	year				
R40	173201	GL	31	12	2003	£000	OB	1	0
Items to be shown net of reinsurance ceded						The financial year	Previous year		
						1	2		
Earned premiums					11	2357	3511		
Investment income receivable before deduction of tax					12	184	369		
Increase (decrease) in the value of non-linked assets brought into account					13	(82)	(71)		
Increase (decrease) in the value of linked assets					14	2016	(978)		
Other income					15				
Total income (11 to 15)					19	4475	2831		
Claims incurred					21	197	176		
Expenses payable					22	137	543		
Interest payable before deduction of tax					23	21	1		
Taxation					24		6		
Other expenditure					25				
Transfer to (from) non technical account					26				
Total expenditure (21 to 26)					29	355	726		
Increase (decrease) in fund in financial year (19-29)					39	4120	2105		
Fund brought forward					49	10217	8112		
Fund carried forward (39+49)					59	14337	10217		

Long term insurance business : Analysis of premiums and expensesName of insurer **TPFL Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Pension 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
			day	month	year					
	R41	173201	GL	31	12	2003	£000	OB	1	0
						Gross 1	Payable to or recoverable from reinsurers 2	Net of reinsurance (1-2) 3		
Earned premiums in the financial year	Life assurance and general annuity contracts	Single premium	11							
		Regular premium	12							
	Pension business contracts	Single premium	13			813			813	
		Regular premium	14			1544			1544	
	Permanent health contracts	Single premium	15							
		Regular premium	16							
	Other contracts	Single premium	17							
		Regular premium	18							
	Total premiums	Single premium	19			813			813	
		Regular premium	29			1544			1544	
Total premiums at lines 19 and 29 attributable to	UK contracts	31			2357			2357		
	Overseas contracts	32								
Expenses payable in the financial year	Commission payable in connection with acquisition of business		41							
	Other commission payable		42							
	Management expenses in connection with acquisition of business		43							
	Management expenses in connection with maintenance of business		44			137			137	
	Other management expenses		45							
	Total expenses (41 to 45)		49			137			137	
	Total expenses at line 49 attributable to	UK contracts	51			137			137	
		Overseas contracts	52							

Long term insurance business : Analysis of claimsName of insurer **TPFL Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Pension 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
			day	month	year					
	R42	173201	GL	31	12	2003	£000	OB	1	0
Claims incurred in the financial year				Gross		Recoverable from reinsurers	Net of reinsurance (1-2)			
				1		2	3			
Life assurance and annuity contracts	On death			11						
	By way of lump sums on maturity			12						
	By way of annuity payments			13						
	By way of payments arising from other insured events			14						
	On surrender or partial surrender			15						
	Total life assurance and annuity claims (11 to 15)			19						
Pension business contracts	On death			21		19			19	
	By way of lump sums on vesting			22		46			46	
	By way of vested annuity payments			23						
	On surrender or partial surrender			24		132			132	
	Total pension business claims (21 to 24)			29		197			197	
Permanent health contracts	By way of lump sums			31						
	By way of periodical payments			32						
	Total permanent health claims (31+32)			39						
Other contracts	By way of lump sums			41						
	By way of periodical payments			42						
	Total claims (41+42)			49						
Total claims (19+29+39+49)				59		197			197	
Total claims at line 59 attributable to	UK contracts			61		197			197	
	Overseas contracts			62						

Long term insurance business : Aggregate revenue account for internal linked fundsName of insurer **TPFL Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2003**Name and number of fund/Summary **Pension 1**

	Company registration number	GL/UK/CM	Period ended			Units	OB/IB	No of fund/Summary	No of part of Fund	
			day	month	year					
	R44	173201	GL	31	12	2003	£000	OB	1	0
Value of total creation of units						11				2244
Investment income attributable to the funds before deduction of tax						12				11
Increase (decrease) in the value of investments in the financial year						13				1994
Other income						14				3
Total income (11 to 14)						19				4252
Value of total cancellation of units						21				247
Charges for management						22				95
Charges in respect of tax on investment income						23				
Taxation on realised capital gains						24				
Increase (decrease) in amount set aside for tax on capital gains not yet realised						25				
Other expenditure						26				
Total expenditure (21 to 26)						29				342
Increase (decrease) in funds in financial year (19-29)						39				3910
Internal linked funds brought forward						49				7671
Internal linked funds carried forward (39+49)						59				11581

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **TPFL Limited**

Financial year ended **31st December 2003**

- 1 The date to which the investigation relates is 31 December 2003.
- 2 The date to which the previous investigation related was 31 December 2002.
- 3 This valuation is in conformity with IPRU (INS) Rule 5.6 as amended.

4 (1) **Non-Linked Contracts**

- (a) Not applicable.
- (b) Not applicable.
- (c) All contracts within Form 51 are sufficiently described within that form.

5 (1) **Linked Contracts**

(a) **Personal Pension Plan.**

- (b) The contract is a non-profit deferred annuity contract for personal pension provision for the self employed and those in non-pensionable employment, written directly as UK pensions business.

- (c) Monthly, annual and single premiums may be paid under the contract.

- (d) Deferred annuity contracts providing the following benefits:-

On entry on pension at the retirement age specified at the outset, a cash sum equal to the bid value of units. This value is available to purchase annuity benefits from the Company or another insurer.

On death before entry on pension, a cash sum of the bid value of units.

Some monthly premium Personal Pensions include waiver of premium benefit which basically ensures continuation of level monthly premiums until age 55 (or earlier entry on pension under the policy) while the life assured is unable, through illness or injury, to follow his or her normal occupation.

- (e) No guarantees of investment return are provided under these contracts.

- (f) A percentage of each premium is invested in units. Ordinary units are allocated at bid prices of units.

A management charge is taken from the funds at the rate of 1.0% per annum of the value of the fund, which is reflected in the calculation of unit prices.

A charge may be made for switching between investment funds.

- (g) The percentage of each monthly premium to be invested in units cannot be reduced below the level set for that premium when the current amount of premium was established.

Any increase in the management charges for property-linked funds can only be to levels that the Appointed Actuary considers will result in the margin of charges over costs (for relevant policies) not being excessive. In forming his opinion he must take into account the general level of such margins in the market for policies of similar types, and any previous increases in the charges.

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **TPFL Limited**

Financial year ended **31st December 2003**

The charge for switching between funds is limited to 1% of the amount switched

- (h) The amount of the surrender value is equal to the value of the units allocated to the contract. For this purpose units are valued at their bid prices.
 - (i) Benefits may be determined wholly or partly by reference to the value of units in one or more of the internal property-linked funds. These are the Pension Fund series of funds.
 - (j) The contract includes the following features:-
 - (i) An option to pay additional single premiums at any time.
 - (ii) An option for regular premiums to escalate at a fixed rate of 5% per annum compound.
 - (iii) An option to increase, reduce or suspend regular premiums at any time before entry on pension.
 - (iv) An option to enter on pension before the selected pension age, but not before age 50 unless in ill health.
 - (v) An option to enter on pension after the selected pension age but no later than the 75th birthday.
 - (vi) An option to surrender the contract at any time in return for the transfer of its surrender value in accordance with the rules of the scheme governing the policy.
 - (vii) An option to switch the whole or part of any holding of units in an internal linked fund to another such fund on a bid-to-bid basis at any time. A charge as described in (f) above may be levied.
 - (k) The contract was closed to new business in the year to the valuation date.
 - (l) No rates of charge applied generally to contracts were increased in the year to the valuation date.
 - (2) Not applicable.
 - (3) Not applicable.
- 5 (4) Allocation and creation of units**

The Company operates one pool of assets for each internal linked fund.

Asset units are created and cancelled at either the asset offer price or the asset bid price depending upon the prevailing basis of the fund and using the most recently available price. The pricing basis is set depending upon the short and medium term expectation of whether the associated internal linked fund will be in a net inflow or outflow position.

Where an instruction, payment or all our requirements are received for a transaction before 8:00am on a business day, then units are allocated at the unit price based upon market movements up to 11:00pm on the previous business day. Where the instruction, payment or all our requirements are received after 8:00am then units are allocated at the next available unit price. The Company reserves the right to defer any transaction to a subsequent valuation point.

- (5) Not applicable
 - (6) **Benefits from discounts, commission or other allowance**

The Company derives no financial benefit in respect of collective investment fund units held by the internal linked funds. The Company's policy on receiving discount, commission or other allowance when purchasing, selling or holding units in collective investment funds is to pass the full benefit onto the fund.
- 6 (1)** The general principles involved in the valuation of property-linked business are described in paragraph 9 below.

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **TPFL Limited**

Financial year ended **31st December 2003**

Other aspects of the methods employed in carrying out the valuation are described in the following paragraphs:

- (a) Not applicable.
 - (b) The Company has written no with-profits business. No particular issues of reasonable expectations arise in the valuation.
 - (c) Not applicable.
 - (d) Whenever the calculation for an individual contract gave rise to a negative value the liability was treated as nil and no policy has been treated as an asset.
 - (e) Not applicable.
 - (f) Not applicable.
 - (g) No investment performance guarantees have been made in respect of contracts issued.
 - (h) No specific provision was considered necessary.
 - (2) Not applicable.
- 7 (1) The annuities in payment have been valued at a rate of interest of 3.75% per annum. The mortality assumed in the valuation of these annuities was 100% of PMA92 (C=2020) ultimate for males lives and 100% of PFA92 (C=2020) ultimate for female lives, with provision for future improvement as in (4) below.
- The rates of interest and tables of mortality assumed in the valuation of the unit linked personal pensions are shown in Form 53.
- (2) No unpublished tables were used.
 - (3) All business is written in the United Kingdom.
 - (4) Allowance has been made for future improvement of mortality under annuity contracts by subtracting two years from the annuitants age.
 - (5) No allowance was made for future changes in mortality - as the benefit payable on death equals the fund value the impact of changes in mortality is not significant.
 - (6) The following scenarios of future changes in the value of assets have been tested in order to take account of the nature and terms of the assets held in determining the amount of the long-term liabilities in accordance with IPRU (INS) Rule 5.17:-
 - (i) a fall in equity prices of 18.1% together with the most onerous of a fall or rise in fixed interest yields of 20% of the long-term gilt yield
 - (ii) fixed interest yields fall to the level calculated under IPRU (INS) Rule 5.11 (9) and a fall in equity prices of 18.1%.
- Scenario (i) with the fall in fixed interest yields produced the most onerous requirement.
- (7) No specific reserve was considered necessary pursuant to IPRU (INS) Rule 5.17 (a).

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **TPFL Limited**

Financial year ended **31st December 2003**

- (8) Following the investigations described in paragraph 7(6) an additional reserve of £54,000 was made pursuant to IPRU (INS) Rule 5.17 (b). In calculating the above provision, no assumptions were changed other than the rates of interest.
- (a) Assets were allocated to each class of business, the allocation representing the actual assets deemed to back the business. The valuation was repeated using
- (i) the revised values of the assets,
 - (ii) the resulting revised interest rates, under IPRU (INS) Rule 5.11,
 - (iii) for the calculation of non-unit reserves for linked business, prices of units that were assumed to fall immediately in a manner broadly consistent with the relevant resilience scenario.
- (b) As a result of the application of such changed assumptions:-
- (i) the aggregate amount of the liabilities was increased by £54,000,
 - (ii) the value of the assets allocated to match such liabilities in the scenario was unchanged from the amount contributed by those assets to the figure shown in Form 13.
- (9) Not applicable.
- 8 (a) Not applicable
- (b) The allowance for expenses of paying annuities in payment is 3% of reserves.
- (c) Not applicable.
- (d) Not applicable.
- 9 (a) For all property-linked contracts the unit reserve is taken as the value at the prices specified in Form 55 of the units allocated to policies in force at 31 December 2003.
- A non-unit reserve is held in respect of future expenses and mortality. Investigations have shown that this reserve, in conjunction with ongoing management charges at the current rates and the uninvested portion of future regular premiums, is sufficient to cover future outgoings on the following assumptions:-
- (i) Rate of growth (gross of tax) in the value of units:- 5.50% per annum.
 - (ii) Renewal expenses of £11.24 per policy plus investment expenses of 0.12% per annum of the value of the fund.
 - (iii) expense inflation:- 3.50% per annum.
 - (iv) interest:- 3.75% per annum.
 - (v) mortality and morbidity:- see paragraph 7 above.
- No account has been taken of any possible increases in the rates of management charges taken from property-linked funds.
- Negative non-unit reserves have not been included for any policy as there is no surrender penalty.
- (b) Not applicable
- 10 (1) Inflation of expenses has been allowed for explicitly where indicated in paragraph 9(a) above. The loadings for the contracts in paragraph 8(b) allow implicitly for inflation of per policy expenses at rates calculated as above.

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **TPFL Limited**

Financial year ended **31st December 2003**

- (2) The aggregate amount, grossed up for taxation where appropriate, arising during the 12 months after the valuation date from implicit and explicit reserves made in the valuation to meet expenses in fulfilling contracts in force at the valuation date is approximately £41,000. The sources of this amount are the per-policy allowances described in paragraph 9a in respect of linked business.
- (3) The Company no longer transacts new business.
- (4) An additional reserve of £200,000 has been set up to cover future expenses in excess of the expense allowance in the valuation, and subsequent fund merger costs.
- It is expected that the fund of TPFL Limited will be merged with other Norwich Union Non-Profit funds.
- 11 (1) The mathematical reserves are all expressed to be payable in sterling and are matched by assets in the same currency. There are no liabilities in respect of deposits received from reinsurers.
- 12 (1) Not applicable.
- (2) Not applicable
- (3) The Company has no undischarged obligation under any financing arrangement.
- 13 Not applicable, since no policyholders participate in profits.
- 14 Not applicable, since no policyholders participate in profits.
- 15 Not applicable.
- 16 Not applicable.
- 17 See Form 46.
- 18 See Form 47.
- 19 (1) See Forms 48 and 49.
- (2) Not applicable.
- (3) Not applicable.
- (4) Not applicable.
- 20 See Forms 51, 53 and 55. The Company has no accumulating with-profit policies or index-linked contracts.

Valuation report prepared by the appointed actuary – IPRU (INS) Appendix 9.4

Name of insurer **TPFL Limited**

Financial year ended **31st December 2003**

21 (1) See Form 57.

(2) The only income producing assets included in Form 48 are deposits. No adjustments were deemed necessary to the yield on these assets.

(3) Not applicable.

22 See Form 58.

23 See Form 60. Form 61 is omitted.

J Lister
Appointed Actuary

Long term insurance business : Summary of changes in ordinary long term businessName of insurer **TPFL Limited**

Global business

United Kingdom business

Non-linked

Financial year ended **31st December 2003**

		Company registration number		GL/UK/CM	Period ended			Units	UK/OS	NL/LN
		R46	173201		GL	day	month			
		Life assurance and general annuity		Pensions business		Permanent health		Other business		
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
		1	2	3	4	5	6	7	8	
In force at beginning of year	11			3						
New business and increases	12									
Net transfers and other alterations 'on'	13									
Total 'on' (12+13)	19									
Deaths	21									
Other insured events	22									
Maturities	23									
Surrenders	24									
Forfeitures	25									
Conversions to paid-up policies for reduced benefits	26									
Net transfers, expiries and other alterations 'off'	27									
Total 'off' (21 to 27)	29									
In force at end of year (11+19-29)	39			3						

Long term insurance business : Summary of changes in ordinary long term businessName of insurer **TPFL Limited**

Global business

United Kingdom business

Linked

Financial year ended **31st December 2003**

		Company registration number		GL/UK/CM	Period ended			Units	UK/OS	NL/LN
		R46	173201		GL	31	12			
		Life assurance and general annuity		Pensions business		Permanent health		Other business		
		No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	No of contracts	Annual premiums	
		1	2	3	4	5	6	7	8	
In force at beginning of year	11			2405	1714					
New business and increases	12			1	92					
Net transfers and other alterations 'on'	13									
Total 'on' (12+13)	19			1	92					
Deaths	21			4	4					
Other insured events	22									
Maturities	23			8	7					
Surrenders	24			34	19					
Forfeitures	25									
Conversions to paid-up policies for reduced benefits	26				197					
Net transfers, expiries and other alterations 'off'	27									
Total 'off' (21 to 27)	29			46	227					
In force at end of year (11+19-29)	39			2360	1579					

Long term insurance business : Analysis of new ordinary long term business

Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R47	173201	GL	31	12	2003	£000
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Type of insurance 1	Single premium contracts			Regular premium contracts		
	No of contracts 2	Premiums 3	Sums assured, annuities per annum or other measures of benefit 4	No of contracts 5	Annual premiums 6	Sums assured, annuities per annum or other measures of benefit 7
UK DIRECT WRITTEN INSURANCE BUSINESS						
Pension Insurance Business						
Other Linked Contracts						
Personal Pension Plan		813		1	92	
Sub total: Other Linked Contracts		813		1	92	
Total: Pension Insurance Business		813		1	92	
Total: UK Direct Written Insurance Business		813		1	92	

Long term insurance business : Expected income from admissible assets not held to match liabilities in respect of linked benefitsName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Category of assets **Total long term insurance business assets**

Type of asset	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R48	173201	GL	31	12	2003	£000	10
			Value of admissible assets as shown on Form 13 1			Expected income from admissible assets 2		Yield % 3
Land and buildings	11							
Fixed interest securities	Approved securities	12						
	Other	13						
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes	16		69					
Loans secured by mortgages	17							
All other assets	Producing income	18	2699			105		3.90
	Not producing income	19	863					
Total (11 to 19)	29		3631			105		2.90

Long term insurance business : Expected income from admissible assets not held to match liabilities in respect of linked benefits

Name of insurer **TPFL Limited**
 Global business
 Financial year ended **31st December 2003**
 Category of assets **Pension**

Type of asset	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	R48	173201	GL	31	12	2003	£000	11
			Value of admissible assets as shown on Form 13 1		Expected income from admissible assets 2		Yield % 3	
Land and buildings	11							
Fixed interest securities	Approved securities	12						
	Other	13						
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	14						
	Other	15						
Equity shares and holdings in collective investment schemes	16		69					
Loans secured by mortgages	17							
All other assets	Producing income	18	2699		105		3.90	
	Not producing income	19	863					
Total (11 to 19)	29		3631		105		2.90	

Long term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit policies)

Name of insurer **TPFL Limited**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Pension Insurance Business**Category of surplus **Pension**

Type of insurance or name of contract	Valuation basis		No of contracts	Amount of sums assured or annuities per annum, including vested reversionary bonuses	Amount of annual premiums		Proportion of office premiums reserved for expenses and profits	Value of sums assured or annuities per annum, including vested reversionary bonuses	Value of annual premiums		Amount of mathematical reserves
	Rate of interest	Mortality or morbidity table			Office premiums	Net premiums			Office premiums	Net premiums	
1	2	3	4	5	6	7	8	9	10	11	12
DIRECT WRITTEN INSURANCE BUSINESS											
Non-Profit Policies											
Annuity In Payment	3.75%	PMA92/PFA92	3	1 pa				15			15
Sub total: Non-Profit Policies			3	1 pa				15			15
Sub total: Direct Written Insurance Business			3	1 pa				15			15
Net total: Pension Insurance Business			3	1 pa				15			15
Net total: United Kingdom Insurance Business			3	1 pa				15			15

Long term insurance business : Valuation summary of property linked contracts

Name of insurer **TPFL Limited**

Global business

United Kingdom business

Financial year ended **31st December 2003**Type of business **Pension Insurance Business**Category of surplus **Pension**Company
registration
number

GL/UK/CM

Period ended
day month year

Units

UK/OS

Type of
businessCategory
of surplus

R53	173201	GL	31	12	2003	£000	UK	Pens	11
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Name of contract 1	Valuation basis		No of contracts 4	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link 10	Unit liability		Other liabilities		Amount of mathematical reserves 15
	Rate of interest 2	Mortality or morbidity table 3		Guaranteed on death 5	Current on death/current payable per annum 6	Guaranteed on maturity 7	Office premiums 8	Net premiums 9		Current benefit value 11	Discounted value 12	Mortality and expenses 13	Options and guarantees other than investment performance guarantees 14	
DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies														
Personal Pension Plan	3.75	AM92/AF92	2360		11481		1579		INTERNAL	11481	11481	542		12023
Resilience Reserve												54		54
Additional Reserves												200		200
Sub total: Non-Profit Policies			2360		11481		1579			11481	11481	796		12277
Sub total: Direct Written Insurance Business			2360		11481		1579			11481	11481	796		12277
Net total: Pension Insurance Business			2360		11481		1579			11481	11481	796		12277
Net total: United Kingdom Insurance Business			2360		11481		1579			11481	11481	796		12277

Long term insurance business : Analysis of units in internal linked funds and direct holdings of assets matching liabilities in respect of property linked benefits

Name of insurer **TPFL Limited**

(Sheet 2)

Global business

United Kingdom business

Financial year ended **31st December 2003**

Category of surplus **Pension**

Internal linked fund

Name of fund link or directly held asset	Name of unit type	Valuation price per unit or asset	Total actual number of units in force or directly held assets	Value of total actual units in force or directly held assets	Value of actual units held by other internal linked funds	Value of directly held assets and actual units in force excluding those held by other internal linked funds (5-6)	Value of units or directly held assets deemed allocated to contracts		Value of surplus units or directly held assets (7-8+9)						
							GL/UK/CM	Period ended			Units	UK/OS	Category of surplus	IL/DH	
							R55	173201		GL	31	12	2003	£000	UK
1	2	3	4	5	6	7	8	9	10						
Sub total: Pensions UK Growth				4900		4900	4900								
Pensions International	Accumulation	0.914570	2543	2325		2325	2325								
Sub total: Pensions International				2325		2325	2325								
Pensions Fixed Interest	Accumulation	1.248956	108	134		134	134								
Sub total: Pensions Fixed Interest				134		134	134								
Pensions Cash	Accumulation	1.285763	274	352		352	352								
Sub total: Pensions Cash				352		352	352								
Total: Pension				23125	11543	11582	11481		101						

Long term insurance business : Matching rectangleName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

Sterling liabilities

Valuation rate(s) of interest **3.75%**Type of business **Pension Insurance Business**

Non profit

Category of assets **Pension**

Company registration number	GL/UK/CM	Period ended			Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets	
		day	month	year							
R57	173201	GL	31	12	2003	£000	Stg	3.75	Pens	NP	11
Type of asset notionally allocated		The valuation			The resilience scenario						
		Value of asset notionally allocated	Risk adjusted yield %	Value of assets notionally allocated			Risk adjusted yield %				
				On original allocation	Increase or decrease	Total under resilience scenario					
		1	2	3	4	5	6				
Land and buildings		11									
Fixed interest securities	Approved securities	12									
	Other	13									
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14									
	Other	15									
Equity shares and holdings in collective investment schemes		16									
Loans secured by mortgages		17									
All other assets	Producing income	18	557	3.90	557	54	611	3.12			
	Not producing income	19									
Total (11 to 19)		29	557	3.90	557	54	611	3.12			
Gross valuation interest rate %		31		3.75				3.00			
Net valuation interest rate % (where appropriate)		32									
Mathematical reserve or other liability, net of reinsurance		33	557				611				

Long term insurance business : Matching rectangleName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

Sterling/Non sterling liabilities

Valuation rate(s) of interest **Balance**

Type of business

With profits/Non profit

Category of assets

Pension

Company registration number	GL/UK/CM	Period ended			Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
		day	month	year						
R57	173201	GL	31	12	2003	£000	98			11
Type of asset notionally allocated	The valuation				The resilience scenario					
	Value of asset notionally allocated	Risk adjusted yield %	Value of assets notionally allocated			Risk adjusted yield %				
			On original allocation	Increase or decrease	Total under resilience scenario					
1	2	3	4	5	6					
Land and buildings	11									
Fixed interest securities	Approved securities	12								
	Other	13								
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14								
	Other	15								
Equity shares and holdings in collective investment schemes	16									
Loans secured by mortgages	17									
All other assets	Producing income	18	975	3.90	975			975	3.12	
	Not producing income	19								
Total (11 to 19)	29	975	3.90	975			975	3.12		
Gross valuation interest rate %	31									
Net valuation interest rate % (where appropriate)	32									
Mathematical reserve or other liability, net of reinsurance	33	975						975		

Long term insurance business : Matching rectangleName of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

Sterling/Non sterling liabilities

Valuation rate(s) of interest **Total**

Type of business

With profits/Non profit

Category of assets

Pension

Company registration number	GL/UK/CM	Period ended			Units	Stg/ NonStg	Valuation rate of interest	L&GA/Pens/ PHI/Other	WP/NP	Category of assets
		day	month	year						
R57	173201	GL	31	12	2003	£000	99			11
Type of asset notionally allocated	The valuation				The resilience scenario					
	Value of asset notionally allocated	Risk adjusted yield %	Value of assets notionally allocated			Risk adjusted yield %				
			On original allocation	Increase or decrease	Total under resilience scenario					
	1	2	3	4	5	6				
Land and buildings	11									
Fixed interest securities	Approved securities	12								
	Other	13								
Variable interest and Variable yield securities (excluding items shown at line 16)	Approved securities	14								
	Other	15								
Equity shares and holdings in collective investment schemes	16									
Loans secured by mortgages	17									
All other assets	Producing income	18	1532	3.90	1532	54	1586	3.12		
	Not producing income	19								
Total (11 to 19)	29	1532	3.90	1532	54	1586	3.12			
Gross valuation interest rate %	31									
Net valuation interest rate % (where appropriate)	32									
Mathematical reserve or other liability, net of reinsurance	33	1532					1586			

Long term insurance business : Valuation result and distribution of surplus

Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

Category
of surplusCategory of surplus **Pension**

R58	173201	GL	31	12	2003	£000	11
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Valuation result	Fund carried forward		11	14337
	Bonus payments made to policyholders in anticipation of a surplus		12	
	Transfers out of fund/ parts of fund	Transfer to non-technical account	13	
		Transfer to other funds/parts of funds	14	
	Net transfer out of funds/parts of funds (13+14)		15	
	Total (11+12+15)		16	14337
	Mathematical reserves for accumulating with profit policies		17	
	Mathematical reserves for other non linked contracts		18	15
	Mathematical reserves for property linked contracts		19	12277
	Mathematical reserves for index linked contracts		20	
	Total (17 to 20)		21	12292
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		29	2045
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		31	1857
	Transfers into fund/part of fund	Transfer from non-technical account	32	
		Transfer from other funds/parts of fund	33	
	Net transfer into fund/part of fund (32+33)		34	
	Surplus arising since the last valuation		35	188
Total (31+34+35)		39	2045	
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		41	
	Allocated to policyholders by way of	Cash bonuses	42	
		Reversionary bonuses	43	
		Other bonuses	44	
		Premium reductions	45	
	Total allocated to policyholders (41 to 45)		46	
	Net transfer out of fund/part of fund		47	
	Total distributed surplus (46+47)		48	
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		49	2045
Total (48+49)		59	2045	
Percentage of distributed surplus allocated to policyholders of fund/part of fund			61	
Corresponding percentage at three immediately previous valuations	Latest	(year of valuation 2002)	62	
	Earlier	(year of valuation 2001)	63	
	Earliest	(year of valuation 2000)	64	

Long term insurance business : Required minimum margin

Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**Company
registration
number

GL/UK/CM

Period ended

day month year

Units

R60	173201	GL	31	12	2003	£000
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Class		Classes I, II & IX	Class III business with relevant factor of				Class IV and VI	Classes VII and VIII business with relevant factor of					Unallocated additional mathematical reserves with relevant factor of		Total for all classes		
			4% 1	4% 2	1% 3	Nil 4		Total 5	4% 6	4% 7	1% 8	Nil 9	Total 10	4% 11	1% 12	The financial year 13	The previous year 14
Mathematical reserves before deduction of reinsurance	Reserves before distribution of surplus	11	15	54		12223	12277									12292	8360
	Reserves for bonus allocated to policyholders	12															
	Reserves after distribution of surplus	13	15	54		12223	12277									12292	8360
Mathematical reserves after deduction of reinsurance	Reserves before distribution of surplus	14	15	54		12223	12277									12292	8360
	Reserves for bonus allocated to policyholders	15															
	Reserves after distribution of surplus	16	15	54		12223	12277									12292	8360
Ratio of 16 to 13 or 0.85 if greater (see Instruction 2)		17	1.00				1.00										
Required margin of solvency - first result = (line 13) * (line 17) * relevant factor		19	1				2									3	3
Non negative capital at risk before reinsurance (see Instruction 3)	Temporary assurances with required margin of solvency of 0.1%	21															
	Temporary assurances with required margin of solvency of 0.15%	22															
	All other assurances with required margin of solvency of 0.3%	23															
	Total (21 to 23)	29															
Non negative capital at risk after reinsurance (all contracts) (see Instruction 3)		31															
Ratio of line 31 to line 29, or 0.50 if greater		32															
Required margin of solvency - second result (see Instruction 4)		39															
Sum of first and second results (19+39)		49	1				2									3	3
Required margin of solvency for supplementary Accident & Sickness Insurance & Class V business		51															
Total required margin of solvency for long term insurance business (49+51)		59														3	3
Minimum guarantee fund		61														549	506
Required minimum margin (greater of lines 59 and 61)		69														549	506

Supplementary notes

Name of insurer **TPFL Limited**
Financial year ended **31st December 2003**

Code

46A0 Form omitted

The entries on all Forms 46A are nil, accordingly these Forms are not required.

47A0 Form omitted

The entries on all Forms 47A are nil, accordingly these Forms are not required.

Treatment of expected income where interest in default

The expected income from any asset shown in Form 48, where the payment of interest is in default, is treated as zero. Thus the amount of interest involved is zero.

5200 Form omitted

The entries on form 52 are nil, accordingly this form is not required.

5301 Aggregate liabilities and adjustments

Additional reserve is a reserve to cover future expenses in excess of the expense allowance in the valuation.

5400 Form omitted

The entries on form 54 are nil, accordingly this form is not required.

5600 Form omitted

The entries on form 56 are nil, accordingly this form is not required.

5701 Contracts covered in balance form

The liabilities covered on the sheet coded Balance are additional expense reserves.

Supplementary notes

Name of insurer **TPFL Limited**
Financial year ended **31st December 2003**

Code**0902 Section 148 waivers**

Not applicable

1001 Reconciliation to shareholder accounts

	2003	2002
	£'000	£'000
Line 99 on Form 13 (Other Than Long Term Business)	21,833	20,118
Line 59 on Form 15	(1,763)	(532)
Excess surplus assets not declared to shareholders	2,117	1,984
Capital and reserves as per shareholder accounts	22,187	21,570

1002 Line 65 - Other movements

Not applicable.

1003 Subordinated loan capital

Not applicable.

1301 Aggregate value of unlisted investments**1308**

Not applicable.

1302 Value of hybrid securities**1309**

Not applicable.

1303 Amounts of any salvage or subrogation recoveries

Not applicable

1304 Statement of amounts set off**1310**

Amounts have been set off to the extent permitted by generally accepted accounting principles.

1305 Counterparty limits**1311**

The investment guidelines operated by the Company specify exposure to counterparties by asset type as follows:

Deposits

The maximum permitted exposure to counterparties is set out in the lending limit list approved by the Group Risk Committee. The maximum exposure to individual counterparties is limited as follows:

Tier 1: A maximum of £5m

Tier 2: A maximum of £4m

Tier 3: A maximum of £3m

Tier 1 represents AAA rated institutions, Tier 2 represents institutions rated AA- or better, whilst Tier 3 represents institutions rated A- or better.

Fixed

Exposure to non-government bonds is limited to holdings, which are deemed to be of a suitable investment grade determined by senior investment management.

1306 Counterparty exposure**1312**

At 31 December 2003, the following short term deposits were in excess of 20% of the long term business amount:

Supplementary notes

Name of insurer **TPFL Limited**
Financial year ended **31st December 2003**

Code**Other than long term business**

Credit Institution	Amount(£)
ABN Amro	4,114,835
Chase Manhattan Bank	2,656,228
ING Bank	2,160,814
HSBC	3,472,460
Westpac	3,771,543
Westdeutsche Landesbank	3,101,164
Bank of Scotland	3,060,401

1318 Deposits with credit institutions

Under Appendix 4.1 IPRU (INS) advantage has been taken of the option allowing an admissibility limit for debts due from approved credit institutions of £2m, rather than 20% of the long term insurance business amount. Tesco Personal Finance Life Limited has deposits with the credit institutions disclosed in Note 1306.

1401 Provision for adverse changes**1501**

The Company has not entered into any contracts or agreements which would require a provision for adverse changes.

1402 Contingent liabilities**1502**

There are no charges over any assets of the Company.

There is no provision for taxation on capital gains and no unprovided potential liability.

There are no contingent liabilities not included on the form.

There are no guarantees, indemnities or other contractual commitments effected other than in the ordinary course of insurance business.

There are no other fundamental uncertainties.

1601 Basis of conversion of foreign currency**4005**

Not applicable.

1700 Form omitted

No Form 17 has been prepared on the basis that the Company has no derivative contracts.

1701 Variation margin

Not applicable.

1702 Quasi-derivatives

Not applicable.

4002 Other income and expenditure

There is no other income or other expenditure.

4008 Provision of management services

Under a management agreement, Norwich Union Life Services Limited supplies and makes a charge for the provision of management services to the company.

Supplementary notes

Name of insurer **TPFL Limited**
Financial year ended **31st December 2003**

Code**4009 Related party transactions**

Connected Party	Norwich Union Life Services Limited
Nature of relationship	Fellow group undertaking
Nature of transactions during the period	Expenses pursuant to note 4008
Value of transactions during the period	£0.085m
Amounts unpaid at the end of the period	£0.38m owed to Norwich Union Life Services Limited
Amounts written off in the period	£0

4301 Basis of valuation in internal linked funds

Investments are stated at current value, listed investments are stated at mid-market value.

4302 Aggregate value of rights under derivative contracts

Not applicable.

4303 Accounting for variation margin

Not applicable.

4401 Brought forward amounts

Not applicable.

4402 Other income/other expenditure

£3k income relates to Unit Trust rebate.

Returns under the Accounts and Statements Rules

Statement on derivatives required by IPRU (INS) 9.29

Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

It is not the policy of the Company to use derivatives in the management of its funds. No derivatives were used during the financial year.

Returns under the Accounts and Statements Rules

Statement on controllers required by IPRU (INS) 9.30

Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

100% of the issued share capital of the Company is held by Norwich Union Linked Life Assurance Limited.

100% of the issued share capital of Norwich Union Linked Life Assurance Limited is held by Norwich Union Life Holdings Limited.

100% of the issued share capital of Norwich Union Life Holdings Limited is held by Norwich Union Holdings Limited.

100% of the issued share capital of Norwich Union Holdings Limited is held by Norwich Union plc.

100% of the issued share capital of Norwich Union plc is held by General Accident plc.

100% of the issued ordinary share capital of General Accident plc is held by the Ultimate Parent Undertaking, Aviva plc.

There have been no changes to the above position during the year.

All shares are voting shares.

Statement of information on appointed actuary required by IPRU (INS) 9.36

Name of insurer **TPFL Limited**
 Global business
 Financial year ended **31st December 2003**

In accordance with rule 9.36 of the Interim Prudential Sourcebook for Insurers, J Lister, the appointed actuary of the Company, was requested to furnish and has provided the following information:

- (a) (1) An interest in 6,461 ordinary shares at 31 December 2003 in Aviva plc, and an interest in 5,110 ordinary shares at 31 December 2002.
- (2) 25,409 ordinary shares are held in the Aviva Long Term Incentive Plan and 20,166 ordinary shares are held in the CGNU Deferred Bonus Plan.
- (3) Options were held at 31 December 2003 to subscribe for 30,524 ordinary shares in Aviva plc under UK Employees Savings Related and Executive Share Option Schemes:

	No. of shares
Options held at 31 December 2002	37,253
Options granted during the year	-
Options exercised or lapsed during the year	(6,729)

- (b) Two low cost endowment policies with CGNU Life Assurance Limited, with aggregate sums assured of £46,000 and monthly premiums of £259. The actuary also holds a number of investment products managed by Norwich Union Investment Funds Limited. In addition the actuary held general insurance policies with subsidiaries of Aviva plc for which total premiums of £2,000 were paid in the year to 31 December 2003.
- (c) The aggregate amount of remuneration, bonuses and the value of other benefits (excluding pension rights) under the actuary's contract of employment with Aviva Employment Services Limited for 2003 was £193,875. Under the contract he was Appointed Actuary and Director of:

Fidelity Life Assurance Limited

appointed actuary of:-

The Yorkshire Insurance Company Limited
 CGU Insurance plc
 TPFL Limited

And a director of:-

The General Practice Finance Corporation Limited
 The General Practice Finance Corporation Property Management Limited
 Norwich Union Commercial Finance Limited
 Norwich Union Commercial Mortgages Limited
 Norwich Union Mortgage Finance Limited
 Norwich Union Mortgages (Life) Limited
 Norwich Union Mortgage Holdings Limited

- (d) Pensions and life assurance benefits as provided to all employees under the terms and conditions of the Aviva Companies' UK Pensions Schemes. Sickness and accident benefits as provided to all employees under the terms and conditions of these schemes.

Certificate by the directors required by IPRU (INS) 9.34(a) and IPRU (INS) Appendix 9.6

Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

We certify:

- 1 (a)** in relation to the part of the return comprising Forms 9, 9A, 10, 13 to 16 and 40 to 45, (including the supplementary notes) and the statements required by rules 9.29 and 9.30 that:
 - (i) the return has been prepared in accordance with the Accounts and Statements Rules;
 - (ii) proper accounting records have been maintained and adequate information has been obtained by TPFL Limited (the Company); and
 - (iii) appropriate systems and controls have been established and maintained by the Company over its transactions and records;
- (b)** that reasonable enquiries have been made by the Company for the purpose of identifying material connected-party transactions;
- (c)** that in respect of the Company's business which is not excluded by rule 7.6, the assets held throughout the financial year enabled the Company to comply with rules 7.1 to 7.5 (matching and localisation);
- (d)** in relation to the statement required by rule 9.36:
 - (i) that for the purpose of preparing the statement, proper accounts and records have been maintained; and
 - (ii) that the information given has been ascertained in conformity with that rule.
- 2** that the margin of solvency for long term insurance business required by rule 2.1 has been maintained throughout the financial year.
- 3 (a)** that the requirements of rules 3.1 to 3.4 have been fully complied with and in particular that, subject to the provisions of rules 3.2(2) to (4) and rule 3.3, assets attributable to long term insurance business, the income arising therefrom, the proceeds of any realisation of such assets and any other income or proceeds allocated to the long term insurance business funds have not been applied otherwise than for the purpose of the long term insurance business;
- (b)** that any amount payable from or receivable by the long term insurance business funds in respect of services rendered by or to any other business carried on by the Company or by a person who, for the purposes of rule 3.4, is connected with it or is a subordinate company of it has been determined and where appropriate apportioned on terms which are believed to be no less than fair to those funds, and any exchange of assets representing such funds for other assets of the Company has been made at fair market value;
- (c)** that all guarantees given by the Company of the performance by a related company which would fall to be met by any long term insurance business fund have been disclosed in the return, and that the funds on which each such guarantee would fall has been identified therein;
- (d)** that the investment policy and practice of the Company in respect of the internal linked funds maintained was, during the financial year, consistent with any representations made to policyholders or potential policyholders of the Company;
- (e)** that the returns in respect of long term insurance business are not distorted by agreements with any other company carrying on insurance business with which the Company has financial, commercial or administrative links, or by any arrangements which could affect the apportionment of expenses and income; and
- (f)** that the Company has fully complied with the requirements of rule 3.5.

Certificate by the directors required by IPRU (INS) 9.34(a) and IPRU (INS) Appendix 9.6

Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

4 (a) that the systems and controls established and maintained by the Company in respect of its business complied at the end of the financial year with the following published guidance:

- (i) Guidance Note P.1 – ‘Systems and controls over the investments (and counterparty exposure) of insurers with particular reference to the use of derivatives’;
- (ii) ‘The prevention of Money Laundering - Guidance Notes for the UK Financial Sector’ (revised December 2001) issued by the Joint Money Laundering Steering Group;

and it is reasonable to believe that those systems continued to so comply subsequently and will continue to so comply in future; and

(b) the return has been prepared in accordance with the following published guidance:

- (i) Guidance Note 4.1 - ‘Guidance for insurers and auditors on the Valuation of Assets Rules’;
- (ii) Guidance Note 4.2 - ‘Use of derivative contracts in insurance funds’; and
- (iii) Guidance Note 9.1 - ‘Preparation of Returns’.

..... **P R HALES**
Chief Executive

..... **J A NEWMAN**
Director

..... **M N URMSTON**
Director

..... **A E SPIERS**
Director

22 March 2004

Certificate by the appointed actuary required by IPRU (INS) 9.34(b) and IPRU (INS) Appendix 9.6

Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2003**

I certify:

- (a)
- (i) that in my opinion proper records have been kept by TPFL Limited (the Company) adequate for the purpose of the valuation of the liabilities of its long term insurance business;
 - (ii) that the mathematical reserves as shown on Form 14 constitute proper provision as at 31 December 2002 for the long term insurance business liabilities (other than liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an investigation as at that date into the financial condition of the long term insurance business;
 - (iii) that for the purpose of sub-paragraph (ii) above, the liabilities have been assessed in accordance with the Determination of Liabilities Rules in the context of assets valued in accordance with the Valuation of Assets Rules, as shown in Form 13;
 - (iv) that the current versions of Guidance Notes, issued by the Institute of Actuaries and the Faculty of Actuaries, numbered GN1 (effective date 01.09.03), GN2, GN7, GN8, GN22 and GN25 have been complied with; and
 - (v) that in my opinion premiums for contracts entered into during the financial year and the income earned thereon are sufficient, on reasonable actuarial assumptions and taking into account the other financial resources of the Company that are available for the purpose, to enable the Company to meet its commitments in respect of those contracts and, in particular, to establish adequate mathematical reserves.
- (b) that the amount of the required minimum margin applicable to the Company's long term insurance business immediately following the end of the financial year (including any amounts resulting from any increase in liabilities arising from a distribution of surplus as a result of the investigation into the financial condition of the long term business) is £549,000.

J Lister

Appointed Actuary

22 March 2004

Returns under the Accounts and Statements Rules

Report of the auditors to the directors pursuant to rule 9.35 of the Accounts and Statements Rules

Name of insurer **TPFL Limited**

Global Business

Financial year ended **31st December 2003**

We have examined the following documents prepared by the company pursuant to the Accounts and Statements Rules set out in Chapter 9 to the Interim Prudential Sourcebook for Insurers ("the Rules") made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000 (the "Act").

- Forms 9, 9A, 10, 13 to 17 and 40 to 45 (including the supplementary notes) ("the Forms");
- the statement required by rule 9.29 on page 43 ("the statement"); and
- the certificate signed in accordance with rule 9.34(a) on page 46 ("the certificate").

In the case of the certificate, our examination did not extend to:

- a) paragraph 1 in relation to the statements required by rules 9.30 and 9.36 concerning controllers and Information on the appointed actuary;
- b) paragraph 3(d) concerning the investment policy and practice of internal linked funds required by paragraph 4(d) of Appendix 9.6; and
- c) paragraph 4(a) in so far as it relates to controls with respect to Money Laundering.

This report is made solely to the company's directors, in accordance with rule 9.35 of the Accounts and Statements Rules. Our examination has been undertaken so that we might state to the company's directors those matters we are required by the Rules 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 for our examination, for this report, or for the opinions we have formed.

Respective responsibilities of the company and its auditors

The company is responsible for the preparation of an annual return (including the Forms, statement and certificate) under the provisions of the Rules. Under rule 9.11 the Forms and statement are required to be prepared in the manner set out in the Rules and to state fairly the information provided on the basis required by the Rules.

It is our responsibility to form an independent opinion as to whether the Forms and statement 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 statement therein, and to report our opinions to you. Our responsibilities, as independent auditors, are established in the United Kingdom by Statute, the Auditing Practices Board and by our profession's ethical guidance.

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 statement. 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 22 March 2004. It also included an assessment of the significant estimates and judgements made by the company in the preparation of the Forms and statement.

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 statement are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with rule 9.11.

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.

In giving our opinion we have relied on the certificate of the actuary on page 49 with respect to the mathematical reserves and the required minimum margin.

Opinions

In our opinion:

- (a) the Forms and statement fairly state the information provided on the basis required by the Rules and have been properly prepared in accordance with the provisions of those Rules; 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 Rules; and
 - (ii) it was not unreasonable for the persons giving the certificate to have made the statements therein.