

# TPFL Limited

Registered office: Pitheavlis, Perth, Scotland PH2 ONH

**Annual FSA Insurance Returns for the period ended  
31st December 2004**



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 2004**

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**Statement of solvency - long-term insurance business**Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**

Solo solvency calculation

	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	<b>R2</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>
			As at end of this financial year		As at end of the previous year		
			<b>1</b>		<b>2</b>		

**Capital resources**

Capital resources arising within the long-term insurance fund	<b>11</b>	2416	
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	<b>12</b>	9939	
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	<b>13</b>	12355	

**Guarantee Fund**

Guarantee Fund requirement	<b>21</b>	2087	
Excess (deficiency) of available capital resources to cover guarantee Fund requirement	<b>22</b>	10268	

**Minimum capital requirement (MCR)**

Long-term insurance capital requirement	<b>31</b>	23	
Resilience capital requirement	<b>32</b>		
Base capital resources requirement	<b>33</b>	2087	
Minimum capital requirement	<b>34</b>	2087	
Excess (deficiency) of available capital resources to cover 50% of MCR	<b>35</b>	11312	
Excess (deficiency) of available capital resources to cover 75% of MCR	<b>36</b>	10790	

**Enhanced capital requirement**

With-profits insurance capital component	<b>37</b>		
Enhanced capital requirement	<b>38</b>	23	

**Capital resources requirement (CRR)**

Capital resources requirement (greater of 34 and 38)	<b>41</b>	2087	
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	<b>42</b>	10268	

**Contingent liabilities**

Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	<b>51</b>		
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Returns under the Accounts and Statements Rules

**Covering page to form 2**

Name of insurer                    **TPFL Limited**  
Global business  
Financial year ended            **31st December 2004**

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

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

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

23 March 2005

**Components of capital resources**Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	<b>R3</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>
	General insurance business <b>1</b>	Long-term insurance business <b>2</b>	Total as at the end of this financial year <b>3</b>		As at the end of the previous year <b>4</b>		

**Core tier one capital**

Permanent share capital	<b>11</b>		28000	28000	
Profit and loss account and other reserves	<b>12</b>		(4717)	(4717)	
Share premium account	<b>13</b>				
Positive valuation differences	<b>14</b>				
Fund for future appropriations	<b>15</b>				
Core tier one in related undertakings	<b>16</b>				
Core tier one capital (sum of 11 to 16)	<b>19</b>		23283	23283	

**Tier one waivers**

Unpaid share capital / unpaid initial funds and calls for supplementary contributions	<b>21</b>				
Implicit items	<b>22</b>				
Tier one waivers in related undertakings	<b>23</b>				
Total tier one waivers as restricted (21+22+23)	<b>24</b>				

**Other tier one**

Perpetual non-cumulative preference shares as restricted	<b>25</b>				
Perpetual non-cumulative preference shares in related undertakings	<b>26</b>				
Innovative tier one capital as restricted	<b>27</b>				
Innovative tier one capital in related undertakings	<b>28</b>				

<b>Total tier one capital before deductions</b> (19+24+25+26+27+28)	<b>31</b>		23283	23283	
Investments in own shares	<b>32</b>				
Intangible assets	<b>33</b>				
Amounts deducted from technical provisions for discounting	<b>34</b>				
Other negative valuation differences	<b>35</b>		33	33	
Deductions in related undertakings	<b>36</b>				
Deductions from tier one (32 to 36)	<b>37</b>		33	33	
<b>Total tier one capital after deductions</b> (31-37)	<b>39</b>		23250	23250	

**Components of capital resources**Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units	
			day	month	year		
	<b>R3</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>
	General insurance business <b>1</b>	Long-term insurance business <b>2</b>	Total as at the end of this financial year <b>3</b>			As at the end of the previous year <b>4</b>	

**Tier two capital**

Implicit items, (tier two waivers and amounts excluded from line 22)	<b>41</b>					
Perpetual non-cumulative preference shares excluded from line 25	<b>42</b>					
Innovative tier one capital excluded from line 27	<b>43</b>					
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	<b>44</b>					
Perpetual cumulative preference shares	<b>45</b>					
Perpetual subordinated debt and securities	<b>46</b>					
Upper tier two capital in related undertakings	<b>47</b>					
<b>Upper tier two capital</b> (44 to 47)	<b>49</b>					

Fixed term preference shares	<b>51</b>					
Other tier two instruments	<b>52</b>					
Lower tier two capital in related undertakings	<b>53</b>					
<b>Lower tier two capital</b> (51+52+53)	<b>59</b>					

<b>Total tier two capital before restrictions</b> (49+59)	<b>61</b>					
Excess tier two capital	<b>62</b>					
Further excess lower tier two capital	<b>63</b>					
<b>Total tier two capital after restrictions, before deductions</b> (61-62-63)	<b>69</b>					

**Components of capital resources**Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**

	Company registration number	GL/UK/CM	Period ended			Units
			day	month	year	
<b>R3</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>
	General insurance Business <b>1</b>	Long-Term insurance Business <b>2</b>	Total as at the end of this financial year <b>3</b>			As at the end of the previous year <b>4</b>

**Total capital resources**

Positive adjustments for regulated non-insurance related undertakings	<b>71</b>				
<b>Total capital resources before deductions (39+69+71)</b>	<b>72</b>		23250	23250	
Inadmissible assets other than intangibles and own shares	<b>73</b>				
Assets in excess of market risk and counterparty limits	<b>74</b>		10895	10895	
Deductions for related ancillary services undertakings	<b>75</b>				
Deductions for regulated non-insurance related undertakings	<b>76</b>				
Total deductions of ineligible surplus	<b>77</b>				
<b>Total capital resources after deductions (72-73-74-76-77)</b>	<b>79</b>		12355	12355	

**Available capital resources for PRU tests**

Available capital resources for guarantee fund requirement	<b>81</b>		12355	12355	
Available capital resources for 50% MCR requirement	<b>82</b>		12355	12355	
Available capital resources for 75% MCR requirement	<b>83</b>		12355	12355	

**Financial engineering adjustments**

Implicit items	<b>91</b>				
Financial reinsurance - ceded	<b>92</b>				
Financial reinsurance - accepted	<b>93</b>				
Outstanding contingent loans	<b>94</b>				
Any other charges on future profits	<b>95</b>				
Sum of financial engineering adjustments (91+92+93+94+95)	<b>96</b>				

**Analysis of admissible assets**Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**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	2004	£000	1
					day	month	year		
<b>Investments</b>					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					977
		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



**Analysis of admissible assets**Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**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			
	<b>R13</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>	<b>1</b>
<b>Investments (continued)</b>				As at the end of this financial year		As at the end of the previous year		
<b>Deposits with ceding undertakings</b>				<b>1</b>		<b>2</b>		
<b>Assets held to cover linked liabilities</b>								
Other financial investments	Equity shares			<b>41</b>				
	Other shares and other variable yield securities			<b>42</b>				
	Holdings in collective investment schemes			<b>43</b>				
	Rights under derivative contracts			<b>44</b>				
	Debt securities and other fixed income securities	Fixed interest	Approved securities		<b>45</b>			
			Other		<b>46</b>			
		Variable interest	Approved securities		<b>47</b>			
			Other		<b>48</b>			
	Participation in investment pools			<b>49</b>				
	Loans secured by mortgages			<b>50</b>				
	Other loans	Loans to public or local authorities and nationalised industries or undertakings			<b>51</b>			
		Loans secured by policies of insurance issued by the company			<b>52</b>			
		Other			<b>53</b>			
	Deposits with approved credit institutions and approved financial institutions	Withdrawal subject to a time restriction of one month or less			<b>54</b>	10595	10464	
		Withdrawal subject to a time restriction of more than one month			<b>55</b>			
Other			<b>56</b>					
Deposits with ceding undertakings			<b>57</b>					
Assets held to match linked liabilities	Index linked			<b>58</b>				
	Property linked			<b>59</b>				
Reinsurers' share of technical provisions	Provision for unearned premiums			<b>60</b>				
	Claims outstanding			<b>61</b>				
	Provision for unexpired risks			<b>62</b>				
	Other			<b>63</b>				
Total sheet 2 (41 to 63)				<b>69</b>	10595	10464		

**Analysis of admissible assets**Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**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	2004	£000	1
				day	month	year			
<b>Debtors</b>					As at the end of this financial year		As at the end of the previous year		
<b>Other assets</b>					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	220		85		
		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	45		6		
	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	100		100		
Deductions from the aggregate value of assets				87					
Total sheet 3 (71 to 86 less 87)				88	365		191		
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)				89	10960		11632		
<b>Reconciliation to asset values determined in accordance with the insurance accounts rules</b>									
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)				91	10960		11632		
Assets in excess of market and counterparty limits				92	10792		10201		
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings				93					
Other differences in the valuation of assets (other than for assets not valued above)				94					
Other inadmissible assets				95					
Total assets determined in accordance with the <i>insurance accounts rules</i> (91 to 95)				99	21752		21833		
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance				100	135				

**Analysis of admissible assets**

Name of insurer **TPFL Limited**  
 Global business  
 Financial year ended **31st December 2004**  
 Category of assets **Pension**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	173201	GL	31	12	2004	£000	10
					As at the end of this financial year		As at the end of the previous year		
					1		2		
<b>Investments</b>									
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 assets**Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Pension**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	173201	GL	31	12	2004	£000	10
					day	month	year		
<b>Investments (continued)</b>					As at the end of this financial year		As at the end of the previous year		
<b>Deposits with ceding undertakings</b>					1		2		
<b>Assets held to cover linked liabilities</b>									
Other financial investments	Equity shares			41	30		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					
			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	2848		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	15088		11481			
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	17966		14249			

**Analysis of admissible assets**

Name of insurer **TPFL Limited**  
 Global business  
 Financial year ended **31st December 2004**  
 Category of assets **Pension**

		Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
		R13	173201	GL	31	12	2004	£000	10
					day		month	year	
<b>Debtors</b>							As at the end of this financial year	As at the end of the previous year	
<b>Other assets</b>							<b>1</b>	<b>2</b>	
Debtors arising out of direct insurance operations	Policyholders				<b>71</b>				
	Intermediaries				<b>72</b>				
Salvage and subrogation recoveries									
					<b>73</b>				
Debtors arising out of reinsurance operations	Due from ceding insurers and intermediaries under reinsurance business accepted				<b>74</b>				
	Due from reinsurers and intermediaries under reinsurance contracts ceded				<b>75</b>				
Other debtors	Due from dependants	Due in 12 months or less after the end of the financial year			<b>76</b>				
		Due more than 12 months after the end of the financial year			<b>77</b>				
	Other	Due in 12 months or less after the end of the financial year			<b>78</b>		19		26
		Due more than 12 months after the end of the financial year			<b>79</b>				
Tangible assets									
					<b>80</b>				
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				<b>81</b>		557		837
	Cash in hand				<b>82</b>				
Other assets (particulars to be specified by way of supplementary note)									
					<b>83</b>				
Prepayments and accrued income	Accrued interest and rent				<b>84</b>				
	Deferred acquisition costs				<b>85</b>				
	Other prepayments and accrued income				<b>86</b>				
Deductions from the aggregate value of assets									
					<b>87</b>				
Total sheet 3 (71 to 86 less 87)						<b>88</b>		576	863
Grand total of admissible assets after deduction of market risk and counterparty limits (39+69+88)						<b>89</b>		18542	15112
<b>Reconciliation to asset values determined in accordance with the insurance accounts rules</b>									
Total admissible assets after deduction of market risk and counterparty limits (as per line 89 above)						<b>91</b>		18542	15112
Assets in excess of market and counterparty limits						<b>92</b>		103	69
Capital resources requirement deduction for subsidiary undertakings which are insurance undertakings						<b>93</b>			
Other differences in the valuation of assets (other than for assets not valued above)						<b>94</b>			
Other inadmissible assets						<b>95</b>			
Total assets determined in accordance with the <i>insurance accounts rules</i> (91 to 95)						<b>99</b>		18645	15181
Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance						<b>100</b>		17	8

**Long term insurance business liabilities and margins**Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**Category of assets **Pension**

	Company registration number	GL/UK/CM	Period ended			Units	Category of assets
			day	month	year		
<b>R14</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>	<b>10</b>
			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	<b>11</b>	15870	12292				See Instruction 2
Cash bonuses which had not been paid to policyholders prior to end of the financial year	<b>12</b>						See Instruction 3
Balance of surplus/(valuation deficit)	<b>13</b>	2416	2045				See Instruction 4
Long term insurance business fund carried forward (11 to 13)	<b>14</b>	18286	14337				See Instruction 5
Claims outstanding which had fallen due for payment before the end of the financial year	Gross amount	<b>15</b>	29				
	Reinsurers' share	<b>16</b>					
	Net (15-16)	<b>17</b>	29				
Provisions for other risks and charges	Taxation	<b>21</b>					
	Other	<b>22</b>					
Deposits received from reinsurers	<b>23</b>						
Creditors and other liabilities	Arising out of insurance operations	Direct insurance business	<b>31</b>	101			
		Reinsurance accepted	<b>32</b>				
		Reinsurance ceded	<b>33</b>				
	Debenture loans	Secured	<b>34</b>				
		Unsecured	<b>35</b>				
	Amounts owed to credit institutions		<b>36</b>				
	Other creditors	Taxation	<b>37</b>				
		Other	<b>38</b>	126	770		
Accruals and deferred income	<b>39</b>						
Provision for "reasonably foreseeable adverse variations"	<b>41</b>						
Total other insurance and non-insurance liabilities (17 to 41)	<b>49</b>	256	770				
Excess of the value of net admissible assets	<b>51</b>		5			See Instruction 6	
Total liabilities and margins	<b>59</b>	18542	15112				
Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	<b>61</b>	81	277				
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	<b>62</b>	15088	11481				
Amount of any additional mathematical reserves included in line 51 which have been taken into account in the appointed actuary's certificate	<b>63</b>					See Instruction 7	

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

Global business

Financial year ended **31st December 2004**

		Company registration number	GL/UK/CM	Period ended			Units	
		R15	173201	GL	31	12	2004	£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					
	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			284		207
		Recommended dividend	48					
		Other	49			737		1556
Accruals and deferred income			51					
Total (19 to 51)			59		1021		1763	
Provision for "reasonably foreseeable adverse variations"			61					
Cumulative preference share capital			62					
Subordinated loan capital			63					
Total (59 to 63)			69		1021		1763	
Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance			71		737		1556	

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

Global business

Financial year ended **31st December 2004**

		Company registration number	GL/UK/CM	Period ended			Units	
		R16	173201	GL	31	12	2004	£000
		This financial year		Previous year		Source		
		1		2		<	>	?
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	946		691			
	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 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	946		691			
Tax on profit or loss on ordinary activities		31	284		207			
Profit or loss on ordinary activities after tax (29-31)		39	662		484			
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	662		484			
Dividends (paid and proposed)		51						
Profit or loss retained for the financial year (49-51)		59	662		484			



**Long term insurance business : Revenue account**Name of insurer **TPFL Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**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				
<b>R40</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>	<b>OB</b>	<b>1</b>	<b>0</b>
<b>Items to be shown net of reinsurance ceded</b>							The financial year	Previous year	
							<b>1</b>	<b>2</b>	
Earned premiums						<b>11</b>	2717	2357	
Investment income receivable before deduction of tax						<b>12</b>	179	184	
Increase (decrease) in the value of non-linked assets brought into account						<b>13</b>	(30)	(82)	
Increase (decrease) in the value of linked assets						<b>14</b>	1348	2016	
Other income						<b>15</b>			
Total income (11 to 15)						<b>19</b>	4214	4475	
Claims incurred						<b>21</b>	345	197	
Expenses payable						<b>22</b>	(80)	137	
Interest payable before deduction of tax						<b>23</b>		21	
Taxation						<b>24</b>			
Other expenditure						<b>25</b>			
Transfer to (from) non technical account						<b>26</b>			
Total expenditure (21 to 26)						<b>29</b>	265	355	
Increase (decrease) in fund in financial year (19-29)						<b>39</b>	3949	4120	
Fund brought forward						<b>49</b>	14337	10217	
Fund carried forward (39+49)						<b>59</b>	18286	14337	



**Long term insurance business : Analysis of claims**Name of insurer **TPFL Limited**

Global business

Ordinary insurance business

Financial year ended **31st December 2004**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					
		<b>R42</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>	<b>OB</b>	<b>1</b>	<b>0</b>
<b>Claims incurred in the financial year</b>					Gross		Recoverable from reinsurers	Net of reinsurance (1-2)			
					<b>1</b>		<b>2</b>	<b>3</b>			
Life assurance and annuity contracts	On death				<b>11</b>						
	By way of lump sums on maturity				<b>12</b>						
	By way of annuity payments				<b>13</b>						
	By way of payments arising from other insured events				<b>14</b>						
	On surrender or partial surrender				<b>15</b>						
	Total life assurance and annuity claims (11 to 15)				<b>19</b>						
Pension business contracts	On death				<b>21</b>		20	20			
	By way of lump sums on vesting				<b>22</b>		55	55			
	By way of vested annuity payments				<b>23</b>						
	On surrender or partial surrender				<b>24</b>		270	270			
	Total pension business claims (21 to 24)				<b>29</b>		345	345			
Permanent health contracts	By way of lump sums				<b>31</b>						
	By way of periodical payments				<b>32</b>						
	Total permanent health claims (31+32)				<b>39</b>						
Other contracts	By way of lump sums				<b>41</b>						
	By way of periodical payments				<b>42</b>						
	Total claims (41+42)				<b>49</b>						
Total claims (19+29+39+49)					<b>59</b>		345	345			
Total claims at line 59 attributable to	UK contracts				<b>61</b>		345	345			
	Overseas contracts				<b>62</b>						



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

Global business

Ordinary insurance business

Financial year ended **31st December 2004**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				
<b>R44</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>	<b>OB</b>	<b>1</b>	<b>0</b>
Value of total creation of units						11		2472	
Investment income attributable to the funds before deduction of tax						12		15	
Increase (decrease) in the value of investments in the financial year						13		1308	
Other income						14		78	
Total income (11 to 14)						19		3873	
Value of total cancellation of units						21		228	
Charges for management						22		128	
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		356	
Increase (decrease) in funds in financial year (19-29)						39		3517	
Internal linked funds brought forward						49		11581	
Internal linked funds carried forward (39+49)						59		15098	



## Valuation report for IPRU (INS) Appendix 9.4

Name of insurer            **TPFL Limited**  
Financial year ended      **31st December 2004**

- 1        The date to which the investigation relates is 31 December 2004.
- 2        The date to which the previous investigation related was 31 December 2003.
- 3        This valuation is in conformity with PRU 7.3.10R.

### 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 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.

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.

## Valuation report for IPRU (INS) Appendix 9.4

Name of insurer                    **TPFL Limited**  
Financial year ended            **31st December 2004**

- (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 9:00am 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 9:00am 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.
- Other aspects of the methods employed in carrying out the valuation are described in the following paragraphs:
- (a) Not applicable.



## Valuation report for IPRU (INS) Appendix 9.4

Name of insurer **TPFL Limited**

Financial year ended **31st December 2004**

- (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 most onerous scenario under PRU 4.2.16R for the purposes of calculating the resilience capital requirement was a fall in fixed interest yields of 20% of the long-term gilt yield and a fall in equity prices of 10%.
  - (7) Not applicable.
  - (8) (a) An additional reserve of 33 (£000) has been included in the mathematical reserves and no resilience capital requirement arises.
    - (b) The value of the long term liabilities remained unchanged
    - (c) The value of assets remained unchanged
  - (9) Not applicable.
- 8 (a) Not applicable
- (b) The allowance for expenses of paying annuities in payment is 3% of reserves.
  - (a) Not applicable.
  - (b) 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 2004.

## Valuation report for IPRU (INS) Appendix 9.4

Name of insurer            **TPFL Limited**  
Financial year ended      **31st December 2004**

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 :- 5.30% per annum.
- (ii) Renewal expenses of £11.91 per policy plus investment expenses of 0.117% per annum of the value of the fund.
- (iii) expense inflation:- 3.50% per annum.
- (iv) interest:- 3.5% 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
- (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 £45,000. 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.
- The fund of Tesco Personal Finance Life Limited is to merge with other Norwich Union Non-Profit funds from 1 January 2005.
- 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.

**Valuation report for IPRU (INS) Appendix 9.4**

Name of insurer            **TPFL Limited**

Financial year ended      **31st December 2004**

**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.

**21**      Form 57 is not required.

**22**      See Form 58.

**23**      See Form 60.

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

Global business

United Kingdom business

Non-linked

Financial year ended **31st December 2004**

		Company registration number		GL/UK/CM	Period ended			Units	UK/OS	NL/LN	
		R46	173201		GL	day	month				year
						31	12				2004
		£000	UK	NL							
	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	<b>11</b>			3							
New business and increases	<b>12</b>										
Net transfers and other alterations 'on'	<b>13</b>										
Total 'on' (12+13)	<b>19</b>										
Deaths	<b>21</b>										
Other insured events	<b>22</b>										
Maturities	<b>23</b>										
Surrenders	<b>24</b>										
Forfeitures	<b>25</b>										
Conversions to paid-up policies for reduced benefits	<b>26</b>										
Net transfers, expiries and other alterations 'off'	<b>27</b>										
Total 'off' (21 to 27)	<b>29</b>										
In force at end of year (11+19-29)	<b>39</b>			3							

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

Global business

United Kingdom business

Linked

Financial year ended **31st December 2004**

		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	<b>11</b>			2360	1579					
New business and increases	<b>12</b>				90					
Net transfers and other alterations 'on'	<b>13</b>									
Total 'on' (12+13)	<b>19</b>				90					
Deaths	<b>21</b>			4	2					
Other insured events	<b>22</b>									
Maturities	<b>23</b>			6	6					
Surrenders	<b>24</b>			45	20					
Forfeitures	<b>25</b>									
Conversions to paid-up policies for reduced benefits	<b>26</b>				129					
Net transfers, expiries and other alterations 'off'	<b>27</b>									
Total 'off' (21 to 27)	<b>29</b>			55	157					
In force at end of year (11+19-29)	<b>39</b>			2305	1512					

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

Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**Company  
registration  
number

GL/UK/CM

Period ended

day month year

Units

<b>R47</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>
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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
<b>UK DIRECT WRITTEN INSURANCE BUSINESS</b>						
<b>Pension Insurance Business</b>						
<b>Other Linked Contracts</b>						
Personal Pension Plan		1173			90	
<b>Sub total: Other Linked Contracts</b>		<b>1173</b>			<b>90</b>	
<b>Total: Pension Insurance Business</b>		<b>1173</b>			<b>90</b>	
<b>Total: UK Direct Written Insurance Business</b>		<b>1173</b>			<b>90</b>	

**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 2004**  
 Category of assets **Pension**

Type of asset	Company registration number	GL/UK/CM	Period ended			Units	Category of assets	
			day	month	year			
	<b>R48</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>	<b>10</b>
			Value of admissible assets as shown on Form 13 <b>1</b>			Expected income from admissible assets <b>2</b>		Yield % <b>3</b>
Land and buildings	<b>11</b>							
Fixed interest securities	Approved securities	<b>12</b>						
	Other	<b>13</b>						
Variable interest and variable yield securities (excluding items shown at line 16)	Approved securities	<b>14</b>						
	Other	<b>15</b>						
Equity shares and holdings in collective investment schemes	<b>16</b>		30			1		3.29
Loans secured by mortgages	<b>17</b>							
All other assets	Producing income	<b>18</b>	2848			134		4.71
	Not producing income	<b>19</b>	576					
Total (11 to 19)	<b>29</b>		3454			135		3.91

## 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 2004**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
<b>DIRECT WRITTEN INSURANCE BUSINESS</b>											
<b>Non-Profit Policies</b>											
Annuity In Payment	3.5%	PMA92/PFA92	3	1 pa				14			14
<b>Sub total: Non-Profit Policies</b>			<b>3</b>	<b>1 pa</b>				<b>14</b>			<b>14</b>
<b>Sub total: Direct Written Insurance Business</b>			<b>3</b>	<b>1 pa</b>				<b>14</b>			<b>14</b>
<b>Net total: Pension Insurance Business</b>			<b>3</b>	<b>1 pa</b>				<b>14</b>			<b>14</b>
<b>Net total: United Kingdom Insurance Business</b>			<b>3</b>	<b>1 pa</b>				<b>14</b>			<b>14</b>



## 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 2004**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

<b>R53</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>	<b>UK</b>	<b>Pens</b>	<b>11</b>
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Name of contract  <b>1</b>	Valuation basis		No of contracts  <b>4</b>	Amount of sums assured or annuities per annum, including vested reversionary bonuses			Amount of annual premiums		Category of unit link  <b>10</b>	Unit liability		Other liabilities		Amount of mathematical reserves  <b>15</b>
	Rate of interest  <b>2</b>	Mortality or morbidity table  <b>3</b>		Guaranteed on death  <b>5</b>	Current on death/current payable per annum  <b>6</b>	Guaranteed on maturity  <b>7</b>	Office premiums  <b>8</b>	Net premiums  <b>9</b>		Current benefit value  <b>11</b>	Discounted value  <b>12</b>	Mortality and expenses  <b>13</b>	Options and guarantees other than investment performance guarantees  <b>14</b>	
<b>DIRECT WRITTEN INSURANCE BUSINESS Non-Profit Policies</b>														
Personal Pension Plan	3.50	AM92/AF92	2305		15089		1512		INTERNAL	15089	15089	534		15623
Additional Reserve												233		233
<b>Sub total: Non-Profit Policies</b>			<b>2305</b>		<b>15089</b>		<b>1512</b>			<b>15089</b>	<b>15089</b>	<b>767</b>		<b>15856</b>
<b>Sub total: Direct Written Insurance Business</b>			<b>2305</b>		<b>15089</b>		<b>1512</b>			<b>15089</b>	<b>15089</b>	<b>767</b>		<b>15856</b>
<b>Net total: Pension Insurance Business</b>			<b>2305</b>		<b>15089</b>		<b>1512</b>			<b>15089</b>	<b>15089</b>	<b>767</b>		<b>15856</b>
<b>Net total: United Kingdom Insurance Business</b>			<b>2305</b>		<b>15089</b>		<b>1512</b>			<b>15089</b>	<b>15089</b>	<b>767</b>		<b>15856</b>





## Long term insurance business : Valuation result and distribution of surplus

Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**Company  
registration  
number

GL/UK/CM

Period ended

day month year

Units

Category  
of surplusCategory of surplus **Pension**

<b>R58</b>	<b>173201</b>	<b>GL</b>	<b>31</b>	<b>12</b>	<b>2004</b>	<b>£000</b>	<b>11</b>
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Valuation result	Fund carried forward		<b>11</b>	18286
	Bonus payments made to policyholders in anticipation of a surplus		<b>12</b>	
	Transfers out of fund/ parts of fund	Transfer to non-technical account	<b>13</b>	
		Transfer to other funds/parts of funds	<b>14</b>	
	Net transfer out of funds/parts of funds (13+14)		<b>15</b>	
	Total (11+12+15)		<b>16</b>	18286
	Mathematical reserves for accumulating with profit policies		<b>17</b>	
	Mathematical reserves for other non linked contracts		<b>18</b>	14
	Mathematical reserves for property linked contracts		<b>19</b>	15856
	Mathematical reserves for index linked contracts		<b>20</b>	
	Total (17 to 20)		<b>21</b>	15870
	Surplus including contingency and other reserves held towards the solvency margin (deficiency) (16-21)		<b>29</b>	2416
Composition of surplus	Balance of surplus brought forward unappropriated from last valuation		<b>31</b>	2045
	Transfers into fund/part of fund	Transfer from non-technical account	<b>32</b>	
		Transfer from other funds/parts of fund	<b>33</b>	
	Net transfer into fund/part of fund (32+33)		<b>34</b>	
	Surplus arising since the last valuation		<b>35</b>	371
Total (31+34+35)		<b>39</b>	2416	
Distribution of surplus	Bonus payments made to policyholders in anticipation of a surplus		<b>41</b>	
	Allocated to policyholders by way of	Cash bonuses	<b>42</b>	
		Reversionary bonuses	<b>43</b>	
		Other bonuses	<b>44</b>	
		Premium reductions	<b>45</b>	
	Total allocated to policyholders (41 to 45)		<b>46</b>	
	Net transfer out of fund/part of fund		<b>47</b>	
	Total distributed surplus (46+47)		<b>48</b>	
	Balance of surplus (including contingency and other reserves held towards the solvency margin) carried forward unappropriated		<b>49</b>	2416
Total (48+49)		<b>59</b>	2416	
Percentage of distributed surplus allocated to policyholders of fund/part of fund			<b>61</b>	
Corresponding percentage at three immediately previous valuations	Latest (year of valuation <b>2003</b> )	<b>62</b>		
	Earlier (year of valuation <b>2002</b> )	<b>63</b>		
	Earliest (year of valuation <b>2001</b> )	<b>64</b>		

**Long term insurance capital requirement**Name of insurer **TPFL Limited**

Global business

Financial year ended **31st December 2004**Company  
registration  
number

GL/UK/CM

Period ended  
day month year

Units

	R60	173201	GL	31	12	2004	£000
	LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year	
	1	2	3	4	5	6	

**Insurance death risk capital component**

Classes I, II and IX	11	0.1%					
Classes I, II and IX	12	0.15%			0.00		
Classes I, II and IX	13	0.3%					
Classes III, VII and VIII	14	0.3%			0.00		
<b>Total</b>	15						

**Insurance health risk capital component**

Class IV and supplementary classes 1 and 2	21						
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**Insurance expense risk capital component**

Classes I, II and IX	31	1%	14	14	1.00		
Classes III, VII and VIII (investment risk)	32	1%	33	33	1.00		
Classes III, VII and VIII (expenses fixed 5 yrs +)	33	1%			0.00		
Classes III, VII and VIII (other)	34	25%				22	
Class IV	35	1%			0.00		
Class V	36	1%					
Class VI	37	1%			0.00		
<b>Total</b>	38					22	

**Insurance market risk capital component**

Classes I, II and IX	41	3%	14	14	1.00		
Classes III, VII and VIII (investment risk)	42	3%	33	33	1.00	1	
Classes III, VII and VIII (expenses fixed 5 yrs +)	43	0%					
Classes III, VII and VIII (other)	44	0%	15823	15823			
Class IV	45	3%			0.00		
Class V	46	0%					
Class VI	47	3%			0.00		
<b>Total</b>	48		15870	15870		1	

<b>Long term insurance capital requirement</b>	51					23	37
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## Supplementary notes

Name of insurer **TPFL Limited**  
Financial year ended **31st December 2004**

### 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.

#### **4801 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.

#### **5700 Form omitted**

Mathematical reserves do not exceed £100 million, accordingly this form is not required.

## Supplementary notes

Name of insurer **TPFL Limited**  
Financial year ended **31st December 2004**

### Code

#### 0301 Reconciliation of net admissible assets to total capital resources after deductions

	£'000
Net admissible assets	
Form 13 Line 89 (Long term business)	18,542
Form 13 Line 89 (Other than long term business)	10,960
Form 14 Lines 11, 12 and 49	(16,126)
Form 15 Line 69	(1,021)
	<hr/>
	12,355
Form 3, line 79	12,355

#### 0310 Calculation of valuation differences as required by instruction 9 to Form 3

	2004 £'000
a) Positive valuation differences in respect of assets where valuation in PRU exceeds the valuation that the firm uses for external financial reporting purposes	-
b) Positive valuation differences in respect of liabilities where valuation in PRU is lower than the valuation that the firm uses for external financial reporting purposes	-
c) Negative valuation differences in respect of assets where valuation in PRU is lower than the valuation that the firm uses for external financial reporting purposes	-
d) Negative valuation differences in respect of liabilities where valuation in PRU exceeds the valuation that the firm uses for external financial reporting purposes	(33)

#### Net negative valuation difference included in line 14 /(35) (10,928)

The amount included at line c) represents restrictions of intercompany debtor balances to 1% of the long term business amount (LTBA) of £946k and restrictions of cash held on deposit to £2m per individual counterparty of £9,949k. The amount included at line d) represents the difference between the technical provisions on a Statutory versus FSA basis.

#### 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 counter-parties is set out in the lending limit list approved by the Group Risk Committee. The maximum exposure to individual counter-parties 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.

**Supplementary notes**

Name of insurer **TPFL Limited**  
Financial year ended **31st December 2004**

**Code****1306 Counterparty exposure**  
**1312**

At the end of the financial year, the following counterparty exposures were in excess of 5% of the sum of the insurer's base capital resources requirement and its long-term insurance liabilities, excluding property linked liabilities and net of reinsurance ceded:

Credit Institution	Amount(£)
ABN Amro	4,313,718
Chase Manhattan Bank	2,787,859
ING Bank	2,255,270
HSBC	4,199,731
Royal Bank of Canada	3,916,139
Westdeutsche Landesbank	3,264,742
Bank of Scotland	3,211,692

**1401 Provision for reasonably foreseeable adverse variations**  
**1501**

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

**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 2004**

### 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	£0.001m (2003 £0.085m)
Amounts unpaid at the end of the period	£0.076m owed to Norwich Union Life Services Limited (2003 £0.38m)
Amounts written off in the period	£0 (2003 Nil)

#### 4010 Investment Expenses

In 2004 there is net credit to investment expenses due to adjustments to management expenses charged in prior periods and income from unit trust management charge rebates.

#### 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

In 2004, £78k of other income relates to managers fees rebates and unit pricing compensation charges.

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 2004**

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 2004**

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.

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

Name of insurer                      **TPFL Limited**  
Global business  
Financial year ended                **31st December 2004**

We certify that:

- 1 (a) the return has been properly prepared in accordance with the requirements in IPRU(INS) and PRU; and  
  
(b) the directors are satisfied that:
  - (i) throughout the financial year in question, the insurer has complied in all material respects with the requirements in SYSC and PRIN as well as the provisions of IPRU(INS) and PRU; and
  - (ii) it is reasonable to believe that the insurer has continued so to comply subsequently, and will continue so to comply in future.
  
- 2 (a) in the directors' opinion, premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;  
  
(b) the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14, constitute proper provision at the end of the financial year in question for the long-term insurance business liabilities (including all liabilities arising from deposit back arrangements, but excluding other 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 actuarial investigation as at that date into the financial condition of the long-term insurance business; and  
  
(c) the directors have, in preparing the return, taken and paid due regard to advice in preparing the return from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R.

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

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

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

23 March 2005

Returns under the Accounts and Statements Rules

**Independent auditors' report 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 2004**

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

- Forms 2, 3, 13 to 16, 40 to 45, 48, 58 and 60 (including the supplementary notes) ("the Forms");
- the statement required by rule 9.29 ("the statement"); and
- the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report required by rule 9.31(a) ("the methods and assumptions included in the valuation report").

We are not required to examine and do not express an opinion on the following ("the unaudited items"):

- a) Forms 46, 47, 51, 53 and 55 (including the supplementary notes);
- b) the statement required by rule 9.30;
- c) the certificate signed in accordance with rule 9.34; and
- d) the valuation report required by rule 9.31(a) except as set out above.

This report is made solely to the insurer'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 insurer'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 insurer for our examination, for this report, or for the opinion we have formed.

**Respective responsibilities of the company and its auditors**

The insurer is responsible for the preparation of an annual return (including the unaudited items) under the provisions of the Rules. Under rule 9.11 the Forms, the statement and the valuation report 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. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report prepared in accordance with rule 9.31 are required to reflect appropriately the requirements of PRU 7.3.

It is our responsibility to form an independent opinion as to whether the Forms, the statement and the methods and assumptions included in the valuation report meet these requirements, and to report our opinion to you. We also report to you if, in our opinion, the insurer has not kept proper accounting records or if we have not received all the information we require for our examination.

**Basis of opinion**

We conducted our work in accordance with Practice Note 20 "The audit of insurers in the United Kingdom" and Bulletin 2004/5 "Supplementary guidance for auditors 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, the statement and the methods and assumptions included in the valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year on which we reported on 30 March 2005. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms, the statement and in determining the methods and assumptions included in the valuation report.

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, the statement and the methods and assumptions included in the valuation report are free from material misstatement, whether caused by fraud or other irregularity or error, and comply with rule 9.11.

In accordance with rule 9.35(1A), to the extent that any document, Form, statement, analysis or report to be examined under rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

Returns under the Accounts and Statements Rules

**Independent auditors' report 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 2004**

**Opinion**

In our opinion:

- (a) the Forms and the 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) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report prepared in accordance with rule 9.31 appropriately reflect the requirements of PRU 7.3.

Ernst & Young LLP  
Registered Auditor  
London  
30 March 2005