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Admiral Group Limited balance sheet
at 30 June 2004

	Note	£000	£000
Fixed assets			
Investments	3		101,804
Current assets			
Debtors:			
Amounts owed by subsidiary undertakings		376	
Prepayments and accrued income		320	
Cash at bank and in hand		37,162	
		37,858	
Creditors: amounts falling due within one year:			
Loans		(7,748)	
Other creditors (owed to subsidiary undertakings)		(17,287)	
Accruals and deferred income		(128)	
		(25,163)	
Net current assets			12,695
Total assets less current liabilities			114,499
Creditors: amounts falling due after one year:			
Loans		(25,333)	
			(25,333)
Net assets			89,166
Capital and reserves			
Called up share capital	4		25
Share premium account			15,746
Profit and loss account			73,395
			89,166

The balance sheet was approved by the board of directors on 15 September 2004 and was signed on its behalf by:

A Probert
Director

EDX *ETFDB00A* 0191
COMPANIES HOUSE 20/09/04

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been applied, subject to any material departure disclosed and explained in the accounts and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

This statement has been prepared in accordance with the requirements of section 43(3)(c) of the Companies Act 1985.

Notes

(forming part of the financial statements)

1 Basis of preparation

The balance sheet of the parent Company is prepared in accordance with the provisions of Section 226 of, and Schedule 4 to, the Companies Act 1985.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material.

Investments

Investments in subsidiary undertakings are valued at cost less any provision for impairment in value.

3 Investments in group undertakings

	£000
Shares in group undertakings	**101,804**

The Company's principal subsidiaries (all of whom are 100% directly owned) are as follows:

	Country of incorporation	**Class of shares held**	**Principal activity**
Admiral Insurance Services Limited	England and Wales	Ordinary	Service company to Lloyd's Syndicate
Admiral Insurance Company Limited	England and Wales	Ordinary	Insurance company
Admiral Insurance (Gibraltar) Limited	Gibraltar	Ordinary	Insurance company
Admiral Syndicate Limited	England and Wales	Ordinary	Lloyd's corporate Capital vehicle
Admiral Syndicate Management Limited	*England and Wales*	*Ordinary*	*Lloyd's managing agency*
Able Insurance Services Limited	England and Wales	Ordinary	Intermediary
Inspop.com Limited	England and Wales	Ordinary	Internet services

Notes *(continued)*

4 Called up share capital

	£000
Authorised	
5,970,000 A ordinary shares of 10p each	**597**
2,000,000 B ordinary shares of 10p each	**200**
2,000,000 C ordinary shares of 10p each	**200**
29,836 D ordinary shares of 10p each	**3**
20,164 E ordinary shares of 10p each	**2**
	1,002

	2002 £000
Issued, called up and fully paid	
132,488 A ordinary shares of 10p each	**13**
60,176 B ordinary shares of 10p each	**6**
12,042 C ordinary shares of 10p each	**1**
29,836 D ordinary shares of 10p each	**3**
20,164 E ordinary shares of 10p each	**2**
	25

In the event of a winding up of the Company or other return of capital, the assets of the Company available for distribution to shareholders will be distributed amongst the holders of the ordinary shares pari passu, as if they were all shares of the same class. This is provided that, after the distribution of the first £500m of such balance, the Deferred Shares (as defined in the Company" Articles of Association) (if any) shall be entitled to receive an amount equal to the nominal value of such Deferred Shares. Any payment made to the holders of shares of a particular class shall be made in proportion to the numbers of shares of the relevant class held by each of them.

Immediately prior to a Sale or Listing (a "Conversion Date"), 61,552 A ordinary shares, 13,861 D ordinary shares and 9,368 E ordinary shares shall convert into the same number of fully paid Deferred Shares ("The Conversion") which have limited rights.