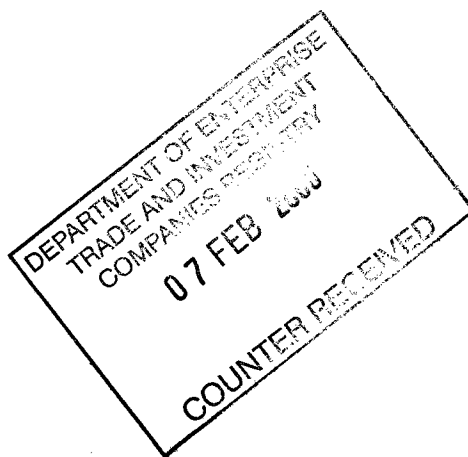




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Registered Number: 954465



# **SUN ALLIANCE FUND MANAGEMENT LIMITED**

## **Report and Accounts**

**for the year ended 31 December 2004**

## Sun Alliance Fund Management Limited

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**Sun Alliance Fund Management Limited**

**Company information**

**Directors**

Non-Destructive Testers Limited

Roysun Limited

**Secretary**

J E Fox

**Registered office**

St Mark's Court  
Chart Way  
Horsham  
West Sussex  
RH12 1XL

**Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Southwark Towers  
32 London Bridge Street  
London  
SE1 9SY

## Sun Alliance Fund Management Limited

### Directors' report

#### Principal activity

The principal activity of the Company is to act as trustee to the Sun Alliance Master Pension Plan for which it receives no income.

#### Review of the year and future developments

The company will continue to act as trustee to the Sun Alliance Master Pension Plan for the foreseeable future.

#### Results and dividend

The result for the year is shown in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2003: £Nil).

#### Directors

Non-Destructive Testers Limited served throughout the year. J V Miller resigned on 28 September 2004 and Roysun Limited was appointed on 27 July 2004.

#### Director's interests

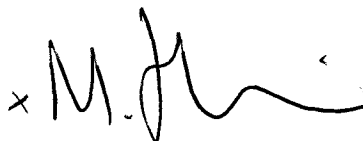
Non-Destructive Testers Limited and Roysun Limited do not have any interests in the shares of the Company or Royal & Sun Alliance Group plc, the ultimate holding company.

#### Auditors

The auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment was proposed at the Annual General Meeting of Royal & Sun Alliance Insurance Group plc.

By order of the directors

J E Fox  
Secretary  
31 October 2005

x  <sup>MH</sup>  
FOR AND ON  
BEHALF OF ROYSUN LIMITED

**Sun Alliance Fund Management Limited**  
**Statement of Directors' Responsibilities**

**Statement of Directors' Responsibilities**

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 2004. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

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

**Independent auditors' report to the members of Sun Alliance Fund Management Limited**

We have audited the financial statements, which comprise the profit and loss account, reconciliation of movement in shareholders' funds, the balance sheet and the related notes.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

**Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 31 December 2004 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
London

31 October 2005

**Sun Alliance Fund Management Limited**

**Profit and loss account**  
for the year ended 31 December 2004

	<b>Notes</b>	<b>2004 £000</b>	<b>2003 £000</b>
Interest receivable		50	41
<b>Profit on ordinary activities before taxation</b>		50	41
Taxation on profit on ordinary activities	5	(15)	(12)
<b>Profit on ordinary activities after taxation</b>		35	29
<b>Transfer to retained profits</b>		35	29

All figures relate to continuing operations.

The notes on pages 8 to 10 form an integral part of these accounts.

<b>Reconciliation of movements in shareholders' funds for the year ended 31 December 2004</b>	<b>2004 £000</b>	<b>2003 £000</b>
Shareholders' funds at 1 January 2004	1,142	1,113
Total recognised gains for the year	35	29
<b>Shareholders' funds at 31 December 2004</b>	<b>1,177</b>	<b>1,142</b>

# Sun Alliance Fund Management Limited

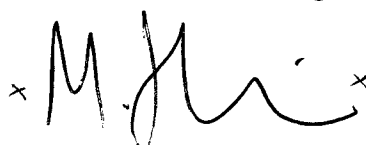
## Balance sheet as at 31 December 2004

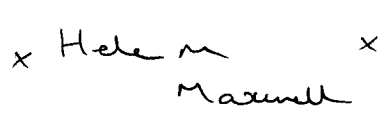
	Notes	2004 £000	2003 £000
<b>Current assets</b>			
Debtors	6	1,403	-
Cash at bank and in hand		-	1,395
		<u>1,403</u>	<u>1,395</u>
<b>Creditors: amounts falling due within one year</b>	7	(226)	(253)
<b>Net assets</b>		<u>1,177</u>	<u>1,142</u>
<b>Capital and reserves</b>			
Share capital	8	625	625
Profit and loss account	9	552	517
Equity shareholders' funds		<u>1,177</u>	<u>1,142</u>

The notes on pages 8 to 10 form an integral part of these accounts.

The accounts on pages 6 to 10 were approved today by the Board of directors and are signed on its behalf by:

Director  
31 October 2005

x  x  
MH  
FOR AND ON BEHALF OF  
ROUSUN LIMITED

x  x  
HM  
FOR AND ON BEHALF OF  
NON-DESTRUCTIVE TESTERS  
LIMITED



**1. Accounting policies**

The accounts are prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

A summary of the major accounting policies, which have been consistently applied, is set out below.

**Taxation**

UK taxation in the profit and loss account is based on the profits / (losses) and income of the year as determined in accordance with the relevant tax legislation, together with adjustments of provisions for prior years.

**2. Auditors' remuneration**

The costs of auditing the Company's accounts are borne by the parent company.

**3. Directors remuneration**

All the directors receive remuneration from Royal & Sun Alliance Insurance plc as employees of that company, and it is not appropriate, because of the non-executive nature of their services, to make an apportionment of their emoluments in respect of the Company.

**4. Employee and staff costs**

All staff in the UK are employed by Royal & Sun Alliance Insurance plc and are members of either one of the defined benefit pension schemes or a defined contribution pension scheme, details of which are disclosed in the accounts of that company. Contributions are based on pension costs across the UK group as a whole.

**5. Taxation on profit on ordinary activities**

The charge for United Kingdom corporation tax in the profit and loss comprises:

	<b>2004</b>	<b>2003</b>
	<b>£000</b>	<b>£000</b>
Corporation tax	<b>15</b>	<b>12</b>
Total current tax	<b>15</b>	<b>12</b>
Tax charge	<b>15</b>	<b>12</b>

UK corporation tax for the current year included above is based on a rate of 30% (2003: 30%).

The current tax charge for the year is equal to (2003: equal to) 30%.

**13. Related party transactions**

Advantage has been taken of the exemption provided by FRS 8 'Related Part Disclosures' from disclosing details of transactions with Royal & Sun Alliance Group plc and its subsidiaries and associated undertakings.

**14. Parent company**

The Company's ultimate parent company and controlling party is Royal & Sun Alliance Insurance Group plc, which is registered in England and Wales, and is the parent undertaking of the largest group to consolidate these financial statements. A copy of that company's accounts can be obtained from 9<sup>th</sup> Floor, One Plantation Place, 30 Fenchurch Street, London EC3M 3BD.