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IC Insurance Limited

Directors' report and financial statements

31 December 1999

Registered number 218497

Directors' report and financial statements

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Directors' report

The directors present their report together with the audited financial statements for the year ended 31 December 1999. These will be laid before the shareholders at the Annual General Meeting to be held on 14 June 2000 at 1 Adam Street, London WC2N 6AW.

Principal activities

The principal activity of the company is the transaction of general insurance and reinsurance business. The company ceased underwriting new business on 31 December 1998.

The ultimate parent undertaking is AstraZeneca PLC.

Business review

Details of the results for the year are set out on pages 5 and 6. It is expected that the Company will continue to run off its insurance and reinsurance business.

Proposed dividend and transfer from reserves

No dividends were declared for the year ended 31 December 1999 (1998: nil). The directors recommend that the retained profit for the year of £1,817,000 (1998: £4,044,000) be transferred to reserves.

Directors and directors' interests

The directors of the company in office at the end of the year were as follows:

DJ Gee	
D Taylor	
IN Canham	(alternate to DJ Gee - appointed 12 October 1999)

AC Russell resigned as a director on 10 December 1999, and as a consequence, ND Campbell's position as his alternate lapsed on that date. DT Anderson resigned as an alternate director on 31 August 1999.

Mr JH Cole was appointed as a director on 7 February 2000 and Mr ND Campbell was appointed his alternate on 15 March 2000.

The interest of the directors in office at the end of the year in the shares and debentures of AstraZeneca PLC and its subsidiaries are set out in note 22.

Payment of suppliers

It is the company's policy to agree appropriate terms and conditions with suppliers and, subject to their acceptance, to comply with the agreement.

Directors' report *(continued)*

Year 2000

The company's operations were largely unaffected by date-related problems at the Millennium rollover and normal business resumed, as planned, in January 2000. Management are continuing to monitor the operations for any potential date related problems which could arise in future.

The company's total expenditure on Year 2000 was not material.

Auditors

A resolution for the re-appointment of KPMG Audit Plc as auditors of the company is to be proposed at the Annual General Meeting.

By order of the board

D Taylor
Secretary

1 Adam Street
London
WC2AN 6AW

30 March 2000

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 followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Report of the auditors to the members of IC Insurance Limited

We have audited the financial statements on pages 5 to 22.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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. We also report to you, if in our opinion, the directors' report is 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 with the company is not disclosed.

Basis of 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 the company's affairs as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc
Chartered Accountants
Registered Auditor

30 March 2000
London

Profit and loss account: technical account - general business
for the year ended 31 December 1999

	Note	1999 £000	1998 £000
Written premiums, net of reinsurance			
Gross premiums written	2	81	5,788
Outward reinsurance premiums		266	(2,754)
Net premiums written		347	3,034
Change in the gross provision for unearned premiums	18	1,055	370
Change in the provision for unearned premiums, reinsurers' share	18	(3)	(250)
Change in the net provision for unearned premiums		1,052	120
Earned premiums, net of reinsurance		1,399	3,154
Claims incurred, net of reinsurance			
Claims paid:			
Gross amount		(1,180)	(13,498)
Reinsurers' share		(705)	7,740
		(1,885)	(5,758)
Change in the provision for claims:			
Gross amount	18	4,175	17,021
Reinsurers' share	18	(2,084)	(10,820)
		2,091	6,201
Claims incurred, net of reinsurance		206	443
Net operating expenses	4	(1,493)	(1,303)
Balance on the technical account - general business		112	2,294

The notes on pages 11 to 22 form part of the financial statements.

Profit and loss account: non-technical account
for the year ended 31 December 1999

	Note	1999 £000	1998 £000
Balance on the technical account - general business		112	2,294
Investment income:			
Income from other investments	5	2,565	3,266
Unrealised (loss)/gain on investments		(6)	430
Investment expenses and charges	6	(40)	(544)
Operating profit on ordinary activities before tax	7	2,631	5,446
Tax on profit on ordinary activities	10	(814)	(1,402)
Retained profit for the financial year	17	1,817	4,044

The notes on pages 11 to 22 form part of the financial statements.

Statement of total recognised gains and losses
for the year ended 31 December 1999

	Note	1999 £000	1998 £000
Retained profit for the financial year	17	1,817	4,044
Increase in current value of investment in subsidiary undertaking	17	402	541
Movement in unrealised foreign exchange loss	17	484	(108)
Total gains recognised since last annual report		2,703	4,477

Reconciliation of movements in shareholder's funds
for the year ended 31 December 1999

	Note	1999 £000	1998 £000
Retained profit for the financial year	17	1,817	4,044
Increase in current value of investment in subsidiary undertaking	17	402	541
Movement in unrealised foreign exchange loss	17	484	(108)
Net increase in shareholder's funds		2,703	4,477
Shareholder's funds at beginning of year		25,413	20,936
Shareholder's funds at end of year		28,116	25,413

The notes on pages 11 to 22 form part of the financial statements.

Balance sheet
at 31 December 1999

	Note	1999 £000	1998 £000
Assets			
<i>Investments</i>			
Investment in subsidiary undertaking	11	7,944	7,542
Other financial investments	12	36,524	34,038
		<hr/>	<hr/>
		44,468	41,580
<i>Reinsurers' share of technical provisions</i>			
Provision for unearned premiums	18	2	5
Claims outstanding	18	2,701	4,737
		<hr/>	<hr/>
		2,703	4,742
<i>Debtors</i>			
Debtors arising out of direct insurance operations	13	53	762
Debtors arising out of reinsurance operations		6,127	9,431
Other debtors	14	4,614	6,228
		<hr/>	<hr/>
		10,794	16,421
<i>Other assets</i>			
Cash at bank and in hand		2,998	2,803
<i>Prepayments and accrued income</i>			
Accrued interest		69	301
Deferred acquisition costs		-	181
		<hr/>	<hr/>
		69	482
		<hr/>	<hr/>
Total Assets		61,032	66,028
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 22 form part of the financial statements.

Balance sheet (continued)
at 31 December 1999

	Note	1999 £000	1998 £000
Liabilities			
<i>Capital and reserves</i>			
Called up share capital	16	20,000	20,000
Profit and loss account	17	8,093	6,276
Revaluation reserve	17	1,018	616
Exchange reserve	17	(995)	(1,479)
		<hr/>	<hr/>
Shareholder's funds attributable to equity interests		28,116	25,413
<i>Technical provisions</i>			
Provision for unearned premiums	18	5	1,060
Claims outstanding	18	29,192	33,192
		<hr/>	<hr/>
		29,197	34,252
<i>Creditors</i>			
Creditors arising out of direct insurance operations	19	314	215
Creditors arising out of reinsurance operations		507	2,748
Other creditors including taxation and social security	20	2,737	3,333
		<hr/>	<hr/>
		3,558	6,296
Accruals and deferred income		161	67
		<hr/>	<hr/>
Total Liabilities		61,032	66,028
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the board of directors on 30 March 2000 and were signed on its behalf by:

D Taylor
Director

The notes on pages 11 to 22 form part of the financial statements.

Cash flow statement
for the year ended 31 December 1999

	Note	1999 £000	1998 £000
Net cash inflow/(outflow) from operating activities	21	2,206	(1,643)
Taxation received/(paid)		481	(374)
	15	<u>2,687</u>	<u>(2,017)</u>
Cash flows were invested/(utilised) as follows			
Increase/(decrease) in cash holdings		195	(6,684)
Net portfolio investment			
Deposits with credit institutions		9,826	18,301
Sale of fixed interest securities		(7,334)	(13,634)
		<u>2,492</u>	<u>4,667</u>
Net investment/(utilisation) of cash flows	15	<u>2,687</u>	<u>(2,017)</u>
Movement in opening and closing portfolio investments net of financing			
Net cash inflow/(outflow) for the period		195	(6,684)
Cash flow from net portfolio investment		2,492	4,667
		<u>2,687</u>	<u>(2,017)</u>
Movement arising from cash flows		(6)	317
Changes in market values and exchange rate effects			
Total movements in portfolio investments net of financing		<u>2,681</u>	<u>(1,700)</u>
Portfolio investments net of financing at 1 January 1999		36,841	38,541
Portfolio investments net of financing at 31 December 1999	15	<u>39,522</u>	<u>36,841</u>

The notes on pages 11 to 22 form part of the financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with the provisions of Section 255 of, and Schedule 9A to, the Companies Act 1985 and comply with the Statement of Recommended Practice issued by the Association of British Insurers.

The accounts have also been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost accounting rules, modified to include the revaluation of investments.

The financial statements present information about the company as an individual undertaking and not about its group. The company is exempt from the preparation of group accounts under s228(1)(b) of the Companies Act 1985.

Further information regarding the parent undertaking in whose consolidated accounts the company is included is shown in note 25.

Investments and investment income

Investments in subsidiary undertakings are stated at current value, which the directors consider to be equivalent to the company's share of the net assets of the underlying investments.

Listed investments are stated at mid-market value. Unlisted investments are valued by the directors on a prudent basis with regard to their likely realisable values.

Realised and unrealised gains and losses on the sale of financial investments are included in the profit and loss account non-technical account.

Realised gains and losses represent the difference between net sale proceeds and purchase price. Unrealised gains and losses on investments represent the difference between the valuation of investments at the balance sheet date and their purchase price or if they have been previously valued, their valuation at the last balance sheet date.

Investment income, expenses and charges (excluding dividends received and receivable from subsidiary undertakings) are reported in the non-technical account.

Basis of accounting for underwriting activities

The annual basis of accounting is applied to all classes of insurance business.

Notes (continued)

1 Accounting policies (continued)

Premiums

Written premiums comprise the total premiums receivable for the whole period of cover provided by contracts entered into during the financial year and include estimates for pipeline premiums and adjustments arising during the financial year to premiums in respect of business written in previous years.

All premiums are shown gross of commission payable to intermediaries.

Outwards reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct or inwards reinsurance business being reinsured.

Provision for unearned premiums

Unearned premiums are calculated using the daily pro rata method, taking into account the risk profile of the contracts.

Deferred acquisition costs

Acquisition expenses, both direct and indirect, are deferred and charged to the accounting periods in which related premiums are earned.

Claims incurred

Claims incurred include all payments made in respect of the financial period, claims handling expenses and the movement in provisions for outstanding claims.

Claims outstanding

Claims outstanding comprise provisions for the estimated cost of settling all claims including the related claims handling expenses incurred up to but not paid at the balance sheet date whether reported or not. Where applicable, deductions are made for salvage and other recoveries.

Foreign currencies

Assets, liabilities and income and expenditure items arising in foreign currencies have been translated into sterling at rates of exchange ruling at the balance sheet date. Unrealised exchange gains and losses arising on business transacted in foreign currencies which are maintained in the original currency are taken to the exchange reserve.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that a liability will crystallise.

Notes (continued)

2 Analysis of gross premiums written, gross premiums earned, gross claims incurred, operating expenses and the reinsurance balance

	1999 Gross premiums written £000	1999 Gross premiums earned £000	1999 Gross claims incurred £000	1999 Gross operating expenses £000	1999 Reinsurance balance £000
Written as follows					
Direct	(201)	855	3221	(1,004)	(2,401)
Reinsurance	282	281	(226)	(437)	(177)
	<u>81</u>	<u>1,136</u>	<u>2,995</u>	<u>(1,441)</u>	<u>(2,578)</u>
By class of business (Direct only)					
Accident and health	(1)	(1)	(5)	(31)	-
Marine, aviation and transport	17	17	78	(64)	(83)
Fire and other damage to property	(215)	841	(1,110)	(403)	331
Liability	-	-	974	(395)	-
Miscellaneous	(2)	(2)	3,284	(111)	(2,649)
	<u>(201)</u>	<u>855</u>	<u>3,221</u>	<u>(1,004)</u>	<u>(2,401)</u>

	1998 Gross premiums written £000	1998 Gross premiums earned £000	1998 Gross claims incurred £000	1998 Gross operating expenses £000	1998 Reinsurance balance £000
Written as follows					
Direct	5,542	5,912	(315)	(1,929)	(937)
Reinsurance	246	246	3,838	(333)	(4,188)
	<u>5,788</u>	<u>6,158</u>	<u>3,523</u>	<u>(2,262)</u>	<u>(5,125)</u>
By class of business (Direct only)					
Accident and health	577	577	(340)	(33)	-
Marine, aviation and transport	(46)	(46)	102	(159)	13
Fire and other damage to property	5,028	5,398	(3,445)	(1,422)	676
Liability	-	-	1,853	(277)	(50)
Miscellaneous	(17)	(17)	1,515	(38)	(1,576)
	<u>5,542</u>	<u>5,912</u>	<u>(315)</u>	<u>(1,929)</u>	<u>(937)</u>

The activities of the company take place in the United Kingdom.

Business interruption particulars are included in the miscellaneous class.

The total amount of commission for direct insurance business was £104,000 (1998: £1,557,000).

Notes (continued)

3 Prior years' claims provisions

Over/(under) provisions for claims outstanding at the beginning of the year the payments and provisions at the end of the year in respect of prior years' claims are as follows:

	1999 £000	1998 £000
Accident and health	(5)	101
Marine, aviation and transport	(5)	150
Fire and other damage to property	121	848
Liability	511	1,803
Miscellaneous	635	(229)
	<u>1,257</u>	<u>2,673</u>

Although provisions for claims outstanding are based upon the information currently available to the directors, subsequent information and events may show that the ultimate liability is less than, or in excess of, the amount provided. The methods used, and estimates made, are continually reviewed and any resulting adjustments are reported in the technical account for general business in the financial year in which they are made.

4 Net operating expenses

	1999 £000	1998 £000
Acquisition costs	139	1,467
Change in gross deferred acquisition costs	181	116
Administrative expenses	621	679
Reinsurance commissions and profit participation	52	(959)
Foreign exchange loss	500	-
	<u>1,493</u>	<u>1,303</u>

Notes (continued)

5 Investment income

	1999	1998
	£000	£000
Income from other investments	2,565	2,757
Gains on the realisation of investments	-	509
	<hr/>	<hr/>
	2,565	3,266
	<hr/>	<hr/>

6 Investment expenses and charges

	1999	1998
	£000	£000
Investment management expenses	-	30
Value adjustments on listed investments	-	514
Losses on the realisation of investments	40	-
	<hr/>	<hr/>
	40	544
	<hr/>	<hr/>

7 Profit on ordinary activities before tax

	1999	1998
	£000	£000
<i>Profit on ordinary activities before tax is stated</i>		
<i>after crediting</i>		
Income from listed investments	140	1,289
<i>after charging</i>		
Auditors remuneration:		
Audit	33	34
Other services - audit regulatory return	10	9
	<hr/>	<hr/>

Notes (continued)

8 Remuneration of directors

	1999 £000	1998 £000
Directors' emoluments	16	35
	<u>16</u>	<u>35</u>
Retirement benefits are accruing to the following number of directors under :		
Money purchase schemes	-	-
Defined benefit schemes	2	3
	<u>2</u>	<u>3</u>
The number of directors who exercised share options was	2	2
	<u>2</u>	<u>2</u>
The number of directors in respect of whose services shares were received or receivable under long term incentive schemes was	1	1
	<u>1</u>	<u>1</u>

Certain directors are employees of the company's ultimate shareholders and are not remunerated for their services by the company. Accordingly, the foregoing disclosures do not include details of their remuneration and other benefits.

9 Staff numbers and costs

All management and administrative services are provided under the terms of a management agreement by the parent undertaking. Accordingly, the company and its subsidiary have no employees. The remuneration of the directors is charged as part of the management fee.

10 Taxation

	1999 £000	1998 £000
UK corporation tax on profit at 30% (1998: 31%) - current year	948	1,402
- prior year	(134)	-
	<u>814</u>	<u>1,402</u>

Notes (continued)

11 Investment in subsidiary undertaking

	Current value		Cost	
	1999 £000	1998 £000	1999 £000	1998 £000
Shares in subsidiary undertaking	7,944	7,542	6,926	6,926

Shares in subsidiary undertaking represents the company's investment in 6,500,000 ordinary shares of £1 each in its wholly owned subsidiary, Arbil International Insurance Limited, registered in the Cayman Islands, which was placed into members voluntary liquidation on 22 April 1997.

12 Other financial investments

	Current value		Cost	
	1999 £000	1998 £000	1999 £000	1998 £000
Shares and other variable yield securities	1,172	1,178	797	797
Fixed-income securities	-	7,334	-	8,078
Deposits with credit institutions	35,352	25,526	35,352	25,526
	<u>36,524</u>	<u>34,038</u>	<u>36,149</u>	<u>34,401</u>
Included in the above were investments:				
Listed on the UK Stock Exchange	-	7,334	-	8,078
Unlisted investments	<u>1,172</u>	<u>1,178</u>	<u>797</u>	<u>797</u>

Letters of credit amounting to £2,075,000 (1998: £2,052,000) have been issued by a bank on an unsecured basis on behalf of the company in order to provide security to cedants in respect of claims outstanding.

13 Debtors arising out of direct insurance operations

	1999 £000	1998 £000
Amounts owed by intermediaries	<u>53</u>	<u>762</u>

Notes (continued)

14 Other debtors

	1999 £000	1998 £000
Corporation tax recoverable	4,610	6,210
Other debtors	4	18
	<u>4,614</u>	<u>6,228</u>

15 Movement in cash, portfolio investments and financing

	At 31 December 1998 £000	Cash flow £000	Changes to market values £000	At 31 December 1999 £000
Cash at bank	2,803	195	-	2,998
Ordinary shares	1,178	-	(6)	1,172
Deposits with credit institutions	25,526	9,826	-	35,352
Fixed income securities	7,334	(7,334)	-	-
	<u>36,841</u>	<u>2,687</u>	<u>(6)</u>	<u>39,522</u>

16 Share capital

	1999 £000	1998 £000
<i>Authorised</i> 20,000,000 (1998: 20,000,000) ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
<i>Allotted, called up and fully paid</i> 20,000,000 (1998: 20,000,000) ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

Notes (continued)

17 Reserves

	Exchange revaluation reserve £000	Investment revaluation reserve £000	Profit and loss account £000	Total £000
At beginning of year	(1,479)	616	6,276	5,413
Retained profit for the year	-	-	1,817	1,817
Revaluation of investment in subsidiary undertaking	-	402	-	402
Currency translation differences	484	-	-	484
At end of year	<u>(995)</u>	<u>1,018</u>	<u>8,093</u>	<u>8,116</u>

18 Technical provisions

	Provision for unearned premiums £000	Claims outstanding £000	Total £000
Gross amount			
At beginning of year	1,060	33,192	34,252
Exchange gain	-	175	175
Movement in the provision	(1,055)	(4,175)	(5,230)
Gross amount at 31 December 1999	<u>5</u>	<u>29,192</u>	<u>29,197</u>
Reinsurance amount			
At beginning of year	5	4,737	4,742
Exchange (loss)/gain	-	48	48
Movement in the provision	(3)	(2,084)	(2,087)
Reinsurers' share at 31 December 1999	<u>2</u>	<u>2,701</u>	<u>2,703</u>

Under the Insurance Companies (Reserves) Act 1995, the company is required to establish equalisation reserves for certain classes of business underwritten, subject to de minimis exemptions. At 31 December 1999 the equalisation provision amounted to £96,000 (1998: £267,000) and due to the immateriality of the amount is included in claims outstanding. The effect of the movement of this provision during the year was an increase in the balance on the general business technical account and profit before tax of £171,000 (1998: decrease - £73,000) and an increase in shareholders' funds of £120,000 (1998: decrease - £50,000).

Notes *(continued)*

19 Creditors arising out of direct insurance operations

	1999 £000	1998 £000
Amounts owed to intermediaries	314	215
	<u> </u>	<u> </u>

20 Other creditors including taxation and social security

	1999 £000	1998 £000
Amounts due to parent undertaking	21	195
Other creditors	51	168
Corporation tax payable	2,665	2,970
	<u> </u>	<u> </u>
	2,737	3,333
	<u> </u>	<u> </u>

21 Reconciliation of profit before tax to net cash outflow from operating activities

	1999 £000	1998 £000
Operating profit on ordinary activities before tax	2,631	5,446
Realised loss on investments	-	5
Unrealised loss/(gain) on investments	6	(430)
Decrease in accrued income and prepayments	413	624
Increase/(decrease) in accruals and deferred income	94	(248)
Decrease in debtors	4,027	14,660
Decrease in creditors	(2,433)	(15,415)
Decrease in technical provisions	(3,016)	(6,285)
Foreign exchange differences	484	-
	<u> </u>	<u> </u>
Net cash outflow from operating activities	(2,206)	(1,643)
	<u> </u>	<u> </u>

Notes (continued)

22 Directors interests

The interests of the directors in office at the end of the year in the shares, stock and debentures of the companies in AstraZeneca PLC ("AstraZeneca") (the ultimate holding company) were as follows:

The interests of the directors in office at the end of the financial year in the shares and debentures of AstraZeneca PLC (the ultimate parent undertaking) were as follows:

	Class of share/ debenture	Holding at 31 December 1998 (or date of appointment)	Holding at 31 December 1999
DJ Gee	AstraZeneca ordinary shares	-	-
D Taylor	AstraZeneca ordinary shares	3,692	3,145
IN Canham	AstraZeneca ordinary shares	27	27

Options to subscribe for AstraZeneca ordinary shares granted to and exercised by the directors in office at the end of the financial year were as follows:

	Shares under option at 31 December 1998 (or date of appointment)	Granted	Exercised	Shares under option at 31 December 1999
DJ Gee	-	-	-	-
D Taylor	8,647	1,849	915	9,581
IN Canham	-	-	-	-

Notes (continued)

23 Commitments

The company has a commitment to make annual rental payments of £723,000 in respect of a building lease expiring in December 2008. These payments are currently re-charged to I.C. Insurance Holdings Limited which provides management services to the company and to two related insurance companies. A proportion of lease rental payments is re-charged to the company as a component of the overall charge for management services. In 1999 the amount so charged was approximately £94,000 (1998: £123,000).

24 Related party balances and transactions

The company assumes insurance from, and cedes reinsurance to, both related and unrelated parties. During the year, transactions undertaken with the ultimate shareholders or with companies connected with the ultimate shareholders were, in aggregate, as follows:

	1999 £000	1998 £000
Gross premiums written	-	150
Claims paid	(711)	815
	<u> </u>	<u> </u>

The immediate shareholder, I.C. Insurance Holdings Limited, provides management and advisory services to the company charging a management fee for these services. Amounts charged and year end balances are shown in the accounts of I.C. Insurance Holdings Limited.

At the year end an amount of £21,000 was due to the immediate parent.

25 Ultimate parent company

The company is a subsidiary undertaking of AstraZeneca PLC which is the ultimate parent company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by AstraZeneca PLC, registered in England and Wales. The consolidated accounts of this company are available to the public and may be obtained from 15 Stanhope Gate, London W1Y 6LN. No other group accounts include the results of the company.