

No. 27204

215191

1990

**OCEAN MARINE
INSURANCE COMPANY LIMITED**

**ANNUAL
REPORT AND ACCOUNTS**

REPORT AND ACCOUNTS

DIRECTORS' REPORT

The directors submit their Report and Accounts of the Company for the year ended 31 December 1990 prepared in accordance with the provisions of the Companies Act 1985 applicable to insurance companies. In accordance with sections 366A and 252 of the Companies Act 1985, the Company passed elective resolutions on 14 December 1990 to dispense with the requirements to hold an Annual General Meeting and lay the accounts before the members at a general meeting.

PRINCIPAL ACTIVITIES

The principal activity of the Company has not changed during 1990 and continues to comprise the business of marine, aviation and transport insurance. All business is wholly reinsured with Commercial Union Assurance Company plc, a fellow wholly-owned subsidiary of the Commercial Union Group.

RESULTS

The results for the year are shown on page 3.

DIVIDENDS

The directors do not recommend the payment of any dividend for the year (1989 interim dividend £10,000,000).

SHARE CAPITAL

During the year, the Company increased its authorised and issued share capital by £500,000 for the purposes of increasing the capital base and the solvency of the Company.

DIRECTORS

The directors in office during the year were as follows:

MR J G T CARTER	
MR K N GRANT	(appointed 1 July 1990)
MR G T SPRATT	(resigned 30 June 1990)
MR J H WEBB	

MANAGEMENT

The names of the management at the date of this report are:

Group Marine Manager	MR P L EVANS, FCII
London Underwriter	MR S RUSSELL-ROSS, FCII

DIRECTORS' INTERESTS

None of the directors has an interest in the shares of the Company or any other Group company, except as shown below.

Commercial Union plc (incorporated on 9 February 1990) became the ultimate holding company of the Company on 1 June 1990, pursuant to a Scheme of Arrangement under section 425 of the Companies Act 1985, which was sanctioned by the High Court of Justice on 21 May 1990. Previously the ultimate holding company was Commercial Union Assurance Company plc.

DIRECTORS' INTERESTS (continued)

Those interests of the directors and of their families in the shares of Commercial Union plc and Commercial Union Assurance Company plc, that require disclosure under Schedule 7 paragraph 2 of the Companies Act 1985 are set out over:

Commercial Union plc

	Ordinary Shares of 25p each		Ordinary Shares of 25p each	
	31 December 1990		9 February 1990 or date of appointment	
	Shareholdings	Share Options	Shareholdings	Share Options
K N Grant	1,904	12,177	1,869	12,177
J H Webb	17,250	26,100	-	-

Commercial Union Assurance Company plc

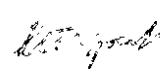
	Ordinary Shares of 25p each		Ordinary Shares of 25p each	
	31 December 1990		1 January 1990 or date of appointment	
	Shareholdings	Share Options	Shareholdings	Share Options
K N Grant	-	-	-	-
J H Webb	-	-	16,348	24,563

Mr J G T Carter is a director of the Company's ultimate holding company and under the Companies (Disclosure of directors' interests)(Exemptions) Regulations 1985 (SI 1985/802) is not required to disclose his interest in the Company's accounts. His interests can be found in the Report & Accounts of Commercial Union plc.

REAPPOINTMENT OF AUDITORS

In accordance with section 386 of the Companies Act 1985, the Company passed an elective resolution on 14 December 1990 to dispense with the obligation to appoint auditors annually. Accordingly, the Company's auditors, Coopers & Lybrand Deloitte are deemed to be reappointed.

Approved and signed on
behalf of the Board


K N Grant
Secretary

23 MAY
1991

Registered office:
St. Helen's, 1 Undershaft, London, EC3P 3DQ

THE OCEAN MARINE INSURANCE COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1990

3.

	Note	1990 £'000	1989 £'000
Investment income net of loan interest	1(b)	-	67
Operating profit before taxation		-	67
Taxation	1(d)&2	-	(23)
Operating profit after taxation		-	44
Realised investment gains		-	15,526
Profit attributable to shareholders		-	15,570
Interim dividend		-	(10,000)
Reserve transfer		-	5,570

MOVEMENT IN RESERVES
FOR THE YEAR ENDED 31 DECEMBER 1990

	Note	1990 £'000	1989 £'000
Retained profits and reserves			
Balance at 1 January		5,570	-
Profit and loss account transfer		-	5,570
Balance at 31 December		5,570	5,570
Unrealised gains on investments	1(a)		
Balance at 1 January			
Securities		-	7,318
Movement during the year net of transfers			
Securities		-	(7,318)
Balance at 31 December			
Securities		-	-

The notes on pages 5 to 6 are an integral part of these accounts.
Auditors' report - page 7.

THE OCEAN MARINE INSURANCE COMPANY LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1990

4.

	1990 £'000	1989 £'000
Share capital (note 5)	2,000	1,500
Retained profits and reserves	5,570	5,570
Shareholders' funds	7,570	7,070
Represented by:		
Investments	-	-
Cash deposits	-	17,858
Amounts due by holding company	7,570	-
	7,570	17,858
Liabilities		
Amounts due to holding company	-	(788)
Interim dividend	-	(10,000)
	7,570	7,070



Approved by the Board
on 23 MAY 1991

Director

SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1990

	1990 £'000	1989 £'000
Source of funds		
Operating profit before taxation	-	67
Realised investment gains, before taxation	-	15,526
Adjustments for:		
Decrease/(increase) in holding company balance	(8,358)	476
Tax liability assumed by holding company	-	(23)
Increase in capital	500	-
Total funds (absorbed)/generated	(7,858)	16,046
Application of funds		
Increase/(decrease) in invested funds at cost		
Ordinary shares	-	(1,812)
Cash deposits	(17,858)	17,858
Dividend paid	10,000	-
Total funds applied	(7,858)	16,046

The notes on pages 5 to 6 are an integral part of these accounts.
Auditors' report - page 7.

NOTES ON THE ACCOUNTS - 31 DECEMBER 1990

1. Accounting policies

(a) Basis of results

These accounts have been prepared in accordance with section 255 of and the special provisions relating to insurance companies of schedule 9 to the Companies Act 1985. The accounting policies adopted continue to reflect United Kingdom statements of standard accounting practice as considered appropriate for an insurance company.

The profit and loss account reflects all income and expenditure other than the unrealised gains and losses on investments which continue to be taken directly to reserves after taxation.

(b) Investment Income

Investment income comprises interest and dividends receivable for the year, after adding back any related tax credit. Expenses incurred in the management of investments are deducted from investment income.

(c) Investments

Investments in the balance sheet are stated at their stock exchange values at the end of the year. The unrealised gains less losses on investments are shown as part of shareholders' funds.

(d) Taxation

The taxation charge in the profit and loss account is based on the taxable profits for the year and the current UK Corporation Tax liability has been transferred to Commercial Union Assurance Company plc. Provision is made for deferred taxation where it is expected that a liability will crystallise in the foreseeable future.

2. Taxation

Taxation, amounting to £Nil (1989 £23,000) charged in the profit and loss account is calculated at 35% (1989 35%) on profits for the year.

The potential amount of deferred taxation on unrealised gains not expected to become a liability in the foreseeable future, for which provision has not been made, is £Nil (1989 £Nil).

3. Directors' emoluments

Directors' emoluments amounted to £Nil (1989 £Nil).

4. Auditors' remuneration

Auditors' remuneration is charged in the accounts of Commercial Union Assurance Company plc.

NOTES ON THE ACCOUNTS - 31 DECEMBER 1990 (continued)

5. Share Capital

The share capital of the Company is:	1990 £'000	1989 £'000
Authorised		
80,000 shares (1989 60,000 shares) of £25 each	<u>2,000</u>	<u>1,500</u>
Issued		
80,000 shares (1989 60,000 shares) of £25 each, fully paid	<u>2,000</u>	<u>1,500</u>

During the year, the Company increased its authorised and issued share capital by £500,000 for the purposes of increasing the capital base and the solvency of the Company.

6. Ultimate Holding Company

The ultimate holding company is Commercial Union plc which is incorporated in England.

REPORT OF THE AUDITORS TO THE MEMBERS OF
THE OCEAN MARINE INSURANCE COMPANY LIMITED

We have audited the accounts on pages 3 to 6 in accordance with Auditing Standards.

In our opinion the accounts have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to insurance companies.

London, 2

Coopers & Lybrand Deloitte

Chartered Accountants

COOPERS & LYBRAND DELOITTE
INITIALLED FOR
IDENTIFICATION PURPOSES
ONLY

C.H.D. per M.E. DATE 16/5/91.....