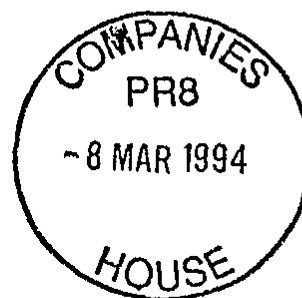


ROYAL REINSURANCE COMPANY LIMITED
A MEMBER OF THE ROYAL INSURANCE GROUP

REPORT AND ACCOUNTS

1993



Company Registration Number: 100097

ROYAL REINSURANCE COMPANY LIMITED

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ROYAL REINSURANCE COMPANY LIMITED

DIRECTORS

Directors

R A Elms

Chairman

S A Atkins

T J Brown

L N Campbell

R A Gamble

R O Hudson

G A Richards

Secretary

D J Morgan

Registered Office:

34/36 Lime Street,
London, EC3M 7JE

ROYAL REINSURANCE COMPANY LIMITED

DIRECTORS' REPORT

The Directors present to the Members the Accounts of the Company for the year 1993, together with their Report.

Principal Activity

The principal activity of the Company is the transaction of general reinsurance business.

Review of the Year

As described in Note 1 on the Accounts, with effect from 1st January 1993, the Company transferred to the holding company, Royal Insurance plc, its UK general reinsurance business together with all assets and liabilities.

On 31st December 1993 the Company transferred its Canadian branch reinsurance business to Royal Insurance Company of Canada.

As described in Note 6 on the Accounts, on 24th November 1993 the Company sold its subsidiary Royal Re American Holdings Inc. (now known as Sydney Reinsurance Corporation) to a subsidiary of the QBE Insurance Group.

Share Capital

On 14th May 1993, 20,000,000 ordinary shares of £1 each were allotted and issued to the holding company for cash at a premium of £1.50 per share.

On 16th September 1993, 8,000,000 ordinary shares of £1 each were allotted and issued to the holding company for cash at a premium of £1.50 per share.

Future Developments

Following the restructure the Company will continue to write reinsurance business, where profitable opportunities exist, through its branches in Belgium and Singapore.

Result and Dividends

The loss for the year, after providing for UK and overseas taxation, was £1,248,000.

No dividend for the year will be paid.

ROYAL REINSURANCE COMPANY LIMITED

DIRECTORS' REPORT

Directors

The names of the Directors holding office at 31st December 1993 and their interests in the capital of the ultimate holding company, Royal Insurance Holdings plc, as at 1st January 1993, or date of appointment where later, and 31st December 1993 as recorded in the register maintained by the Company in accordance with the provisions of Section 325 of the Companies Act 1985 were as follows :

Fully paid shares of 25p each

	<u>At 1.1.93</u>		<u>At 31.12.93</u>
Mr S A Atkins (appointed 22.11.93)	2,776	** +	2,776 **^
Mr T J Brown (appointed 1.11.93)	2,137	** +	2,137 **^
Mr L N Campbell (appointed 22.11.93)	Nil	** +	Nil **^
* Mr R A Elms	-		-
* Mr R A Gamble	-		-
Mr R O Hudson (appointed 22.11.93)	987	** +	987 **^
Mr G A Richards (appointed 22.11.93)	Nil	** +	Nil **^

* Director of the ultimate holding company Royal Insurance Holdings plc. Interests in shares are recorded in the Directors' Report of that Company.

** These figures exclude share options (shown in the next table).

ROYAL REINSURANCE COMPANY LIMITED

DIRECTORS' REPORT

In addition the following Directors, who were not also directors of the ultimate holding company, have options to subscribe for shares of 25p each granted under the terms of employee share option schemes as follows:

	Fully paid shares of 25p each			Options during the year	
	<u>At 1.1.93</u>		<u>At 31.12.93</u>	<u>Granted</u>	<u>Exercised</u>
Mr S A Atkins	94,273	+	94,273	^	Nil
Mr T J Brown	153,136	+	153,136	^	Nil
Mr L N Campbell	104,856	+	104,856	^	Nil
Mr R O Hudson	99,477	+	99,477	^	Nil
Mr G A Richards	Nil	+	Nil	^	Nil

+ At date of appointment.

^ As adjusted for the Rights Issue.

Sir John Cuckney resigned as Director and Chairman of the Company with effect from 22nd January 1993. Mr R A Elms was appointed Chairman of the Company on 22nd January 1993.

Messrs J P Barber and A W Hill resigned as Directors of the Company with effect from 31st October 1993.

Mr T J Brown was appointed a Director of the Company with effect from 1st November 1993. Messrs S A Atkins, L N Campbell, R O Hudson and G A Richards were appointed Directors of the Company with effect from 22nd November 1993.

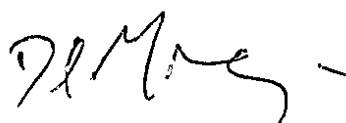
According to the aforementioned register no Director was at any time during the year interested in the shares of the Company or in the shares or debentures of any subsidiary of the ultimate holding company.

There is no requirement under the Company's Articles of Association for Directors to retire, by rotation or otherwise, at an annual general meeting.

Auditors

The Company's Auditors are Coopers & Lybrand. In accordance with the Companies Act 1989 the Company has dispensed with the appointment of Auditors annually.

By Order of the Board



Mr D J Morgan

Secretary

London, 17 February 1994

ROYAL REINSURANCE COMPANY LIMITED

ACCOUNTING POLICIES

The financial statements are prepared in accordance with UK accounting standards. The Company, being a wholly owned subsidiary whose parent company prepares consolidated accounts, has taken advantage of Section 228 of the Companies Act 1985 in not preparing consolidated accounts. There were no material changes in accounting policy.

a) Translation and Conversion of Foreign Currencies

Revenue transactions in foreign currencies are translated to sterling at approximately the average rates of exchange ruling during the year and assets and liabilities at the rates ruling at the end of the year.

The exchange adjustments resulting from the translation of assets and liabilities and gains and losses on the conversion of remittances are dealt with in Retained Profits and Reserves.

b) General Insurance Result

The Underwriting Balance is net of reinsurance and after making provision for unearned premiums and outstanding claims.

Proportional treaty and facultative business written in Belgium is accounted on a deferred annual basis. For non proportional treaty business written in Belgium, no underwriting balance is arrived at until the end of the third year. All other business is accounted on an annual basis.

Premiums are accounted for when related risks commence and include estimates where the amounts are not determined at the Balance Sheet date.

Acquisition expenses attributable to unearned premiums are deferred.

Investment Income included in the General Insurance Result represents the earnings from the investment of the Insurance Funds. As there is no specific segregation of the assets the amount shown is an allocation from appropriate categories of investment income.

c) Investment Income

Investment Income is net of related expenses and interest payable.

ROYAL REINSURANCE COMPANY LIMITED

ACCOUNTING POLICIES

d) Taxation

UK and Overseas 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. UK tax in respect of overseas subsidiaries is based on dividends received.

Deferred taxation is calculated on the liability method and consists of the estimated taxation, or relief from taxation, which is expected to arise in the foreseeable future from material timing differences: expected future rates of tax are used where applicable. Credit is taken for relief for trading losses only to the extent that the Directors anticipate that profits will absorb such losses in the foreseeable future.

Tax payable or recoverable on the realisation of investments is dealt with in Retained Profits and Reserves.

e) Insurance Funds

Insurance Funds include provisions and reserves as defined by the Companies Act 1985: in the Balance Sheet they are adjusted to year-end exchange rates. They comprise unearned premiums, outstanding claims and open year funds.

Unearned Premiums represent the proportion of written premiums relating to periods of insurance subsequent to the Balance Sheet date, calculated on a pro-rata basis.

Outstanding Claims comprise the estimated cost of claims incurred, whether reported or not and not settled at the balance sheet date, after deduction of salvage and other recoveries. Differences between the estimated cost and subsequent settlement are dealt with in the revenue account in later years. Open year funds include the net balance arising from transactions which have been recorded in respect of underwriting periods for which a result has not yet been determined.

Consideration is given to the overall adequacy of each of the Insurance Funds and a provision is made if the funds are inadequate to cover known and anticipated liabilities arising from open years.

ROYAL REINSURANCE COMPANY LIMITED

ACCOUNTING POLICIES

d) Investments

Investments are shown at market value, for which purpose unlisted investments, mortgages and loans are included at Directors' valuation. Profits and losses on the investment realisations are dealt with in Retained Profits and Reserves.

g) Fixtures, Fittings and Equipment

This item comprises computers, office equipment, machinery, motor cars, furniture and fittings which are capitalised and depreciated over periods not exceeding their useful life.

h) Subsidiaries

Subsidiaries are valued in the Balance Sheet at the Company's shareholding proportion of their net assets (including investments at market value) plus the net indebtedness of the subsidiaries of the Company in respect of any loans and current balances.

i) Investment Fluctuation Account / Revaluation Reserve

In the Balance Sheet the fluctuation account represents the difference between cost and market value of investments. Deferred taxation provided for on unrealised gains expected to arise in the foreseeable future is charged to this account.

The above items, together with the corresponding difference in respect of the Subsidiary, comprise the Revaluation Reserve.

j) Companies Act 1985

The Accounts are drawn up in compliance with Section 255 of, and Schedule 9A to, the Companies Act 1985.

ROYAL REINSURANCE COMPANY LIMITED

REVENUE AND PROFIT & LOSS ACCOUNTS

for the year ended 31st December 1993

	Notes	1993 £000	1992 £000
REVENUE ACCOUNT			
Premiums Written	2, 3	24,983	150,657
Premiums Earned		25,350	152,618
Claims Incurred	3	15,886	156,120
Commission and Expenses	4	8,605	44,723
		24,491	200,843
Underwriting Balance		859	(48,225)
Investment Income allocated to General Insurance Funds		1,307	11,120
General Insurance Result		2,166	(37,105)
PROFIT & LOSS ACCOUNT			
General Insurance Result		2,166	(37,105)
Investment Income	5	1,307	12,136
Allocated to General Insurance Funds		(1,307)	(11,120)
Attributable to Capital & Reserves		-	1,016
Loss on disposal of subsidiary	6	(4,284)	-
Profit/(Loss) before Taxation	2	(2,118)	(36,089)
UK and Overseas Taxation	8	870	365
Profit/(Loss) after Taxation		(1,248)	(35,724)
Transfer from Retained Profits		(1,248)	(35,724)

The notes on pages 13 to 22 are an integral part of these accounts.

ROYAL REINSURANCE COMPANY LIMITED

**MOVEMENTS IN CAPITAL & RESERVES INCLUDING STATEMENT OF
SHAREHOLDER RECOGNISED GAINS**

for the year ended 31st December 1993.

	1993 £000	1992 £000
Capital and Reserves at 1st January	39,115	56,269
Movements in year		
Recognised Gains/(Losses)		
Realised Gains/(Losses)	13,302	(5,741)
Unrealised Gains/(Losses)	(18,027)	8,085
	(4,725)	2,344
Exchange	(711)	1,212
Taxation on Reserve Movements	(870)	14
Capital Surplus for the year	(6,306)	3,570
Profit/(Loss) for the period	(1,248)	(35,724)
Total Shareholder Recognised Gains / (Losses) for the year	(7,554)	(32,154)
Increase in Share Capital	28,000	5,000
Increase in Share Premium	42,000	10,000
Change in Capital & Reserves	62,446	(17,154)
Capital & Reserves at 31st December	101,561	39,115

The notes on pages 13 to 22 are an integral part of these accounts.


ROYAL REINSURANCE COMPANY LIMITED

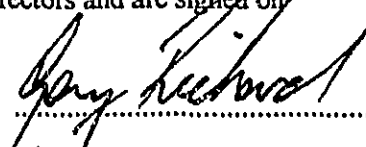
BALANCE SHEET

as at 31st December 1993

	Notes	1993 £000	1992 £000
CAPITAL & RESERVES			
Share Capital:			
Authorised £100m. Issued (70,000,000 shares of £1, fully paid)		70,000	42,000
Share Premium Account		57,373	15,373
Retained Profit & Reserves		(25,831)	(36,304)
Investment Fluctuation Account / Revaluation Reserve		19	18,046
Shareholders Funds		101,561	39,115
LIABILITIES			
Insurance Funds:			
Unearned Premiums	12	5,292	40,445
Outstanding Claims	12	20,578	193,078
		25,870	233,523
Sundry Liabilities & Provisions	10	2,451	21,730
		129,882	294,368
Represented by :			
ASSETS			
Liquid Investments :			
British Government Securities			7,529
Overseas Government Securities		2,674	57,879
Local Authority Securities			6,988
Corporate Bonds		816	38,995
Ordinary Stocks & Shares			13,108
Cash on Deposit		7,031	24,865
		10,521	149,364
Mortgages & Loans			266
Shares in Subsidiaries			47,237
Shares in Fellow Subsidiaries		4,751	-
Other Assets	11	114,610	97,501
		129,882	294,368

The accounts on pages 7 to 22 were approved today by the Board of Directors and are signed on its behalf by :


.....
Director


.....
Director

London, 17 February 1994

The notes on pages 13 to 22 are an integral part of these accounts.

ROYAL REINSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS

1. Group Restructure

With effect from 1st January 1993, the Company transferred to Royal Insurance plc its UK general reinsurance business together with all assets and liabilities. The investments were transferred at the value at which they were established in the books of account of Royal Reinsurance Company Limited.

The rights of the policyholders have not been affected by this transfer as their policies remain with Royal Reinsurance Company Limited until renewal. On renewal policies will be issued in the name of Royal Insurance plc.

Under the terms of the transfer agreement Royal Insurance plc has guaranteed to Royal Reinsurance Company Limited to meet the cost of claims from policyholders arising on all policies written in the name of Royal Reinsurance Company Limited.

On 31st December 1993 the Company transferred its Canadian branch reinsurance business to Royal Insurance Company of Canada.

2. Profit / (Loss) before Taxation

	1993			1992		
	Continuing Operations	Business transferred to other Group companies	Total	Continuing Operations	Business transferred to other Group companies	Total
	£000	£000	£000	£000	£000	£000
Premiums Written	19,557	5,426	24,983	11,820	138,837	150,657
Premiums Earned	19,759	5,591	25,350	11,825	140,793	152,618
Claims Incurred	11,933	3,953	15,886	10,527	145,593	156,120
Commission and Expenses	6,745	1,860	8,605	4,528	40,195	44,723
Underwriting Balance	1,081	(222)	859	(3,230)	(44,995)	(48,225)
Investment Income	422	885	1,307	495	11,641	12,136
Loss on disposal of subsidiary	(4,284)	-	(4,284)	-	-	-
Profit / (Loss) before Taxation	(2,781)	663	(2,118)	(2,735)	(33,354)	(36,089)

ROYAL REINSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS (Continued)

3. General Insurance

		1993 £000	1992 £000
General Insurance Revenue			
Premiums Written	- gross	26,914	199,386
	- reinsurance	(1,931)	(48,729)
	- net	24,983	150,657
Claims Incurred	- gross	17,336	310,724
	- reinsurance	(1,450)	(154,604)
	- net	15,886	156,120

At year-end rates of exchange the premiums written were £23,543,000 (1992 £201,968,000).

4. Commission and Expenses

		1993 £000	1992 £000
This item in the Revenue Account comprises:			
Commission		7,041	34,349
Expenses		1,374	10,017
Including:			
Depreciation	36	357	
Operating lease rentals - premises	28	1,597	
Taxes other than on Profits	34	100	
		8,415	44,366
Adjustment for deferred acquisition costs		190	357
		8,605	44,723

ROYAL REINSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS (Continued)

5. Investment Income

	1993 £000	1992 £000
Gross investment income	1,307	12,935
Less:		
Expenses	-	(281)
	1,307	12,654
Less:		
Interest payable on loans	-	(518)
	1,307	12,136

6. Disposal of Subsidiary

In November 1993 the Company sold the entire share capital of Royal Re American Holdings Inc. to a subsidiary of the QBE Insurance Group for a cash consideration of US\$59,000,000 (£39,333,000) resulting in a loss on disposal of US\$6,425,000 (£4,284,000).

ROYAL REINSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS (Continued)

7. Segmental analysis of reinsurance business by Premiums Written, Profit before Taxation and Net Assets.

	1993 £000	1992 £000
Gross Premiums Written : by destination (Location of risk / cedant)		
Americas	6,212	56,527
Europe	13,182	62,951
UK	-	23,018
Far East and Australasia	7,404	33,414
Others	116	23,476
	26,914	199,386
Gross Premiums Written : by origin (Location of writing operation)		
Americas	6,071	6,014
Europe	13,623	186,765
Far East and Australasia	7,220	6,607
	26,914	199,386
Profit/(Loss) before taxation		
Americas	663	193
Europe	(2,773)	(35,512)
Far East and Australasia	(8)	(770)
	(2,118)	(36,089)
Net Assets as at 31st December		
Americas	-	3,987
Europe	99,826	34,046
Far East and Australasia	1,735	1,082
	101,561	39,115

ROYAL REINSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS (Continued)

8. Taxation

	1993 £000	1992 £000
The amount for UK and Overseas Taxation in the Profit and Loss Account comprises:		
UK Taxation		
Corporation Tax	(55)	1,516
Trading losses utilised	925	-
	870	1,516
Imputed tax on franked investment income	-	(39)
	870	1,477
Overseas Taxation	-	(175)
Advance Corporation Tax written off	-	(937)
	870	365
UK Corporation Tax for the current year included above and in the provision for taxation is based on a rate of 33% (1992 - 33%).		
Included in the above are:		
Deferred Taxation	-	3
Prior year adjustments	-	(470)
	-	(467)

9. Taxation - Shareholders' Balance Sheet

	1993 £000	1992 £000
The net potential amount of deferred taxation not expected to crystallise in the foreseeable future and for which credit has not been taken is :		
On unrealised appreciation/depreciation in net balance sheet value of investments and associated undertakings	3	1,373
On trading losses	-	(10,740)
On other timing differences	-	(124)
	3	(9,491)

The Company is not a close company for taxation purposes, and there has been no change in this respect since the end of the year.

ROYAL REINSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS (Continued)

10. Sundry Liabilities and Provisions

	1993 £000	1992 £000
Reserves withheld from Reinsurers	-	2,064
Amounts payable to policyholders, intermediaries and insurance companies	2,422	16,920
Amounts payable to Group companies	-	91
Sundry credit balances	29	2,655
	2,451	21,730

11. Other Assets

	1993 £000	1992 £000
Reserves retained by Cedants	1,259	23,305
Amounts receivable from policyholders, intermediaries and insurance companies	6,946	42,578
Deferred acquisition costs	553	4,688
Fixtures, fittings and equipment	36	1,342
Interest and dividends accrued	49	3,678
Tax recoverable	-	3,652
Amounts receivable from Group companies	105,136	17,004
Sundry debit balances	198	506
Cash on current account	433	748
	114,610	97,501

ROYAL REINSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS (Continued)

12. General Insurance Funds

		1993 £000	1992 £000
Unearned Premium Reserve			
- gross		5,353	44,624
- reinsurance		(61)	(4,179)
- net		5,292	40,445
Outstanding Claims			
- gross		21,980	353,643
- reinsurance		(1,402)	(160,565)
- net		20,578	193,078

Unearned Premium Reserve and Outstanding Claims are stated at the year-end rates of exchange.
The total funds were £25,870,000 (1992 £233,523,000)

13. Exchange Rates

In respect of the major overseas currencies the rates of exchange used in these financial statements are :

	Revenue 1993	Revenue 1992	Assets/ Liabilities 1993	Assets/ Liabilities 1992
US Dollar	1.50	1.77	1.48	1.51
Japanese Yen	167.00	223.50	165.10	189.00
Deutsche Mark	2.48	2.75	2.57	2.45
Singapore Dollar	2.43	2.87	2.38	2.49
Belgian Franc	51.92	56.66	53.40	50.30

The net adjustments resulting from the translation of assets and liabilities and the conversion of remittances are as follows :

	1993 £000	1992 £000
Investments	279	16,330
Insurance Funds	(426)	(29,925)
Other assets and liabilities	(564)	14,807
Change in Exchange Reserve	(711)	1,212

ROYAL REINSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS (Continued)

14. Auditors' Remuneration

The remuneration of the Auditors for audit was £22,195 (1992 £65,617) and for non-audit services to the Company was £Nil (1992 £21,378).

15. Directors' Remuneration

	1993	1992
The emoluments of the Directors were as follows:	£	£
For services as Directors	250	12,000
For other services	166,569	168,148
Pension fund contributions	21,975	18,780
Other emoluments	10,260	7,155
	199,054	206,083

The emoluments of executive Directors include, where earned, performance bonuses relating to the previous year. In addition compensation paid to Directors for loss of office amounted to £142,190 (1992 Nil).

Of the Directors who discharged their duties wholly or mainly in the United Kingdom the emoluments, excluding pension fund contributions, were:

	1993	1992
Chairman : Sir John Cuckney to 22nd January 1993	£250	£4,000
Chairman : R A Elms from 22nd January 1993	£Nil	£Nil
Highest paid Director	£90,698	£90,759
Other Directors by scale		
£0 up to £5,000	6	4
Exceeding £80,000 up to £85,000	1	1
" £85,000 up to £90,000	1	-

The charge for Directors' remuneration has been borne by the Parent Company.

16. Contingent Liabilities

Other than in the normal course of reinsurance business the Company had no material contingent liabilities as at 31st December 1993.

ROYAL REINSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS (Continued)

17. Leases

Annual commitments under non-cancellable operating leases were as follows :

	Land and Buildings 1993 £000	Land and Buildings 1992 £000	Other 1993 £000	Other 1992 £000
Repayable as follows :				
1 year or less	-	-	-	47
Between 2 and 5 years	-	30	-	74
After 5 years	-	1,795	-	-
	-	1,825	-	121

All material leases of land and buildings are subject to rent review periods of between three and five years.

18. Asset Valuation

The basis of valuation of investments in the accounts is set out in the accounting policies on page 9. The Directors have considered the value at 31st December 1993 of the remaining assets of the Company without actually revaluing them, and are satisfied that these assets are worth in total not less than the aggregate amount at which they are stated in the accounts.

ROYAL REINSURANCE COMPANY LIMITED

NOTES ON THE ACCOUNTS (Continued)

19. Cash Flow

As permitted by FRS1, it is not considered appropriate or meaningful to include within the Financial Statements a Cash Flow Statement as the Company is a wholly owned subsidiary.

20. General Business Guarantee

UK Group Companies transacting general insurance and reinsurance business have entered into an arrangement whereby they mutually guarantee to meet and discharge all their general insurance and reinsurance business obligations.

21. Holding Company

The Company's ultimate holding company is Royal Insurance Holdings plc, registered in England and Wales. The parent of the smallest group for which accounts including Royal Reinsurance Company Limited are drawn up is Royal Insurance plc registered in England and Wales.

Copies of the accounts for each of these companies can be obtained from the Registered Office as noted on Page 3 of these accounts.

ROYAL REINSURANCE COMPANY LIMITED

STATEMENTS OF RESPONSIBILITIES AND AUDITORS' REPORT

DIRECTORS' RESPONSIBILITIES

The Directors are required to present for each accounting period financial statements which have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to insurance companies. In preparing the financial statements, suitable accounting policies, framed by reference to reasonable and prudent judgements and estimates, have to be used and applied consistently. Applicable accounting standards also have to be followed subject to any material departures being disclosed and explained in the notes to the financial statements. The Directors are required to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business. The Directors are also responsible for maintaining adequate accounting records so as to enable them to ensure the safeguarding of assets of the Company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS TO THE MEMBERS OF ROYAL REINSURANCE COMPANY LIMITED

We have audited the financial statements on pages 7 to 22.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described above the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

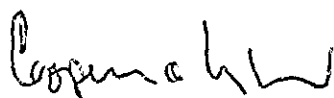
BASIS OF OPINION

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



Coopers & Lybrand

Chartered Accountants and Registered Auditors

Liverpool, 17 February 1994