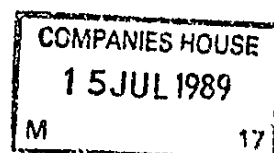


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WILLIS FABER & DUMAS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987



WILLIS FABER & DUMAS LIMITED

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DIRECTORS

R.J. Elliott - Chairman
R.B. Keville
D.H. Payne
J.V.H. Robins
R.M. Salter
J.N.W. Wooderson
S.R. Harrap
G.R. Jones
P.J. Osborn
H.V. White-Smith
R.G.W. Dixon
M.D.T. Faber
M.A. Hedley
M.C. White
R.W. Barklam
J.H. Aarvold
M.H. Duder
R.H. Gayner
C.N.F. Methven
J.M.P. Taylor
J.P. Turner
R.J. White
M.H. Woods
E.J.S. Garrett
A.D.M. Proctor
D.N. Slade (non-executive)
R.S. Gray
H. Purchase
W. Tresadern

SECRETARY

M.P. Chitty

REGISTERED OFFICE

Ten Trinity Square,
London EC3P 3AX

AUDITORS

Ernst & Whinney
Chartered Accountants,
Becket House,
1 Lambeth Palace Road,
London SE1 7EU

REPORT OF THE DIRECTORS

The directors present their report, together with the financial statements for the year ended 31 December 1987.

ACTIVITY AND REVIEW OF DEVELOPMENTS

The Company is a Lloyd's Broker engaged in international insurance and reinsurance broking. The Company places risks with underwriters in both the London market and other international markets.

The return of excess capacity and resurgent competition have produced a sharp and unexpected downturn in premium, brokerage, and consequently profit in many divisions. In the circumstances the performance in 1987 was reasonably satisfactory.

Following the completion of the merger between the Company's parent Willis Faber p.l.c. and Stewart Wrightson Holdings p.l.c. the group's broking activities were reorganised with effect from 1 January 1988. The Company is now responsible for the Willis Faber group's international wholesale and reinsurance business. The Company acquired from Willis Wrightson Limited (formerly Stewart Wrightson Limited) its wholesale and reinsurance business and transferred to that company its UK retail insurance broking business.

PROFITS AND DIVIDENDS

The profit on ordinary activities after taxation and extraordinary items amounted to £12,888,000.

An interim dividend of £5,000,000 was paid on 24 November 1987.

A final dividend of £7,089,000 has been recommended.

TANGIBLE ASSETS

Details of the tangible assets are shown in note 14 on page 13.

During the year another Company within the Willis Faber Group purchased certain of the Company's fixed assets. The assets were leased back to the Company.

EMPLOYEES PARTICIPATION

During the year increased emphasis has been placed on communicating with all employees. Monthly briefing sessions are held with senior directors who in turn brief their management teams about current issues and business performance. Management in turn hold regular briefing sessions with their staff. The Board is also placing increased emphasis on written communication direct to all employees to support the briefing process.

The policy of encouraging participation in the financial performance of the Group through employee share ownership continues.

DISABLED EMPLOYEES

It is the Board's policy that disabled people receive equal opportunities and are not discriminated against on the grounds of their disability. Every opportunity is made for employees who become disabled to continue their employment or for them to be trained for other positions within the Group.

All practicable efforts are made to facilitate the participation of disabled employees in the training and career development programmes.

REPORT OF THE DIRECTORS (continued)

DIRECTORS

The present directors are named on page 1. The directors who held office throughout the year were:-

R.J. Elliott
R.B. Keville
D.H. Payne
J.V.H. Robins
R.M. Salter
J.N.W. Wooderson
S.R. Harrap)
G.R. Jones) appointed
P.J. Osborn) 1 October 1987
H.V. White-Smith
R.G.W. Dixon
M.D.T. Faber
M.A. Hedley
M.C. White
R.W. Barklam

J.H. Aarvold
M.H. Duder
R.H. Gayn
C.N.F. Methven
J.M.P. Taylor
J.P. Turner
R.J. White
M.H. Woods
E.J.S. Garrett
A.D.M. Proctor
D.N. Slade - appointed 31 July 1987
R.S. Gray)
H. Purchase) appointed
W. Tresadern) 1 October 1987

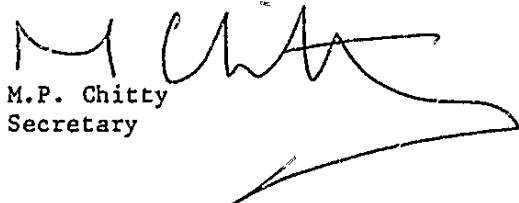
R.N. Bowes, D.J. Martin, H.M. Turvill and D.G. Shaw resigned as directors of the Company with effect from 30 November 1987.

Details of directors' interests in shares and contracts are shown in note 30 on pages 19 and 20.

AUDITORS

The auditors, Ernst & Whinney, have signified their willingness to continue in office and their reappointment will be put to the members at the Annual General Meeting in accordance with Section 384 of the Companies Act 1985.

By Order of the Board


M.P. Chitty
Secretary

6 April 1988
Ten Trinity Square
London EC3P 3AX

WILLIS FABER & DUMAS LIMITED

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REPORT OF THE AUDITORS TO THE MEMBERS OF WILLIS FABER & DUMAS LIMITED

We have audited the financial statements set out on pages 5 to 20 in accordance with approved auditing standards. The financial statements have been prepared under the historical cost convention.

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1987 and of the profit and source and application of funds for the year then ended and comply with the Companies Act 1985.

Ernst & Whinney
Chartered Accountants
London.

6 April 1988

WILLIS FABER & THOMAS LIMITED

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PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1987

	Notes	1987 £000	1986 £000
Turnover	4	100,136	101,258
Other Income	5	19,503	20,137
		<hr/>	<hr/>
		119,639	121,395
Expenses	6	95,310	87,969
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	8	24,329	33,426
Tax on profit on ordinary activities	11	8,863	12,832
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		15,466	20,594
Extraordinary items	12	(2,578)	(157)
		<hr/>	<hr/>
Profit on Ordinary activities after Taxation and Extraordinary Items		12,888	20,437
Dividends	13	12,089	22,761
		<hr/>	<hr/>
PROFIT/(LOSS) RETAINED	27	799	(2,324)
		<hr/>	<hr/>

The notes on pages 8 to 20 form part of these financial statements.

WILLIS FABER & DUMAS LIMITED

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BALANCE SHEET AT 31 DECEMBER 1987

	Notes	1987 £000	1986 £000
FIXED ASSETS			
Tangible Assets	14	5,478	8,113
Investments	15	866	865
		<hr/> 6,344	<hr/> 8,978
CURRENT ASSETS			
Debtors	19	279,144	334,924
Investments	20	109,567	105,141
Cash at bank and in hand		67,321	36,278
		<hr/> 456,032	<hr/> 476,343
CURRENT LIABILITIES			
Creditors : falling due within one year	21	435,048	455,225
		<hr/>	<hr/>
NET CURRENT ASSETS		<hr/> 20,984	<hr/> 21,118
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<hr/> 27,328	<hr/> 30,096
Less:			
CREDITORS : falling due after more than one year.	22	11,975	12,122
PROVISIONS FOR LIABILITIES AND CHARGES			
	25	1,207	3,109
		<hr/> 14,146	<hr/> 14,865
CAPITAL AND RESERVES			
Called up share capital	26	1,000	1,000
Profit and loss account	27	13,146	13,865
		<hr/> 14,146	<hr/> 14,865

Approved on behalf of the Board on 6 April 1988.

R.J. Ellicott
Director

J.V.H. Robins
Director

The notes on pages 8 to 20 form part of these financial statements.

WILLIS FABER & DUMAS LIMITED

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1987

	1987 £000	1986 £000
SOURCE OF FUNDS		
Operations:		
Profit on ordinary activities before taxation	24,329	33,426
Extraordinary items before taxation	(3,967)	(157)
Items not involving movement of funds:		
Depreciation	2,062	140
Funds generated from operations	22,424	33,409
Funds from other sources:		
Increase/(Decrease) in creditors falling due after more than one year (excluding intra group companies)	4,134	(673)
Disposals of: tangible assets	590	14,380
fixed asset investments	14	-
	27,162	47,116
APPLICATION OF FUNDS		
Dividends	19,761	16,442
Taxation	15,009	11,640
Goodwill written off	1,500	-
Purchases of: tangible assets	17	8,206
fixed asset investment	16	-
subsidiary companies	17	618
	36,320	36,906
(DECREASE)/INCREASE IN WORKING CAPITAL	(9,158)	10,210
Movements in working capital:		
Decrease/(Increase) in trade creditors	30,474	(37,845)
(Decrease)/Increase in trade debtors	(51,774)	43,580
	(21,300)	5,735
(Increase)/Decrease in other creditors	(2,740)	935
Increase/(Decrease) in other debtors	5,787	(2,292)
(Decrease) in balances with other group companies	(25,377)	(10,580)
(Increase)/Decrease in bank loans and overdrafts	(997)	4,929
Increase in cash and current investments	35,469	11,483
	(9,158)	10,210

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987

1. The Company is a wholly-owned subsidiary of Willis Faber p.l.c., a company incorporated in England.

2. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved at a meeting of directors held on 6 April 1988.

3. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Section 227 of, and Schedule 4 to, the Companies Act 1985.

- (i) Retained brokerage

The Company takes credit for brokerage income at the date when the insured is debited or at the inception date of the policy, whichever is the later. Brokerage on return and additional premiums and adjustments is brought into account as and when these occur.

- (ii) Rates of exchange

Assets and liabilities in foreign currencies are translated into sterling at the rates ruling at the Company's balance sheet date or, in the case of forward contracts in respect of current year's income, at the contracted rate. Differences arising from trading activities are dealt with in the profit and loss account.

- (iii) Tangible assets

Tangible assets are shown at cost less accumulated depreciation. Depreciation is calculated on a straight line basis at rates estimated to write down the value of assets over their expected useful lives. Assets are depreciated with effect from their first completed month in use. The rates generally used are:

Freehold and long leasehold properties:

Land	Nil
Buildings	2 per cent per annum
Leasehold properties under 50 years	Over remaining period of lease
Furniture and equipment	14 to 25 per cent per annum
Motor vehicles	25 per cent per annum

- (iv) Deferred taxation

The Company provides for deferred taxation at the rates at which it is expected the liability will crystallise, in respect of the excess of capital allowances over depreciation and other timing differences. It is anticipated that the timing differences will ultimately be reversed.

- (v) Goodwill

Purchased goodwill is written off directly against reserves as it arises.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

3. ACCOUNTING POLICIES (continued)

(vi) Pensions

The Group's pension contributions, based on the most recent advice from the Group's actuaries, are sufficient to secure the benefits of the Group's pension schemes.

(vii) Insurance debtors/creditors

In the ordinary course of insurance broking business, settlement is required to be made with certain market settlement bureaux or insurance intermediaries on the basis of the net balance due to or from the bureau or intermediary in question rather than the amounts due to or from the individual third parties which it represents. This basis of settlement is reflected in the amounts included in insurance broking debtors and creditors.

4. TURNOVER

Brokerage:

The table below analyses the Company's net retained brokerage by the accounting address of the client from whom the business is derived. This does not necessarily reflect the original source or location of the business.

	1987 £000	1986 £000
UK	43,900	42,823
North and South America	25,381	25,598
Europe	15,487	13,723
Asia and Pacific (including Australasia)	11,365	14,274
Middle East and Africa	4,003	4,840
	<hr/> 100,136	<hr/> 101,258

5. OTHER INCOME

Income from fixed asset investments	1	1
Income from shares in group companies	289	261
Income from shares in associated companies	-	1
Other investment income	12,398	12,883
Management charges	6,815	6,991
	<hr/> 19,503	<hr/> 20,137

6. EXPENSES

Employees (note 7)	54,988	50,156
Depreciation	2,062	140
Interest payable	509	663
Other operating charges	37,741	37,007
Loss on Sale of Fixed Assets	10	3
	<hr/> 95,310	<hr/> 87,969

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

7. EMPLOYEES

The average number of employees during the year was 3,390 (1986 3,442)

	1987 Number	1986 Number
Employed in the Company's activities	<u>3,000</u>	<u>3,048</u>
Seconded to U.K. subsidiaries of Willis Faber p.l.c.	<u>390</u>	<u>394</u>
	1987 £000	1986 £000

Total employee costs before reimbursement by fellow subsidiaries during the year consisted of :

Wages and salaries	50,589	44,619
Social security costs	4,925	4,209
Other pension costs	7,392	7,498
	<u>62,906</u>	<u>56,326</u>

Employee costs net of amounts reimbursed by fellow subsidiaries during the year consisted of :

Wages and salaries	44,433	39,936
Social security costs	4,248	3,655
Other pension costs	6,307	6,565
	<u>54,988</u>	<u>50,156</u>

Note:

Certain of the Company's employees are seconded to work for U.K. subsidiaries of Willis Faber p.l.c. and the Company is reimbursed for those employees salaries, social security and pension costs.

8. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1987 £000	1986 £000
--	--------------	--------------

The profit on ordinary activities before taxation is arrived at after charging:

Directors' emoluments (note 9)	3,523	2,810
Auditors' fees and expenses	197	189
Operating lease rentals		
Hire of machinery and equipment	3,042	3,596
and after crediting:		
Income from listed investments	1	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

9. DIRECTORS' REMUNERATION

The remuneration of the directors of the company (excluding pension contributions) was:

	1987 £	1986 £
Chairman (1 January to 30 November 1987)	159,548	165,690
Chairman (1 December to 31 December 1987)	9,499	-
Highest paid director	166,216	Chairman
Other Directors:	Number	Number
NIL	3	1
£ 15,001 - £20,000	1	-
£ 25,001 - £30,000	2	1
£ 30,001 - £35,000	2	1
£ 35,001 - £40,000	-	-
£ 40,001 - £45,000	-	-
£ 50,001 - £55,000	-	-
£ 55,001 - £60,000	-	2
£ 60,001 - £65,000	1	2
£ 65,001 - £70,000	1	7
£ 70,001 - £75,000	-	3
£ 75,000 - £80,000	1	-
£ 80,000 - £85,000	3	-
£ 85,000 - £90,000	4	-
£ 90,001 - £95,000	5	2
£ 95,001 - £100,000	1	-
£100,001 - £105,000	1	-
£110,001 - £115,000	3	2
£115,001 - £120,000	1	1
£120,001 - £125,000	2	2
£160,001 - £165,000	-	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

10. EMOLUMENTS OF HIGHER PAID EMPLOYEES

During the year the following number of employees received emoluments (excluding pension contributions) in excess of £30,000.

	1987 Number	1986 Number
£30,001 - £35,000	51	47
£35,001 - £40,000	34	29
£40,001 - £45,000	26	20
£45,001 - £50,000	16	17
£50,001 - £55,000	25	10
£55,001 - £60,000	13	12
£60,001 - £65,000	8	-
£65,001 - £70,000	9	-
£70,001 - £75,000	4	-
£75,001 - £80,000	2	-
£80,001 - £85,000	-	1
£85,001 - £90,000	1	1
£90,001 - £95,000	2	-
£110,001 - £115,000	1	-

11. TAXATION

	1987 £000	1986 £000
Charge for the year:		
UK Corporation Tax	9,827	13,641
Overseas taxation	2	2
Deferred taxation	(813)	(811)
Over provision in previous years	(153)	-
	<u>8 863</u>	<u>12,832</u>

Note:

UK Corporation Tax has been calculated at a rate of 35% (1986 36.25%) on the profit on ordinary activities for the year.

12. EXTRAORDINARY ITEMS

	1987 £000	1986 £000
Profit on sale of fixed asset investment	1	-
Loan written off	-	(157)
Merger Costs	(3,968)	-
	<u>(3,967)</u>	<u>(157)</u>
Taxation	1,389	-
	<u>(2,578)</u>	<u>(157)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

13. DIVIDENDS	1987 £000	1986 £000
Interim paid (500p per share)	5,000	8,000
Final proposed (708.9p per share)	7,089	14,761
	<u>12,089</u>	<u>22,761</u>

14. TANGIBLE ASSETS

	Short leasehold property £000	Furniture, equipment and vehicles £000	Total £000
Cost:			
1 January	65	13,135	13,200
Disposals	(27)	(704)	(731)
Inter-company purchases	-	35	35
31 December	<u>38</u>	<u>12,466</u>	<u>12,504</u>
Depreciation:			
1 January	20	5,067	5,087
Provision for year	5	2,057	2,062
Disposals	(12)	(129)	(141)
Inter-company purchases	-	18	18
31 December	<u>13</u>	<u>7,013</u>	<u>7,026</u>
Net book value 31 December	<u>25</u>	<u>5,453</u>	<u>5,478</u>
15. FIXED ASSET INVESTMENTS		1987 £000	1986 £000
Shares in Subsidiary companies (note 16)		825	826
Shares in Associated companies (note 17)		25	25
Other investments (note 18)		16	14
		<u>866</u>	<u>865</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

16. SHARES IN SUBSIDIARY COMPANIES

	£000
Cost :	
1 January	826
Additions	-
Disposals	(1)
	<hr/>
Cost and Net Book Value 31 December 87	825
	<hr/>

Note:

Consolidated accounts have not been prepared as the Company is itself a wholly-owned subsidiary. In the opinion of the directors, the value of the shares in the subsidiaries is not less than the amount shown in the Balance Sheet.

17. SHARES IN ASSOCIATED COMPANIES

	£000
Cost 1 January	25
	<hr/>
Cost and Net book value 31 December	25
	<hr/>

Note:

At 31 December 1987 the Company held more than 10 per cent of the equity share capital of the following company:-

	Where registered or incorporated	Class of Share	Percentage of share capital held	Cost less amounts written-off £000
	<hr/>	<hr/>	<hr/>	<hr/>
EMPLOYEE BENEFIT CONSULTANTS				
Pension and Investment Consultants Limited	Ireland	'B' Shares of fl each	25%	25
				<hr/>

Note:

As the Company is a wholly-owned subsidiary, its share of the retained profits of the associated companies will be reflected in the accounts of the holding company.

WILLIS FABER & DUMAS LIMITED

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

18. OTHER INVESTMENTS	1987 £000	1986 £000
Cost at 1 January	14	14
Additions	16	-
Disposals	(14)	-
Cost and Net Book Value 31 December	16	14
19. DEBTORS		
Due within one year:		
Trade debtors	243,849	298,441
Amounts owed by subsidiary companies	383	435
Amounts owed by group companies	14,686	24,656
Prepayments and accrued income	7,578	4,602
Other	4,774	1,963
	271,270	330,097
Due after more than one year:		
Trade debtors	7,544	4,726
Amounts owed by group companies	330	101
	7,874	4,827
	279,144	334,924
20. CURRENT ASSET INVESTMENTS		
Building Society Deposits	127	124
Bills and Certificates of deposits	109,440	105,017
	109,567	105,141

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

	1987 £000	1986 £000
21. CREDITORS - falling due within one year		
Trade creditors	376,029	406,503
Amounts owed to group companies	18,802	3,251
Taxation	10,164	11,483
Income tax	1,014	896
Social security	699	635
Accruals and deferred income	7,446	2,034
Proposed dividend	7,089	14,761
Other	3,682	6,536
Bank loans and overdrafts (note 23)	10,123	9,126
	<hr/>	<hr/>
	435,048	455,225
	<hr/>	<hr/>

Note:

In connection with certain US dollar business, deposits and other cash balances amounting to £57,537,954 (1986 - £49,184,702) are, in compliance with the requirement of the Corporation of Lloyd's, subject to a charge in favour of a Trustee for insurance broking creditors amounting to £192,307,830 (1986 - £219,061,000).

	1987 £000	1986 £000
22. CREDITORS - falling due after more than one year		
Trade creditors	8,471	4,727
Amounts owed to other group companies	149	116
Taxation	2,913	7,227
Accruals and deferred income	442	52
	<hr/>	<hr/>
	11,975	12,122
	<hr/>	<hr/>

23. BANK LOANS AND OVERDRAFTS

Overdrafts	10,123	9,126
	<hr/>	<hr/>
	10,123	9,126
	<hr/>	<hr/>

Note:

The bank overdrafts reflect balances recorded in the books of the company, and do not represent amounts on which bank interest is charged. The Company did not have any bank loans outstanding at 31 December 1987.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

	1987 £000	1986 £000
24. LEASE COMMITMENTS		
Finance leases :		
Obligations :		
falling due within one year	305	692
falling due within two to five years	4	989
	<hr/> 309	<hr/> 1,681
Less: finance charges	20	225
	<hr/> 289	<hr/> 1,456
Operating leases :		
Payments committed to be made within one year:		
Land and Buildings :		
Expiry of lease :		
falling due within one year	14	74
falling due within two to five years	133	98
falling due after five years	76	63
	<hr/> 223	<hr/> 235
Other :		
Expiry of lease :		
falling due within one year	4	-
falling due within two to five years	1,118	979
	<hr/> 1,122	<hr/> 979
25. DEFERRED TAXATION		
Balance at 1 January	3,109	3,920
Willis Faber Bridgman acquisition	8	-
Other	(1,097)	-
Transfer to profit and loss account:	(813)	(811)
	<hr/> 1,207	<hr/> 3,109
Balance at 31 December		
In respect of:		
Capital allowances	1,900	2,824
Other timing differences	(693)	285
	<hr/> 1,207	<hr/> 3,109

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

	1987 £000	1986 £000
26. SHARE CAPITAL AS AT 31 DECEMBER		
Authorised, allotted, issued and fully paid: 1,000,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
27. PROFIT AND LOSS ACCOUNT		
Balance at 1 January	13,865	16,189
Acquisition	(18)	-
Goodwill written off	(1,500)	-
Retained profit/(loss) for the year	799	(2,324)
	<hr/>	<hr/>
Balance at 31 December	<u>13,146</u>	<u>13,865</u>
28. CAPITAL EXPENDITURE COMMITMENTS	£000	£000
Expenditure contracted for	<u>-</u>	<u>-</u>
29. CONTINGENT LIABILITIES		
Guarantees to Bankers	<u>23</u>	<u>24</u>

The Company has given in the ordinary course of its business certain indemnities in respect of marine certificates of insurance issued by underwriters. No liability arose during the year or in the preceding year in respect of these indemnities.

The Company has contingent liabilities in respect of Letters of Indemnity given to its bankers for duplicate drafts amounting to £169,434 (1986 - £225,246).

The Company has given guarantees to a number of Lloyd's Syndicates in respect of Direct Dealing Motor business placed by non-Lloyd's brokers with those Syndicates. The guarantees, in respect of premiums due to Underwriters from such non-Lloyd's brokers, amount to £101,904 (1986 - £76,186).

The Company has given an indemnity to the Lloyd's Underwriters Claims Reinsurance Office in respect of the acceptance by LUCRO of copies of the original policy. These indemnities amount to £69,126 (1986 - £69,126).

The Company has given an indemnity to one of its Lloyd's broking subsidiaries. No liability arose during the year in respect of this indemnity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

30. DIRECTORS' INTERESTS
Shares

The undermentioned directors who held office on 31 December 1987 and whose interests are not reported in the accounts of the Company's holding company Willis Faber p.l.c. had the following interests in the ordinary shares of 12½p each of Willis Faber p.l.c.

	1 January 1987 (or date of appointment)	31 December 1987
H.V. White-Smith	50,069	50,157
	12,975 *	12,975 *
R.G.W. Dixon	24,761	3,437
	34,960 *	59,389 *
M.D.T. Faber	302,037	301,145
	65,949 *	90,738 *
M.A. Hedley	19,665	19,753
	34,036 *	58,465 *
M. C. White	8,869	8,957
	31,877 *	56,306 *
R.W. Barklam	893	281
	13,704 *	13,704 *
J.H. Aarvold	69	157
	35,753 *	60,182 *
M.H. Duder	69	157
	39,694 *	64,123 *
R.H. Gayner	15,469	4,057
	45,670 *	62,451 *
C.N.F. Methven	69	10,222
	31,282 *	55,711 *
J.M.P. Taylor	14,653	13,906
	30,593 *	57,492 *
J.P. Turner	69	157
	26,979 *	26,979 *
R.J. White	2,479	3,010
	24,047 *	24,047 *
M.H. Woods	11,637	11,725
	34,172 *	58,601 *
E.J.S. Garrett	69	5,157
	38,022 *	62,451 *
A.D.M. Proctor	7,069	10,157
	31,496 *	28,966 *
D.N. Slade	3,981	3,981
(appointed 31 July 1987)	16,923 *	* 16,923 *
R.S. Gray	157	157
(appointed 1 October 1987)	18,686 *	19,921 *
H. Purchase	9,013	10,867
(appointed 1 October 1987)	20,604 *	-
W. Tresadern	19,699	19,699
(appointed 1 October 1987)	16,467 *	5,217 *

* Indicates shares under option schemes

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 1987 (continued)

30. DIRECTORS' INTERESTS (continued)

Contracts

- (i) The undermentioned directors and where applicable persons connected with them (as defined in section 346 of the Companies Act 1985) who held office during and at the end of the year are Underwriting Members of Lloyd's through the agency of Willis Faber & Dumas (Agencies) Limited ("WFDA") a member of the Willis Faber Group.

R.N. Bowes
R.J. Elliott
R.B. Keville
H.M. Turvill
Mrs C.A. Keville
J.V.H. Robins
D.H. Payne
J.N.W. Wooderson
R.G.W. Dixon
H.V. White-Smith
M.D.T. Faber
Mrs M.D.T. Faber

R.S. Gray
M.A. Hedley
Mrs A.C. Hedley
M.C. White
R.W. Barklam
J.H. Aarvold
M.H. Duder
C.N.F. Methven
J.M.P. Taylor
J.P. Turner
R.J. White
M.H. Woods

D.N. Slade
E.J.S. Garrett

WFDA receives a fee in respect of each of the above relating to of his or her membership of Lloyd's.

Fees exceeding £5,000 were payable to WFDA during 1987 by the following directors including, where applicable, connected persons (as defined above):

R.N. Bowes	£17,792	J.H. Aarvold	£6,119
R.J. Elliott	£5,363	R.G.W. Dixon	£5,675
H.M. Turvill	£5,806	M.D.T. Faber	£6,579
J.N.W. Wooderson	£8,031	M.A. Hedley	£6,489
H.V. White-Smith	£5,459	E.J.S. Garrett	£12,588

R.M. Salter, R.H. Gayner, Mrs. G.M. Garrett (a connected person as defined above), A.D.M. Proctor, S.R. Harrap, the Hon Mrs S.R. Harrap (a connected person as defined above), P.J. Osborn, H. Purchase and W. Tresadern are also Underwriting Members of Lloyd's.

- (ii) The Company and other insurance broking subsidiaries of the Willis Faber Group place risks with the Syndicates, in which the directors, or connected persons (as defined above) participate, in the normal course of their broking activities on the same basis as they do with other Lloyd's Syndicates.