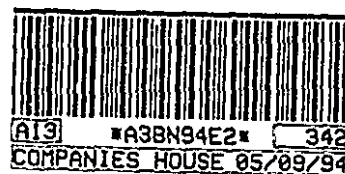


ZURICH INSURANCE COMPANY (U.K.) LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1993



ZURICH INSURANCE COMPANY (U.K.) LIMITED

DIRECTORS

D W White, ACII
E Lucas
F R Hall, ACII, M Inst M
D L C Lee, FCA
A W Ridding, ACII
A W Harvey FCII (Appointed 3.5.94)
B J Howett, BComm., FCA (Appointed 3.5.94)
R W Muir, LLB, ACII (Appointed 3.5.94)

SECRETARY

M J Chandler, BSc, ACIS

AUDITORS

Grant Thornton
Chartered Accountants
Enterprise House
Isambard Brunel Road
Portsmouth
Hampshire PO1 2RZ

BANKERS

The Royal Bank of Scotland Plc
5-10 Great Tower Street
London
EC3P 3HX

REGISTERED OFFICE

Zurich House
Stanhope Road
Portsmouth
Hampshire
PO1 1DU

Registered in England No 376989

ZURICH INSURANCE COMPANY (U.K.) LIMITED

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report and the Accounts of the Company for the year ended 31 December 1993.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is an insurance company but has not carried out any trading activities during the year.

DIRECTORS

The Directors are listed on page 2.

Messrs A W Harvey, B J Howett and R W Muir were appointed as Directors on 3 May 1994.

Shareholdings

Throughout the year E Lucas, F R Hall, D L C Lee and A W Ridding had a joint interest in 100 Ordinary Voting shares of the Company.

The Directors held no beneficial interests in the shares of other Group Companies during the year.

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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 of the company 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ZURICH INSURANCE COMPANY (U.K.) LIMITED

REPORT OF THE DIRECTORS (continued)

AUDITORS

Grant Thornton, having offered themselves for reappointment as Auditors shall be deemed to be reappointed for the next financial year in accordance with section 386 of the Companies Act 1985.

BY ORDER OF THE BOARD

Zurich House
Stanhope Road
Portsmouth
Hampshire
PO1 1DU



M J Chandler
Secretary

20 June 1994

ZURICH INSURANCE COMPANY (U.K.) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1993

	<u>Note</u>	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
Investment Income	3	82	71
Taxation	4	(28)	(24)
Profit after taxation		54	47
Retained profit brought forward		1,751,533	1,751,486
Retained profit carried forward		<u>£1,751,587</u>	<u>£1,751,533</u>

The notes on pages 7 and 8 form part of these accounts.

ZURICH INSURANCE COMPANY (U.K.) LIMITED

BALANCE SHEET
31. DECEMBER 1993

	<u>Note</u>	<u>1993</u> <u>£</u>	<u>1992</u> <u>£</u>
FIXED ASSETS			
Investments	5	1,900,000	1,900,509
CURRENT ASSETS			
Other debtors	7		11
Cash at bank	1,670		1,098
	<u>1,677</u>		<u>1,109</u>
CREDITORS			
Amounts falling due within one year	6	10	5
NET CURRENT ASSETS			
		<u>1,667</u>	<u>1,104</u>
		<u>£1,901,667</u>	<u>£1,901,613</u>
CAPITAL AND RESERVES			
Called up share capital	8	150,080	150,080
Profit and loss account		<u>1,751,587</u>	<u>1,751,533</u>
		<u>£1,901,667</u>	<u>£1,901,613</u>

The financial statements were approved by the Board on 20 June 1994.


..... Director

D W White

The notes on pages 7 and 8 form part of these accounts.

ZURICH INSURANCE COMPANY (U.K.) LIMITED

NOTES TO THE ACCOUNTS

1. HOLDING COMPANY

The Company is a member of the Zurich Insurance Group, whose ultimate holding company is Zurich Insurance Company incorporated in Switzerland.

2. DIRECTORS' EMOLUMENTS

No remuneration has been paid to the Directors during the year.

3. INVESTMENT INCOME

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Interest on listed investment	71	71
Profit on sale of listed investment	11	-
Total	<u>£82</u>	<u>£71</u>

4. TAXATION

Tax charged in the Profit and Loss account represents Corporation Tax at 33%.

5. INVESTMENTS

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Loan to group undertaking	1,900,000	1,900,000
Listed investment	-	509
	<u>£1,900,000</u>	<u>£1,900,509</u>

The loan to group undertaking is interest free and is not repayable until 1 January 1995 at the earliest.

ZURICH INSURANCE COMPANY (U.K.) LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1993</u>	<u>1992</u>
Corporation Tax	£10	£ 5

7. EXPENSES OF MANAGEMENT

Expenses of Management, including Audit Fees of £250 have been borne by Zurich Insurance Company.

8. SHARE CAPITAL

	<u>1993</u>	<u>1992</u>
	<u>£</u>	<u>£</u>
Authorised:		
250,000 Ordinary Shares of £1 each	250,000	250,000
Issued:		
100 Ordinary Voting Shares of £1 each, fully paid	100	100
100 Ordinary Shares of £1 each, fully paid	100	100
249,800 Ordinary Shares of £1 each, 60p paid	149,880	149,880
	<u>£150,080</u>	<u>£150,080</u>

ZURICH INSURANCE COMPANY (U.K.) LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF ZURICH INSURANCE COMPANY (U.K.) LIMITED

We have audited the financial statements on pages 5 to 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3 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 explanation 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 as applicable to insurance companies.



Grant Thornton
Registered Auditor
Chartered Accountants
Enterprise House
Isambard Brunel Road
Portsmouth
Hampshire PO1 2RZ

20 June 1994