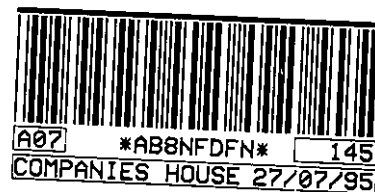


FAIRFAX HOUSE SECURITIES LIMITED

REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1994



FAIRFAX HOUSE SECURITIES LIMITED

DIRECTORS

D W White, ACII
B J Howett, BComm., FCA (Appointed 3.5.94)
D L C Lee, FCA (Resigned 3.5.94)

SECRETARY

M J Chandler, BSc, ACIS

AUDITORS

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

REGISTERED OFFICE

Zurich House
Stanhope Road
Portsmouth
Hampshire
PO1 1DU

Registered in England No 732430

FAIRFAX HOUSE SECURITIES LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting the thirty-first Annual Report and the Accounts of the Company for the year ended 31 December 1994.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The Company is an investment company but has not engaged in any transactions during the year.

DIRECTORS

The directors are listed on page 2.

D L C Lee resigned from the Board on 3 May 1994 and B J Howett was appointed in his place.

Shareholdings

Throughout the year D L C Lee held a joint interest in 100 Voting shares in Zurich Insurance Company (U.K.) Limited, together with three other persons.

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.

FAIRFAX HOUSE SECURITIES LIMITED

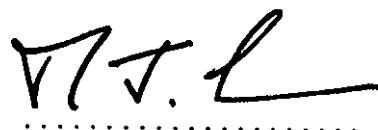
REPORT OF THE DIRECTORS (continued)

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

12 June 1995

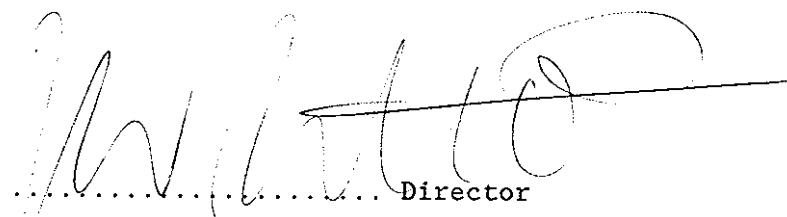
FAIRFAX HOUSE SECURITIES LIMITED

BALANCE SHEET
31 DECEMBER 1994

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
CURRENT ASSETS		
Amount due from group undertaking	£797,956	£797,956
	<hr/>	<hr/>
CAPITAL AND RESERVES		
Authorised: 110,000 Ordinary Shares of £1 each	£110,000	£110,000
	<hr/>	<hr/>
Issued: 107,000 Ordinary Shares of £1 each	107,000	107,000
Share Premium account	693,000	693,000
Investment reserve (adverse balance)	(2,044)	(2,044)
	<hr/>	<hr/>
	£797,956	£797,956
	<hr/>	<hr/>

The Company was dormant (within the meaning of section 250 of the Companies Act 1985) throughout the year ended 31 December 1994.

The financial statements were approved by the Board on 12 June 1995.


..... Director

D W White

The notes on page 6 form part of these accounts.

FAIRFAX HOUSE SECURITIES LIMITED

NOTES TO THE ACCOUNTS

1. HOLDING COMPANY

The Company is a member of the Zurich Insurance Group, being a wholly owned subsidiary whose ultimate holding company is Zurich Insurance Company, a limited company incorporated in Switzerland.

2. DIRECTORS' EMOLUMENTS

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

FAIRFAX HOUSE SECURITIES LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF FAIRFAX HOUSE SECURITIES LIMITED

We have audited the financial statements on pages 5 to 6.

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 of evidence relevant to the amounts and disclosures in the financial statements.

We planned and performed our audit so as to obtain all 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 at 31 December 1994 and have been properly prepared in accordance with the Companies Act 1985.



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

12 June 1995