

Fairfax House Securities Limited

Registered in England No. 732430

**Fairfax House
Securities Limited**

**Directors' Report
and Financial Statements**

31 December 1997



Fairfax House Securities Limited

DIRECTORS

D W White, ACII
B J Howett, BComm FCA

COMPANY SECRETARY

M J Chandler, BSc ACIS

REGISTERED OFFICE

Zurich House
Stanhope Road
Portsmouth
Hampshire
PO1 1DU

Registered in England No. 732430

DIRECTORS' REPORT

The directors present their annual report together with the financial statements for the year ended 31 December 1997.

Principal activity and review of the business

The Company has not traded during the year.

Directors and directors' interests

The directors who held office during the year are listed on page 2.

None of the directors had any disclosable interest in the shares of the Company.

By order of the Board

A handwritten signature in dark ink, appearing to read 'M J Chandler', is written over a horizontal dashed line.

M J Chandler
Secretary

16 April 1998

Zurich House
Stanhope Road
Portsmouth
Hampshire
PO1 1DU

Fairfax House Securities Limited

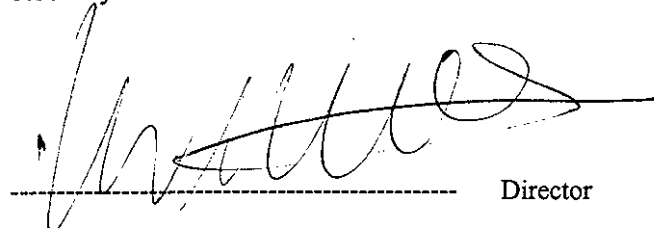
Balance sheet
as at 31 December 1997

	Note	<u>1997</u> £	<u>1996</u> £
Current assets			
Debtors	5	797,956	797,956
Net current assets		<u>797,956</u>	<u>797,956</u>
Capital and reserves			
Called up share capital	6	107,000	107,000
Share premium account		693,000	693,000
Retained earnings		(2,044)	(2,044)
Shareholders' funds		<u>797,956</u>	<u>797,956</u>

The Company was dormant (within the meaning of Section 250 of the Companies Act 1985) throughout the year ended 31 December 1997.

We acknowledge our responsibilities for ensuring that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the Company.

These financial statements were approved by the Board of Directors on 16 April 1998, and were signed on its behalf by:



Director

D W White

The notes on page 5 form part of these accounts.

NOTES ON THE ACCOUNTS

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the provisions of Schedule 4 of the Companies Act 1985 and in accordance with applicable accounting standards using the historical cost accounting rules.

2. HOLDING COMPANY

The Company is a subsidiary undertaking of Zurich Insurance Company which is incorporated in Switzerland.

3. PROFIT AND LOSS ACCOUNT

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during these years the Company made neither a profit or a loss.

4. DIRECTORS' EMOLUMENTS

No remuneration was payable to the directors during the year.

5. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Amount due from parent undertaking	<u>797,956</u>	<u>797,956</u>

6. SHARE CAPITAL

	<u>1997</u> £	<u>1996</u> £
Authorised:		
110,000 ordinary shares of £1 each	<u>110,000</u>	<u>110,000</u>
Issued and fully paid:		
107,000 ordinary shares of £1 each	<u>107,000</u>	<u>107,000</u>