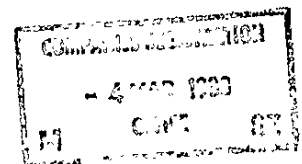


ABBEY LIFE DEVELOPMENTS LIMITED
DIRECTORS' REPORT AND ACCOUNTS 1987



ABBAY LIFE DEVELOPMENTS LIMITED

DIRECTORS' REPORT

The Directors present their report for the period 15 April 1987 to 31 December 1987.

ACCOUNTS

The Directors submit the audited balance sheet at 31 December 1987.

PRINCIPAL ACTIVITIES AND BUSINESS DEVELOPMENTS

The Company was formed to provide financial and investment services but has not traded during the period.

DIRECTORS AND THEIR INTERESTS

The Board of Directors during the period was:

Instant Companies Limited		appointed 15 April 1987 and resigned 10 August 1987
M L Hephher	Chairman)	
D A Baggaley)	appointed 10 August 1987
P Sheth)	

According to the register kept for the purpose, none of the Directors has or has had at any time during the year any interest in the share capital of the Company. Details of the Directors' interests in the ordinary shares of 5p each of Abbey Life Group plc, the Company's holding company, are shown below or disclosed in the accounts of Abbey Life Group plc. The interests include shares held and the options granted under the relevant share option schemes adopted by Abbey Life Group plc.

	At 15 April 1987 or date of appointment if later			At 31 December 1987		
	Shares Held	Share Options		Shares Held	Share Options	
		Employee Share Option Scheme	Savings Related Share Option Scheme		Employee Share Option Scheme	Savings Related Share Option Scheme
D A Baggaley	2,000	49,293	2,242	2,000	49,293	2,242
P Sheth	-	32,426	4,567	-	32,426	4,567

At 31 December 1987 the Directors whose interests are disclosed above held 81,719 share options in the Employee Share Option Scheme and 6,809 share options in the Savings Related Share Option Scheme. These options are exercisable as follows:

Employee Share Option Scheme			Savings Related Share Option Scheme		
Number of Shares	Option Price	Exercisable Period	Number of Shares	Option Price	Exercisable Period
44,444	180p	July 1988 to July 1995	4,567	162p	August 1990 to January 1991
25,510	196p	May 1989 to May 1996	2,242	165p	January 1992 to June 1992
11,765	255p	May 1990 to May 1997			

DIVIDENDS

The Directors do not propose to pay a dividend to the shareholders in respect of the year 1987.

CHANGE OF NAME

The Company was formed on 15 April 1987 under the name of Remoteview Limited. This was changed to its present name with effect from 27 August 1987.

AUDITORS

Ernst & Whinney have indicated their willingness to continue in office and a resolution to reappoint them will be proposed at the next general meeting at which accounts are laid before the shareholders.

By order of the Board


.....
P Sheth - Secretary

Date: 22 January 1988

Abbey Life House
80 Holdenhurst Road
Bournemouth BH8 8AL

Company registration number: 2123239

ABBAY LIFE DEVELOPMENTS LIMITED
BALANCE SHEET AT 31 DECEMBER 1987

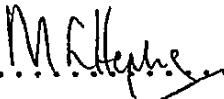
1987
£

CURRENT ASSETS

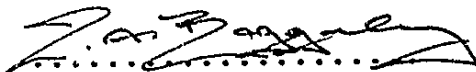
Debtors - falling due within one year	100
Amounts due from group companies	

CAPITAL AND RESERVES

Called up share capital (note 2)	
Allotted and fully paid	
100 ordinary shares of £1 each	100

..........

M L Hephher - Chairman



D A Baggaley - Director

Date: 22 January 1988

NOTES TO THE ACCOUNTS

1. The Company did not transact any business in the period to 31 December 1987; accordingly, no profit and loss account has been prepared.
2. The initial issued and fully paid share capital was £2. On 30 September 1987 a further 98 shares of £1 each were issued to bring the share capital to £100.

The authorised share capital is 1000 ordinary shares of £1 each.
3. The Company is a wholly owned subsidiary of Abbey Life Group plc, a company incorporated in Great Britain.

ABBEY LIFE DEVELOPMENTS LIMITED

REPORT OF THE AUDITORS TO THE MEMBERS OF
ABBEY LIFE DEVELOPMENTS LIMITED

We have audited the accounts set out on page 3 in accordance with approved auditing standards. The accounts have been prepared under the historical cost convention.

In our opinion the balance sheet gives a true and fair view of the state of affairs of the Company at 31 December 1987 and complies with the Companies Act 1985.

Ernst & Whinney
.....
Ernst & Whinney
Chartered Accountants
Southampton

Date: 22 January 1988