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1989

COMMERCIAL UNION (NO.18) LIMITED
REPORT AND ACCOUNTS

DIRECTORS' REPORT

The directors submit their Report and Accounts of the Company for the year ended 31 December 1989, prepared in accordance with the provisions of the Companies Act 1985. The Annual General Meeting of the Company will be held on 12 January 1990.

PRINCIPAL ACTIVITIES

The Company did not trade throughout the year.

DIRECTORS

The directors in office during the year were as follows:-

MR R S ASPINWALL
MR K N GRANT

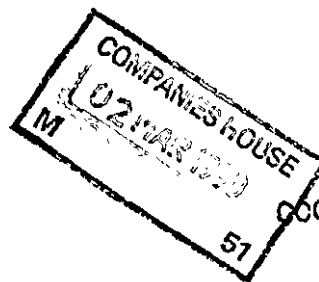
DIRECTORS' INTERESTS

None of the directors has an interest in the shares of the Company or its fellow subsidiaries.

Those interests of the directors and of their families in the shares of the ultimate holding company, Commercial Union Assurance Company plc, that require disclosure under Schedule 7 paragraph 2 of the Companies Act 1985 are set out below:

	Ordinary Shares of 25p each			
	31 December 1989		1 January 1989	
	Shareholdings	Share Options	Shareholdings	Share Options
R S Aspinwall	2,367	-	1,779	-
K N Grant	1,470	11,331	763	3,184

Share Options relate to options to subscribe for shares made under the Commercial Union Assurance Company plc's 1986 Savings Related Share Option Scheme and the 1987 Executive Share Option Scheme.



COOPERS & LYBARD
INITIALED FOR
IDENTIFICATION

ARC
per C. L. 12.1.90.

REAPPOINTMENT OF AUDITORS

It will be proposed at the Annual General Meeting that a Special Resolution be passed in accordance with section 252 of the Companies Act 1985 to give the Company an exemption from the requirement to appoint auditors.

By order of the Board

P G GRAM
Secretary
12 January 1990

Registered office:
St Helen's, 1 Undershaft, London, EC3P 3DQ

ON 12 JAN 1990
RECEIVED
12 JAN 1990
GRC
12.1.90

BALANCE SHEETAT 31 DECEMBER 1989

	1989 £	1988 £
CURRENT ASSETS		
Debtors		
Amounts owed by group companies	<u>2</u>	<u>2</u>
CAPITAL AND RESERVES		
Called up share capital (note 3)	<u>2</u>	<u>2</u>

Approved by the Board
on

12 JAN 1990

[Signature] Director
[Signature] Director

London

NOTES ON THE ACCOUNTS

1. The accounts have been prepared under the historical cost convention.
2. The ultimate holding company is Commercial Union Assurance Company plc (Incorporated in England).
3. The Company has an authorised share capital of 100 ordinary shares of £1 each, of which 2 shares have been allotted, called, and fully paid up.
4. All expenses have been borne by the ultimate holding company.
5. The Company did not trade during the period and has made neither profits nor losses, consequently no profit and loss account has been prepared.
6. Directors' emoluments amounted to £Nil (1988 £Nil).
7. Auditors' remuneration is charged in the accounts of the ultimate holding company.

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Ph. C. ... 12.1.90

REPORT OF THE AUDITORS TO THE
MEMBERS OF COMMERCIAL UNION (NO.18) LIMITED

We have audited the above balance sheet and notes to the accounts in accordance with Auditing Standards.

In our opinion the above balance sheet and notes to the accounts give a true and fair view of the state of the Company's affairs as at 31 December 1989, and have been properly prepared in accordance with the Companies Act 1985.

Copas & Lyford

London, 12 JAN 1990

Chartered Accountants

WRC

PERCE

12.1.90