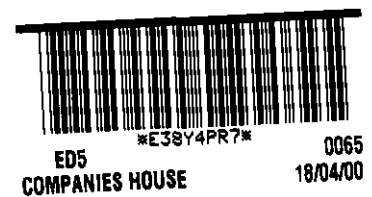


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Concourse Skelmersdale Limited
Report and Accounts for the Year Ended 31st December 1999

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Concourse Skelmersdale Limited
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DIRECTORS

D Jordison

N A Pearce

D Price

A D Strang

P A Rangecroft

Appointed 20th December 1999

Resigned 20th December 1999

Secretary and registered office

A Kaye

60 St Mary Axe

London

EC3A 8JQ

Concourse Skelmersdale Limited
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DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 1999

The Directors present their report and the audited financial statements for the year ended 31st December 1999.

Significant developments and principal activities

The principal activity of the Company is to act as general partner to The Skelmersdale Limited Partnership based in the UK. The Directors do not anticipate any change in the nature of activities in the foreseeable future.

On the 26th November 1999 the Company's intermediate parent company, Threadneedle Asset Management Limited was placed into members voluntary liquidation pursuant to Section 110 of the Companies Act 1985. The businesses, assets and liabilities of Threadneedle Asset Management Limited and its subsidiaries were acquired by Scudder Kemper Holdings (U.K.) Limited on 26th November 1999. On the same date, Scudder Kemper Holdings (U.K.) Limited changed its name to Scudder Investments Holdings Limited. In consideration for this transfer Scudder Investments Holdings Limited issued 268,801,909 £1 ordinary shares to Zurich Financial Services (UKISA) Limited.

Each of the companies named above form part of the Zurich Financial Services Group and as such the ownership of the relevant businesses remained and continues to be held within the Zurich Financial Services Group.

Review of business

The level of business and the financial position at the end of the year are satisfactory and the Directors expect this level of activity to continue for the foreseeable future.

Results and dividends

The profit and loss account for the year is set out on page 7. The Directors do not recommend a dividend (1998: £nil).

Year 2000

A programme to ensure that the Year 2000 date changes does not disrupt the Company's operations started in early 1997. During 1999, the programme continued to progress in line with the Directors' expectations. This programme is based on a detailed risk assessment that includes such areas as continuity of supplied services, contingency planning and health and safety as well as in-house individual computer systems. The overall cost of this programme was £2.1 million. As a result of this programme, the Year 2000 date change did not disrupt any of the Company's operations.

Directors and Secretary

The names of the Directors and Secretary are listed on page 2.

Concourse Skelmersdale Limited
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Directors' interests

The Company is a subsidiary of Zurich Financial Services, a company incorporated in Switzerland which is owned as to 57% by Zurich Allied AG, incorporated in Switzerland and as to 43% by Allied Zurich p.l.c. incorporated in England and Wales. Neither Zurich Allied AG nor Allied Zurich p.l.c. falls within the definition of a holding company in Section 736, Companies Act 1985. None of the Directors are interested in any shares or debentures of Zurich Financial Services.

Fixed assets

The Company contributed 0.5% of the capital of The Skelmersdale Limited Partnership. Details of the Company's investments are disclosed in note 6 to the accounts.

Directors' responsibilities

The following statement sets out the responsibilities of the Directors in relation to the financial statements of the Company.

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 as at the end of the financial period and of the profit or loss for the financial period. In preparing those financial statements, the Directors are required to:

- select appropriate accounting policies and apply them consistently, subject to any material departures being disclosed and explained;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis, unless they consider that to be inappropriate.

The Directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for taking reasonable steps to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to the prevention and detection of fraud and other irregularities.

The Directors are required to prepare the financial statements and to provide the auditors with every opportunity to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit report.

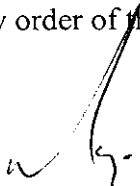
The Directors consider that they have pursued the actions necessary to meet their responsibilities as set out in this statement.

Concourse Skelmersdale Limited
Report and Accounts for the Year Ended 31st December 1999

Auditors

The Company has elected by a resolution, passed in accordance with Section 386 of the Companies Act 1985 and dated 7th May 1997, to dispense with the obligation to appoint auditors annually.

By order of the Board



A Kaye
Secretary

10th April 2000

Concourse Skelmersdale Limited
Report and Accounts for the Year Ended 31st December 1999

REPORT OF THE AUDITORS TO THE MEMBERS OF CONCOURSE SKELMERSDALE LIMITED

We have audited the financial statements on pages 7 to 12, which have been prepared under the historic cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

The Directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 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 31st December 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London

14 April 2000

Concourse Skelmersdale Limited
Report and Accounts for the Year Ended 31st December 1999

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st DECEMBER 1999

	Notes	1999 £	1998 £
Turnover		-	-
Administrative expenses – operational		(12,075)	(10,997)
Operating loss		<u>(12,075)</u>	<u>(10,997)</u>
Income from fixed asset investment	3	10,252	11,475
Bank interest receivable		757	490
(Loss) / profit on ordinary activities before taxation	4	<u>(1,066)</u>	<u>968</u>
Taxation	5	322	(303)
Retained (loss) / profit for the year		<u><u>(744)</u></u>	<u><u>665</u></u>

The movements on reserves are set out in note 10.

All results are derived from continuing operations.

There is no difference between the loss on ordinary activities for the year and the retained loss above, and their historical cost equivalents.

The Company has no recognised gains and losses other than those included in the profit and loss account above, and therefore no separate statement of recognised gains and losses has been produced.

Concourse Skelmersdale Limited
Report and Accounts for the Year Ended 31st December 1999

BALANCE SHEET
AS AT 31st DECEMBER 1999

	Notes	1999 £	1998 £
Fixed assets			
Investments	6	<u>2,500</u> 2,500	<u>2,500</u> 2,500
Current assets			
Debtors	7	4,145	3,186
Cash at bank and in hand		<u>4,097</u>	<u>20,349</u>
		8,242	23,535
Creditors:			
Amounts falling due within one year	8	(13,861)	(28,410)
Net current liabilities		<u>(5,619)</u>	<u>(4,875)</u>
Total assets less current liabilities		(3,119)	(2,375)
Net liabilities		<u>(3,119)</u>	<u>(2,375)</u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account	10	(4,119)	(3,375)
Total equity shareholders' funds	11	<u>(3,119)</u>	<u>(2,375)</u>

The financial statements on pages 7 to 12 were approved by the Board of Directors on
10th April 2000 and were signed on its behalf.



A D Strang
Director

Concourse Skelmersdale Limited
Report and Accounts for the Year Ended 31st December 1999

NOTES TO THE ACCOUNTS

1. Accounting policies

The financial statements have been prepared in accordance with the applicable Accounting Standards in the United Kingdom. The cash flows of the Company are included in the consolidated cash flow statement of the Company's ultimate parent company, Zurich Financial Services. Accordingly no separate cash flow statement has been produced.

The following is a summary of the Company's principal accounting policies:

a) Accounting convention

The financial statements are prepared under the historical cost convention.

b) Deferred taxation

Deferred taxation is provided for on timing differences, using the liability method, to the extent that it is probable that a liability or asset will crystallise.

c) Value Added Tax

Irrecoverable VAT is included with the expense on which it has been suffered.

d) Investments

i. Profit on disposal of fixed asset investments is calculated as the difference between net sale proceeds and cost.

ii. Investment income is the amount receivable for the year.

iii. Investments are included in the balance sheet at original cost.

2. Directors

No Directors received any emoluments in respect of their services to the Company during the period (1998: £nil).

3. Income from fixed asset investment

	1999	1998
	£	£
Unlisted	<u>10,252</u>	<u>11,475</u>

4. (Loss) / profit on ordinary activities before taxation

Audit fees of £1,562 (1998: £1,423) were borne by other group companies. No remuneration was paid to the Company's auditors in respect of non-audit services (1998: £nil).

Concourse Skelmersdale Limited
Report and Accounts for the Year Ended 31st December 1999

5. **Taxation**

	1999 £	1998 £
United Kingdom corporation tax at 30.25% (1998: 31%)		
Current	322	(300)
Prior year adjustment	-	(3)
	<u>322</u>	<u>(303)</u>

6. **Fixed asset investment**

	1999 £	1998 £
Cost		
At 1 st January and 31 st December	<u>2,500</u>	<u>2,500</u>

The Company contributed £2,500, being 0.5% of the capital of The Skelmersdale Limited Partnership, a property partnership registered in England & Wales.

7. **Debtors**

	1999 £	1998 £
Distribution due from limited partnership	1,849	1,199
Corporation tax	309	-
Amounts due from parent company	<u>1,987</u>	<u>1,987</u>
	<u>4,145</u>	<u>3,186</u>

8. **Creditors: amounts falling due within one year**

	1999 £	1998 £
Amounts due to parent and fellow subsidiary undertakings	13,861	28,110
Corporation tax	-	300
	<u>13,861</u>	<u>28,410</u>

Concourse Skelmersdale Limited
Report and Accounts for the Year Ended 31st December 1999

9. **Called up share capital**

	1999 £	1998 £
Authorised		
1,000 (1998: 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 (1998: 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

10. **Movements in reserves**

	Profit and loss account £
At 1 st January 1999	(3,375)
Retained loss for the year	(744)
At 31st December 1999	<u>(4,119)</u>

11. **Reconciliation of movement in shareholders' funds**

	1999 £	1998 £
Movement on reserves	(744)	665
Opening shareholders' funds	(2,375)	(3,040)
Closing shareholders' funds	<u>(3,119)</u>	<u>(2,375)</u>

12. **Ultimate parent company**

The Company's ultimate parent Company is Zurich Financial Services which is incorporated in Switzerland. Zurich Financial Services is owned as to 57% by Zurich Allied AG, incorporated in Switzerland, and as to 43% by Allied Zurich p.l.c. incorporated in England and Wales.

Copies of the consolidated financial statements of Zurich Financial Services can be obtained from The Secretary, Allied Zurich p.l.c., 22 Arlington Street, London, SW1A 1RW.

Concourse Skelmersdale Limited
Report and Accounts for the Year Ended 31st December 1999

Scudder Investments Holdings Limited is the parent company of the smallest group of companies, of which the Company is a wholly owned subsidiary, for which group accounts are drawn up. Copies of the consolidated financial statements of Scudder Investments Holdings Limited Group can be obtained from The Secretary, 60 St Mary Axe, London EC3A 8JQ.

13. Related party transactions

Concourse Skelmersdale Limited is a general partner in a limited partnership arrangement of which 0.5% is held (note 6). Income of £10,252 (1998: £11,475) was receivable from the limited partnership of which £1,849 (1998: £1,199) remains outstanding at year end (note 7). There were no other transactions with the limited partnership.

In all other respects advantage has been taken of the exemption provided by FRS 8 from disclosing details of transactions with Zurich Financial Services and its subsidiaries.