

FL 21472

Annual report 1999

Chubb Lips B.V.

Dordrecht



A43 *AUFKV3A0* 0598
COMPANIES HOUSE 17/08/01

BB 765721 E15

CERTIFIED A TRUE COPY

A handwritten signature in dark ink, appearing to be 'H. J. Smith'.

COMPANY SECRETARY
CHUBB GROUP LIMITED.

Contents

1	Financial statements	3
1.1	Balance sheet as at December 31, 1999 (after appropriation of income)	4
1.2	Statement of income for the year ended December 31, 1999	5
1.3	General notes	6
1.4	Notes to the financial statements	8
2	Other information	10
2.1	Statutory rules for profit appropriation	11
2.2	Proposal for appropriation of income	11
2.3	Auditors' report	12

B5455.rap

1 Financial statements

1.1 Balance sheet as at December 31, 1999 (after appropriation of income)

	1999		1998	
	NLG'000	NLG'000	NLG'000	NLG'000
<i>Assets</i>				
Current assets				
Amounts due from group companies	24,187		285,961	
Other receivables and prepayments	21,410		23,844	
Cash and bank balances	15,443		11,215	
		61,040		321,020
Current liabilities		(1,310)		(2,284)
Current assets less current liabilities		59,730		318,736
Shareholder's equity				
Share capital	17,130		17,130	
Share premium	37,779		37,779	
Other reserves	4,821		263,827	
		59,730		318,736

1.2 Statement of income for the year ended December 31, 1999

	1999	1998
	NLG'000	NLG'000
General and administrative expenses	29	(571)
Operating result	29	(571)
Interest	4,182	10,679
Result on ordinary activities	4,211	10,108
Tax	1,615	(3,254)
Net profit	5,826	6,854

1.3 General notes

1.3.1 General

Financial year

The financial year ends at December 31 and contains 12 months.

Activities

The principal activities of the company are holding and financing activities.

Principles of consolidation

The company applies article 407.1a, Book 2 of the Dutch Civil Code and, accordingly, no consolidated financial statements are prepared. The financial statements of the 100% owned group company Guardall Security S.A., Spain are included in the consolidated financial statements of the ultimate parent company Williams Plc., Derby, United Kingdom.

1.3.2 Statement of accounting policies

Basis of accounting

The financial statements are prepared under the historical cost convention.

Valuation foreign currencies

In the financial statements amounts in foreign currencies are translated into guilders at the rates of exchange ruling on December 31, 1999.

Exchange variances arising during the year on assets and liabilities in foreign currencies are included in the statement of income.

Exchange differences arising on the translation of shareholder's funds in subsidiaries are dealt with as movements in reserves. Turnover, expenses and result of subsidiaries are translated into guilders against rates of exchange as stated above.

Exports in foreign currencies are converted at the rates relative to the period of shipment.

1.3.3 Valuation of assets and liabilities

Financial fixed assets

Subsidiaries are stated at cost less a provision for permanent impairment.

Receivables

Receivables are stated at their face value after deduction of a provision for doubtful debts.

Cash

Amounts are stated at their face value.

Provisions

These accounts are stated at their face value. Amounts available for forward tax compensation have not been taken into account.

Liabilities

Long-term and short-term liabilities are stated at face value.

1.3.4 Determination of result

Income and expenses

Income and expenses are allocated to the financial year to which they relate.

1.4 Notes to the financial statements

1.4.1 Current liabilities

	1999	1998
	NLG'000	NLG'000
Trade creditors	0	110
Taxes and social premiums	1,274	2,055
Group companies	21	79
Accruals and deferred income	15	30
Other creditors	0	10
	<u>1,310</u>	<u>2,284</u>

1.4.2 Shareholder's equity

	Issued capital	Share premium reserve	Other reserves	Total
	NLG'000	NLG'000	NLG'000	NLG'000
Balance as at January 1, 1999	17,130	37,779	263,827	318,736
Dividends			(264,832)	(264,832)
Result current year			5,826	5,826
Balance as at December 31, 1999	<u>17,130</u>	<u>37,779</u>	<u>4,821</u>	<u>59,730</u>

Total authorised share capital of the company is NLG 30,000,000 and is divided into 30,000 ordinary shares with a nominal value of NLG 1,000 each. Paid-in and called-up share capital remained unchanged at NLG 17,130,000.

1.4.3 Supplementary information

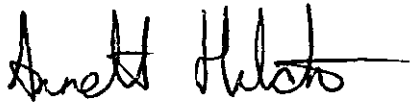
Average number of employees

The average number of employees during the accounting year is 0 (prior year 6).

Dordrecht, ^{25 January 2007}
~~June 28, 2000~~



Westminster Securities Ltd.



Williams Management Services Ltd.

2 Other information

2.1 Statutory rules for profit appropriation

Article 16 of the Articles of Association makes profits, established in the financial statements, available to the Annual General Meeting, for appropriation.

Distribution of profits may take place by way of interim or final dividend.

Losses, if incurred, are charged to reserves or, in the case that such reserves are inadequate to absorb such losses, limit dividends of the future year or years.

2.2 Proposal for appropriation of income

The Board proposes to add the profit for the financial year to the other reserves.

The effect of this proposal has already been included in the financial statements.

PricewaterhouseCoopers N.V.
Accountants
Hofplein 19
3032 AC Rotterdam
P.O. Box 881
3000 AW Rotterdam
The Netherlands
Telephone +31 (10) 400 86 00
Facsimile +31 (10) 400 86 70

2.3 Auditors' report

Introduction

We have audited the 1999 financial statements of Chubb Lips B.V., Dordrecht. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

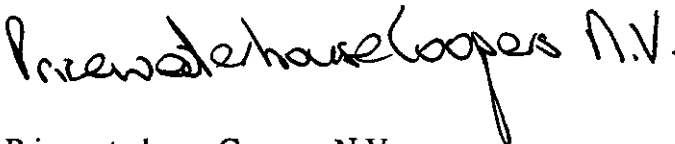
Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as of December 31, 1999 and of the result for the year 1999 in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9, Book 2 of the Dutch Civil Code.

Rotterdam, June 28, 2000



PricewaterhouseCoopers N.V.