

WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED

(REGISTERED COMPANY NO 329931)

DIRECTORS' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1993

DIRECTORS

M P Chitty (appointed 25 February 1993)  
M Claydon  
Mrs C L Douse  
D A Petts

SECRETARY

G S Clark

REGISTERED OFFICE

Ten Trinity Square  
London EC3P 3AX

AUDITORS

Ernst & Young  
Chartered Accountants  
Becket House  
1 Lambeth Palace Road  
London SE1 7EU



# WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1993

### REPORT OF THE DIRECTORS

The directors present their report, together with the accounts, for the year ended 31 December 1993.

### ACTIVITY AND REVIEW OF DEVELOPMENTS

The principal activity of the Company during the year was that of a holding company for a group of captive insurance management subsidiary undertakings. These holdings were transferred to a fellow group undertaking on 30 December 1993. The directors anticipate that the Company will not trade in 1994.

### RESULTS AND DIVIDENDS

The profit on ordinary activities after taxation amounted to £855,387.

An interim dividend of £900,000 was paid on 29 December 1993. The directors do not recommend the payment of a final dividend.

### DIRECTORS

The current directors of the Company are named on page 1 which forms part of this report.

The directors who held office on 31 December 1993 and whose interests are not reported in the accounts of a parent company, had the following interests in the ordinary shares of Willis Corroon Group plc, the ultimate parent company as recorded in the register kept for the purpose.

Director	Ordinary Shares of 12½p Each		Options Over Ordinary Shares of 12½p Each			
	1.1.93 (or date of appointment)	31.12.93	1.1.93 (or date of appointment)	Granted	Exercised	31.12.93
D A Petts	1,231	452	6,033	-	-	4,975
M P Chitty	16,521	16,607	128,619	7,954	1,127	135,446

## WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1993 (CONTINUED)

#### DIRECTORS (CONTINUED)

The Company's ultimate parent company, Willis Corroon Group plc, has established the Willis Corroon Group Employee Share Ownership Plan (the "Plan") which is a discretionary trust and holds ordinary shares of Willis Corroon Group plc. The directors of the Company, who are employees of Group, are members of the class of potential beneficiaries under the Plan and are to that extent interested in the unallocated Willis Corroon Group plc shares held by the Plan. At 31 December 1993 the Plan held 448,327 unallocated shares.

The Company's ultimate parent company, Willis Corroon Group plc, maintains directors' and officers' liability insurance cover for directors and officers of Willis Corroon Group plc and its subsidiaries.

#### DIRECTORS' RESPONSIBILITIES

The directors are required to report on their responsibilities in relation to the preparation of accounts for each financial year and the following statement should be read in conjunction with the auditors' statement of their responsibilities set out on page 5.

The Companies Act 1985 (as amended) requires the directors to prepare accounts 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 year and of the profit or loss for the financial year.

In preparing the accounts on pages 6 to 11 the directors consider that:-

- (a) they have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates;
- (b) all accounting standards which they consider to be applicable have been followed.

The directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the accounts comply with the Companies Act 1985 (as amended). The directors are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED


DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1993 (CONTINUED)

AUDITORS

An Elective Resolution dispensing with the requirement to re-appoint auditors annually was approved by shareholders at the Annual General Meeting in April 1991.

Ernst & Young have expressed their willingness to continue in office as auditors and the directors have agreed to their so continuing.

By order of the Board

  
G S CLARK  
Secretary

26 April 1994  
Ten Trinity Square  
London EC3P 3AX

WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED

We have audited the accounts on pages 6 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

Respective responsibilities of directors and auditors  
As described on page 3 the Company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material mis-statement, 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the Company's affairs as at 31 December 1993 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young  
Chartered Accountants  
Registered Auditor  
London

13 May 1994

WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 1993

	Notes	1993 £	1992 £
Income from shares in subsidiary undertakings		<u>1,276,665</u>	<u>878,548</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,276,665	878,548
Tax on profit on ordinary activities	4	<u>(421,278)</u>	<u>(289,921)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		855,387	588,627
Dividends	5	<u>(900,000)</u>	<u>(312,938)</u>
(LOSS)/PROFIT RETAINED	11	<u>(44,613)</u>	<u>275,689</u>

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**WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED**

**BALANCE SHEET AT 31 DECEMBER 1993**

	Notes	1993 £	1992 £
<b>FIXED ASSETS</b>			
Investments	6	<u>37,782</u>	<u>506,758</u>
<b>CURRENT ASSETS</b>			
Debtors	7	766,677	589,179
<b>CURRENT LIABILITIES</b>			
CREDITORS: amounts falling due within one year	8	<u>(335,023)</u>	<u>(581,888)</u>
<b>NET CURRENT ASSETS</b>		<u>431,654</u>	<u>7,291</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		469,436	514,049
CREDITORS: amounts falling due after more than one year	9	<u>(177,757)</u>	<u>(177,757)</u>
		<u>291,679</u>	<u>336,297</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	101	101
Capital redemption reserve		200	200
Profit and loss account	11	291,378	335,991
		<u>291,679</u>	<u>336,292</u>

Approved on behalf of the Board on 26 April 1994.



C. L. Douse  
Director

WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 DECEMBER 1993

There are no recognised gains or losses other than the profit attributable to shareholders of the Company of £855,387 in the year ended 31 December 1993 and of £588,627 in the year ended 31 December 1992.

MOVEMENT IN SHAREHOLDERS' FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 1993

	1993 £	1992 £
Profit for the financial year	855,387	588,627
Dividends	(900,000)	(312,938)
Net movement in shareholders' funds for the year	(44,613)	275,689
Shareholders' funds at 1 January	336,292	60,603
Shareholders' funds at 31 December	291,679	336,292



WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993

1. ULTIMATE PARENT COMPANY

The Company is a wholly-owned subsidiary of Willis Corroon Limited, a company incorporated in Great Britain. The ultimate parent company is Willis Corroon Group plc, which is incorporated in Great Britain. Copies of Willis Corroon Group plc's accounts are available to members of the public from the Company Secretary, Ten Trinity Square, London EC3P 3AX.

2. ACCOUNTING POLICIES

Basis of preparation

These accounts have been prepared under the historical cost convention and comply with accounting standards applicable in the United Kingdom.

Since the previous Directors' Report and Accounts the following change of accounting policy and presentation has been introduced.

Financial Reporting Standard No.3 (FRS3) - Reporting Financial Performance - has been adopted. FRS3 prescribes a new format for the profit and loss account, which virtually eliminates extraordinary items.

Comparative figures have been restated accordingly.

3. DIRECTORS' EMOLUMENTS

The directors of the Company received no remuneration for services rendered to the Company during the year (1992 - Nil).

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1993 £	1992 £
Charge for the year:		
UK corporation tax @ 33%	<u>421,278</u>	<u>289,921</u>

5. DIVIDENDS

	1993 £	1992 £
First Interim	<u>900,000</u>	<u>312,938</u>

WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 (CONTINUED)

6. INVESTMENTS - SHARES IN SUBSIDIARY UNDERTAKINGS

	1993 £	1992 £
Cost:		
1 January	554,553	329,562
Additions	337,634	240,998
Disposals	(5,231)	(16,007)
Transferred to other group undertakings	(801,379)	-
Balance at 31 December	85,577	554,553
Amounts written-off:	47,795	47,795
Net Book Value at 31 December	37,782	506,758

The subsidiary undertakings at 31 December 1993 were:

	Place of Registration	Class of Share	Percentage of share capital held
Willis Wrightson Capacity Resources Limited	England & Wales	ordinary of £1	100%
Willis Corroon Secretarial Services Limited	Guernsey	ordinary of £1	100%

The following subsidiary undertakings were transferred to Willis Corroon Overseas Holdings Limited (formerly Willis Faber International Limited) on 30 December 1993:

Willis Corroon Management (Guernsey) Limited  
 Willis Corroon Management (Gibraltar) Limited  
 Willis Corroon Jersey Limited  
 Willis Corroon Management (Isle of Man) Limited  
 Willis Corroon Management (Singapore) Limited  
 Willis Corroon Management (Luxembourg) S.A.  
 Willis Corroon Management (Bermuda) Limited  
 Willis Corroon Douglas Limited  
 Gibraltar Insurance (Barbados) Limited

The Company is exempt from the obligation to prepare Group accounts in accordance with Section 228 of the Companies Act 1985 (as amended) as the Company is a wholly-owned subsidiary of Willis Corroon Group plc, which is registered in England and Wales and in whose accounts it is consolidated. These accounts relate to the Company only and not to its Group.

In the opinion of the directors, the value of the shares in subsidiaries is not less than the amount shown in the Balance Sheet.

WILLIS CORROON CAPACITY RESOURCES HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1993 (CONTINUED)

7.	DEBTORS	1993 £	1992 £
	Due within one year:		
	Amounts owed by parent and fellow subsidiary undertakings	766,677	239,179
	Dividends receivable	-	350,000
		<u>766,677</u>	<u>589,179</u>
8.	CREDITORS: amounts falling due within one year	1993 £	1992 £
	Amounts owed to subsidiary undertakings	1,000	1,000
	Amounts owed to fellow subsidiary undertakings	-	377,436
	Taxation	300,409	203,452
	Other creditors	33,614	-
		<u>335,023</u>	<u>581,888</u>
9.	CREDITORS: amounts falling due after more than one year	1993 £	1992 £
	Loan due to parent company	161,545	161,545
	Loans due to subsidiary undertakings	16,212	16,212
		<u>177,757</u>	<u>177,757</u>
10.	CALLED UP SHARE CAPITAL	1993 £	1992 £
	Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	Allotted, issued and fully paid: 101 ordinary shares of £1 each	<u>101</u>	<u>101</u>
11.	PROFIT AND LOSS ACCOUNT	1993 £	1992 £
	Balance at 1 January	335,991	60,302
	(Loss)/profit retained	<u>(44,613)</u>	<u>275,669</u>
	Balance at 31 December	<u>291,378</u>	<u>335,991</u>