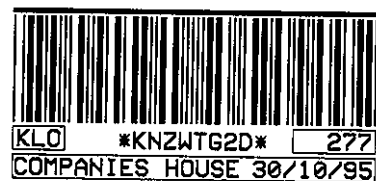


**VENTON UNDERWRITING AGENCIES
LIMITED**

**Report and Financial Statements
31st December 1994**



REPORT AND FINANCIAL STATEMENTS 1994

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REPORT AND FINANCIAL STATEMENTS 1994

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

R N Alwen	(Non-executive Chairman)
D M Slade	(Managing Director)
C N R Atkin	
J D Fenn	
R D Montgomerie	
L W Nichols	
P M O'Brien	(Non-executive)
J H Venton	

SECRETARY

Mrs J S Clouting

REGISTERED OFFICE

36-38 Botolph Lane
London EC3R 8DE

AUDITORS

Touche Ross & Co.
Chartered Accountants
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is that of a Lloyd's Underwriting Agency which manages the affairs of Non-Marine Syndicates 376 and 1038 and Marine Syndicate 1183. The directors have reviewed the company's development during the year and consider it to be satisfactory.

RESULTS AND DIVIDEND

The directors do not recommend the payment of a dividend (1993 - nil). The retained profit of £67,306 has been transferred to reserves.

FUTURE PROSPECTS

The directors are confident of the future prospects of the company.

DIRECTORS

The directors holding office during the year, except as otherwise stated, were:

R N Alwen	(Chairman)
D M Slade	(Managing Director)
C N R Atkin	
J D Fenn	(Appointed 1 January 1994)
R D Montgomerie	
L W Nichols	
P M O'Brien	
J H Venton	

No directors had any interest in the share capital of the company at any time during the year. J D Fenn had no interest on the date of his appointment.

At 31st December 1994 and 1993 R N Alwen, C N R Atkin, R D Montgomerie, L W Nichols, P M O'Brien and J H Venton had interests in the parent company, New Street Holdings Limited. D M Slade had an interest at 31 December 1994 only. These interests are disclosed in its accounts.

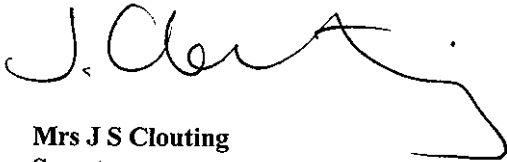
INSURANCE FOR OFFICERS

It has not been possible to obtain cover for the company's officers at a reasonable rate.

DIRECTORS' REPORT (continued)**AUDITORS**

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



Mrs J S Clouting
Secretary
28 April 1994

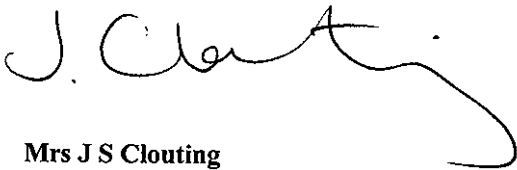
STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- ♦ select suitable accounting policies and then apply them consistently;
- ♦ 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 it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board



Mrs J S Clouting
Secretary
28 April 1994



Chartered Accountants

Touche Ross & Co.
Stonecutter Court
1 Stonecutter Street
London EC4A 4TR

Telephone: National 0171 936 3000
International + 44 171 936 3000
Telex: 884739 TRLNDN G
Fax (Gp. 3): 0171 583 1198
LDE: DX 599

AUDITORS' REPORT TO THE MEMBERS OF VENTON UNDERWRITING AGENCIES LIMITED

We have audited the financial statements on pages 6 to 9 which have been prepared under the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of financial statements. 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 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 as at 31 December 1994 and of its profit for the year ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross Inc.

Chartered Accountants and
Registered Auditors

28 April 1995

PROFIT AND LOSS ACCOUNT

Year ended 31st December 1994

	Note	1994 £	1993 £
TURNOVER			
Operating Expenses	1	844,948 (738,707)	457,309 (404,496)
OPERATING PROFIT AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	106,241	52,813
Tax on profit on ordinary activities	5	(38,935)	(15,841)
PROFIT FOR THE FINANCIAL YEAR		67,306	36,972
Capitalisation of reserves		-	(74,900)
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		51,573	89,501
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		118,879	51,573

All activities derive from continuing operations. There are no recognised gains or losses other than the profit for the financial year. Accordingly, no statement of recognised gains and losses is given.

There are no movements in shareholders' funds other than the profit for the year in both current and prior years.

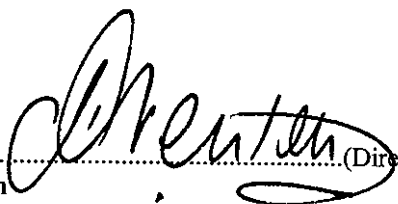
BALANCE SHEET

31st December 1994

	Note	1994 £	1993 £
CURRENT ASSETS			
Amounts owed by parent company		407,714	317,315
Other debtors		100	100
		<u>407,814</u>	<u>317,415</u>
CREDITORS: amounts falling due within one year			
Corporation Tax		(38,935)	(15,842)
		<u>368,879</u>	<u>301,573</u>
NET CURRENT ASSETS			
		<u>368,879</u>	<u>301,573</u>
CAPITAL AND RESERVES			
Called up share capital	4	250,000	250,000
Profit and loss account		118,879	51,573
		<u>368,879</u>	<u>301,573</u>
TOTAL EQUITY SHAREHOLDERS' FUNDS			
		<u>368,879</u>	<u>301,573</u>

These financial statements were approved by the Board of Directors on 28 April 1995.

Signed on behalf of the Board of Directors



(Director)

J H Venton

NOTES TO THE ACCOUNTS

Year ended 31st December 1994

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Turnover

Turnover consists of net underwriting agency salaries and profit commission received from insurance underwriting activities at Lloyd's.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1994	1993
	£	£
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration - audit fees	4,500	4,375

3. DIRECTORS' EMOLUMENTS

No directors received any emoluments from this company during the year (1993 - nil). The directors received emoluments from New Street Holdings Limited, the ultimate parent company, and these are detailed in that company's financial statements.

4. CALLED UP SHARE CAPITAL

	1994	1993
	£	£
Authorised, allotted and fully paid		
£1 ordinary shares	250,000	250,000

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1994	1993
	£	£
United Kingdom corporation tax at 25% (1993 - 25%)		
based on the profit for the year	38,935	15,842
(Over)/underprovision in previous year	-	(1)
	38,935	15,841

6. **ULTIMATE PARENT COMPANY**

The ultimate parent company is New Street Holdings Limited, a company registered in England and Wales. Group accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.