

# **CORDIS CONSULTING LIMITED**

(formerly Mediasector Limited)

(Registered No. 354019)

3540139

## **DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE PERIOD FROM 3 APRIL 1998 TO 31 DECEMBER 1998**

### **DIRECTORS**

G J Millwater - Chairman	(appointed 27 April 1998)
O L E Peterken	(appointed 27 April 1998)
I V Pocock	(appointed 27 April 1998)
T R H Thomas	(appointed 27 April 1998)

### **SECRETARY**

M P Chitty

### **REGISTERED OFFICE**

Ten Trinity Square  
London EC3P 3AX

### **AUDITORS**

Ernst & Young  
Rolls House  
7 Rolls Buildings  
Fetter Lane  
London EC4A 1NH



**DIRECTORS' REPORT FOR THE PERIOD FROM 3 APRIL 1998 TO 31 DECEMBER 1998**

The directors present their report, together with the accounts, for the period from 3 April 1998 to 31 December 1998.

**PRINCIPAL ACTIVITY AND PERFORMANCE REVIEW**

The Company was incorporated as Mediasector Limited on 3 April 1998 and changed its name to Cordis Consulting Limited on 1 June 1998. The company was acquired by Willis Faber Limited on 27 April 1998.

The principal activity of the Company is that of advisers and consultants on all matters relating to risk for all types of insurance, reinsurance, industrial and other commercial undertakings.

The company commenced trading on 1 June 1998. The directors consider the results of the company for its first trading period to be satisfactory.

Willis Corroon Group Limited (formerly Willis Corroon Group plc) became a wholly-owned subsidiary of Trinity Acquisition plc ("Trinity") effective from 10 November 1998. Trinity's ultimate parent company is TA I Limited ("TA I") and as from 2 September 1998 the Company became an indirect partly-owned subsidiary of Trinity and TA I.

**RESULTS AND DIVIDENDS**

The profit on ordinary activities after taxation amounted to £5,791.

The directors do not recommend the payment of a final dividend.

**DIRECTORS**

The present directors of the Company are named on page 1 which forms part of this report. The following directors also held office during the year:

Instant Companies Limited (appointed 3 April 1998, resigned 27 April 1998).

The directors who held office on 31 December 1998 and whose interests are not reported in the accounts of a parent company had the following interests in the management ordinary shares of TA I Limited, the ultimate parent company, as recorded in the register kept for the purpose.

Director	Management ordinary shares of 10p each (1)	Options over management ordinary shares of 10p each (2)
G J Millwater	10,000	230,000
O L E Peterken	-	-
I V Pocock	6,250	31,250
T R H Thomas	-	-

**Notes**

- (1) No director had an interest in shares of TA I Limited on 27 April 1998, the date of appointment
- (2) All options were granted effective from 18 December 1998.
- (3) The Willis Corroon Group Employee Share Ownership Plan a discretionary trust established by Willis Corroon Group Limited ("Willis Corroon") held until 10 November 1998 ordinary shares of Willis Corroon. These shares were exchanged for cash as a consequence of the acquisition by Trinity of Willis Corroon.

## CREDITOR PAYMENT POLICY

The Company's supplies and purchases are administered by a fellow group undertaking, Willis Corroon Group Services Limited who agrees the terms and conditions for its business transactions with suppliers.

## YEAR 2000 COMPLIANCE

The Willis Corroon Group has conducted a review of their computer systems, which include those used by the Company, to identify the systems that could be affected by the Year 2000 problem and are nearing completion of the plan to be Year 2000 compliant prior to 31 December 1999. As part of the review, external consultants working with the Group's information technology staff have tested computer systems and identified problem areas. The Willis Corroon Group has budgeted £4.2m for expenditures related to the Year 2000 compliance programme.

While the Company believes that appropriate steps have been taken to achieve Year 2000 compliance in a timely fashion, there can be no assurance that its computers or those of third parties with whom the Company conducts business, will be Year 2000 compliant prior to 31 December 1999 or that the costs incurred will not materially exceed amounts budgeted.

## EURO

On 1 January 1999 the "euro" replaced the currencies of eleven member states of the European Union, including countries in which we operate. Our business systems have been adapted to accommodate the introduction of the euro and we are able to conduct business in euros.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE ACCOUNTS

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 4.

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 5 to 10 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;
- (c) it is appropriate to prepare the accounts on the going concern basis.


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.

## AUDITORS

Ernst & Young were appointed as the Company's auditors by the Directors on 28 May 1998 and are willing to continue in office. A resolution to appoint them will be proposed at the 1999 Annual General Meeting

By Order of the Board



MP Chitty  
Secretary

29 April 1999

Ten Trinity Square  
London EC3P 3AX

**REPORT OF THE AUDITORS TO THE MEMBERS OF CORDIS CONSULTING LIMITED**

We have audited the accounts on pages 5 to 10 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 8.

**Respective responsibilities of directors and auditors**

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

**Basis of opinion**

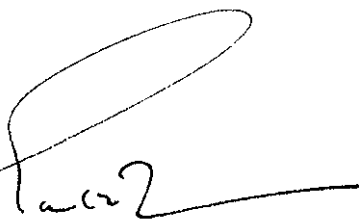
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by 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 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the Company as at 31 December 1998 and of its profit for the period from 3 April 1998 to 31 December 1998 and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young  
Registered Auditor  
London



29 April 1999

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 3 APRIL 1998 TO 31 DECEMBER 1998

	Note	1998 £
Turnover	3	<u>99,181</u>
OPERATING REVENUE		
Operating expenses		<u>90,789</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,392
Tax on profit on ordinary activities	7	<u>2,601</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>5,791</u>
RETAINED EARNINGS	11	<u>5,791</u>

## RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 1998

There are no recognised gains or losses other than the profit attributable to shareholders of the Company of £5,791 in the period from 3 April 1998 to 31 December 1998.

**BALANCE SHEET AT 31 DECEMBER 1998**

	Note	1998 £
<b>CURRENT ASSETS</b>		
Debtors	8	<u>103,556</u>
<b>CURRENT LIABILITIES</b>		
CREDITORS : amounts falling due within one year	9	<u>97,763</u>
		<u>5,793</u>
 <b>CAPITAL AND RESERVES</b>		
Called up share capital	10	2
Profit and loss account	11	<u>5,791</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>5,793</u>

Approved on behalf of the Board on 29 April 1999.



Director

**MOVEMENT IN SHAREHOLDERS' FUNDS  
FOR THE PERIOD FROM 3 APRIL 1998 TO 31 DECEMBER 1998**

	1998 £
Earnings for the financial year	5,791
New ordinary shares issues	<u>2</u>
Net movement in shareholders' funds for the year	5,793
Shareholders' funds at 3 April	<u>-</u>
Shareholders' funds at 31 December	<u>5,793</u>

**NOTES TO THE ACCOUNTS  
FOR THE PERIOD FROM 3 APRIL 1998 TO 31 DECEMBER 1998**

**1. ULTIMATE PARENT COMPANY**

The Company is a wholly owned subsidiary of Willis Faber Limited. From 16 September 1998 the ultimate parent company is TAI Limited and the ultimate controlling party is KKR 1996 Overseas, Limited. The largest group in which the results of the Company are consolidated is that headed by TAI Limited, with the smallest group being headed by Willis Corroon Group Limited. The consolidated accounts for these groups are available to members of the public from the Company Secretary, Ten Trinity Square, London EC3P 3AX.

**2. ACCOUNTING POLICIES**

**(a) Basis of preparation**

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

**(b) Turnover**

Turnover comprises fees and commissions invoiced in the financial year. Fees earned represent the selling value of work undertaken

**(c) Currency Translation**

Transactions in foreign currencies are recorded at the rate of exchange at the date of transaction, or, in the case of forward contracts, in respect of the current year's income, at the contracted rate. Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

**3. TURNOVER**

The table below analyses the Company's turnover by the accounting address of the client from whom the business is derived. This does not necessarily reflect the original source or location of the business.

	1998 £
United Kingdom	25,041
Rest of the World	74,140
	<hr/> 99,181 <hr/>

**4. OPERATING PROFIT**

1998  
£

Operating profit was arrived at after charging:

Auditors remuneration :

Audit fees

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5,000

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**5. EMPLOYEES**

The Company does not employ any staff. The staff working for the Company are employed by Willis Faber & Dumas Limited and that company bears the cost of salaries, social security payments and pension contributions relating to such staff, along with other operating costs which are reimbursed by way of a management fee.



## NOTES TO THE ACCOUNTS

FOR THE PERIOD FROM 3 APRIL 1998 TO 31 DECEMBER 1998 (continued)

## 6. DIRECTORS' EMOLUMENTS

The directors of the Company received no remuneration for services rendered to the Company during the period.

7.	TAX ON PROFIT ON ORDINARY ACTIVITIES	1998 £
	Charge for the period: UK corporation tax @ 31%	<u>2,601</u>
8.	DEBTORS	1998 £
	Due within one year: Trade debtors	<u>103,556</u>
9.	CREDITORS : amounts falling due within one year	1998 £
	Amounts owed to group undertakings	84,787
	Corporate tax	2,601
	Accruals and deferred income	6,000
	Other creditors	<u>4,375</u>
		<u>97,763</u>
10.	CALLED UP SHARE CAPITAL	1998 £
	Authorised share capital 1,000 ordinary shares of £1 each	<u>1,000</u>
	Allotted, issued and fully paid 2 ordinary shares of £1 each	<u>2</u>

NOTES TO THE ACCOUNTS  
FOR THE PERIOD FROM 3 APRIL 1998 TO 31 DECEMBER 1998 (continued)

## 11. PROFIT AND LOSS ACCOUNT

	1998 £
3 April	-
Retained earnings	<u>5,791</u>
31 December	<u>5,791</u>

## 12. RELATED PARTY TRANSACTIONS

Financial Reporting Standards 8 exempts the reporting of transactions between Group companies. The Company has taken advantage of this exemption.