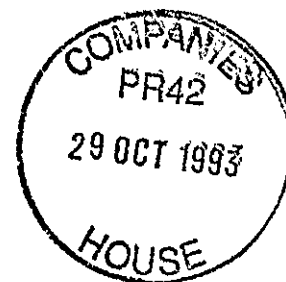


London & Kingston Insurance Company Limited

Report and Financial Statements

31st December 1992



London & Kingston Insurance Company Limited

Directors

Mr.P.R. Enthoven
Mr.R.H. Newman
Mr.R.T.M. Ahern
Mr.C.S.S. Buckel
Mr.H.H. Scholten

Secretary and Registered Office

Mr.R.T.M. Ahern
9/11 Elder Street, London E1 6BT

Auditors

Moore Stephens
Chartered Accountants
St.Paul's House, Warwick Lane, London EC4P 4BN

Report of the Directors

The directors present their report and audited financial statements for the year ended 31st December 1992.

Review of Activities and Post Balance Sheet Event

The principal activity of the company during the year continued to be that of suretyship insurance and reinsurance business.

On 30th June 1993 the company ceased to be authorised by the D.T.I to carry on the business of insurance in the U.K. and hence ceased to trade.

Results and Dividends

The profit for the financial year amounted to £15,153.
It is recommended that this amount is transferred to reserves.
The Directors do not recommend the payment of a dividend for the year.

Directors

Board changes

On 30th April 1992 Mr. C.R. McInroy resigned and Mr. H.H. Scholten was appointed to the board. On 21st August 1992 Messrs C.S.S. Buckel and R.H. Newman were appointed to the board.

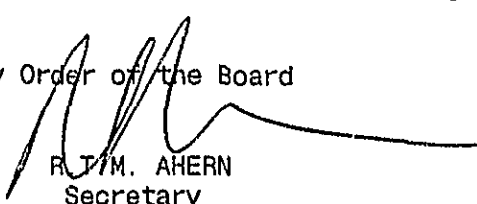
Directors' Interests

None of the Directors had any interests in the share capital of the company at any time during the year.

Auditors

The auditors, Messrs. Moore Stephens, are willing to continue in office. A resolution for their reappointment and authorising the directors to fix their remuneration will be submitted to the forthcoming Annual General Meeting.

By Order of the Board


R.T.M. AHERN
Secretary

Report of the Auditors to the Members of
London & Kingston Insurance Company Limited

We have audited the financial statements on pages 3 to 7 in
accordance with Auditing Standards.

In our opinion the financial statements comply with the provisions
of the Companies Act 1985 applicable to insurance companies.

St. Paul's House,
London, EC4P 4BN

27 OCT 1993

Moore Stephens

MOORE STEPHENS

Chartered Accountants
Registered Auditor

London & Kingston Insurance Company Limited

Accounting Policies Year ended 31st December 1992

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Chapter II, Part VII of the Companies Act 1985.

Premium income is deemed to accrue evenly over the term of the policy

(c) Investment income

Interest on bank deposits is included in the financial statements on an accruals basis.

(d) Claims reserve

Provision is made for all claims outstanding inclusive of a provision for claims incurred but not reported.

(e) Taxation

The taxation charge in the profit and loss account includes deferred taxation on timing differences other than those considered likely to continue in the foreseeable future.

(f) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Assets and liabilities denominated in foreign currencies are translated into sterling at the rate ruling on the balance sheet date. Any resultant gains or losses on exchange are dealt with through the profit and loss account in the period in which they arise.

London & Kingston Insurance Company Limited

**Profit and Loss Account
For the year ended 31st December 1992**



	Note	1992		1991	
		£	£	£	£
Premiums written			-		-
Premiums earned			470		2,164
Claims			(19,226)		-
Underwriting profit			19,696		2,164
Deposit interest receivable			34,915		28,690
			54,611		30,854
Less:					
Directors' emoluments	1	-		1,500	
Auditors' remuneration		2,350		2,350	
Expenses of management		31,858		26,173	
			34,208		30,023
Profit before taxation			20,403		831
Taxation	2		5,250		208
Profit for the year	4		£ 15,153		£ 623

London & Kingston Insurance Company Limited
Balance Sheet - 31st December 1992

	Note	1992	1991
Current Assets			
Sundry debtors		7,302	6,777
Deposits		402,486	397,807
Bank balances		114	5,418
		<u>409,902</u>	<u>410,002</u>
Current Liabilities			
Unearned premiums		-	470
Claims reserve		-	19,226
Sundry creditors		26,477	27,076
Taxation		5,250	208
		<u>31,727</u>	<u>46,980</u>
Net Assets		<u>£ 378,175</u>	<u>£ 363,022</u>
Capital and Reserves			
Called up share capital	3	300,000	300,000
Profit and loss account		78,175	63,022
		<u>£ 378,175</u>	<u>£ 363,022</u>

These financial statements were approved by the Board on

27 OCT 1993

 R.H. NEWMAN
 R.T.M. AHERN

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Directors

London & Kingston Insurance Company Limited

Notes to the Financial Statements - 31st December 1992

1. Directors' Emoluments

	1992	1991
Fees	-	-
Other emoluments including pension contributions	-	1,500
	<u>£ -</u>	<u>£ 1,500</u>

Directors' emoluments, excluding pension contributions, are as follows:-

The Chairman	<u>£ -</u>	<u>£ -</u>
The highest paid director	<u>£ -</u>	<u>£ 1,500</u>

The number of other directors whose emoluments were within the ranges was:

	Number	Number
£0 - £5,000	4	1

2. Taxation

United Kingdom corporation tax based on the results for the year as adjusted for taxation purposes at 25%

1992	1991
<u>£ 5,250</u>	<u>£ 208</u>

3. Share Capital

Authorised, allotted, called up and fully paid
300,000 Ordinary shares of £1 each

1992	1991
<u>£ 300,000</u>	<u>£ 300,000</u>

4. Profit and Loss Account

1st January 1992
Profit for the year

31st December 1992

1992	1991
63,022	62,399
<u>15,153</u>	<u>623</u>
<u>£ 78,175</u>	<u>£ 63,022</u>

London & Kingston Insurance Company Limited

Notes to the Financial Statements - 31st December 1992

5. Ultimate Holding and Parent Companies

The ultimate holding company at 31st December 1992 in the opinion of the directors, is Tarofax Investments S.A. incorporated in Panama. The immediate parent company is IVM Intersuror B.V. incorporated in The Netherlands.

6. Post Balance Sheet Event

On 30th June 1993 the company ceased to be authorised by the D.T.I. to carry on insurance business in the U.K. and hence ceased to trade on that date.