

3172 03



HISCOX TRUSTEES LIMITED

**REPORT AND ACCOUNTS
31 DECEMBER 2003**



HISCOX TRUSTEES LIMITED

DIRECTORS AND ADVISORS

Directors

Bronislaw Edmund Masojada

Alexander Neil Foster

Secretary

Nigel Barlow Tyler, FCA

Registered Office

1 Great St Helen's

London

EC3A 6HX

Registration Number: 3194712

HISCOX TRUSTEES LIMITED

DIRECTORS' REPORT

31 December 2003

The directors present their report and the financial statements for the year ended 31 December 2003.

Business Review

During the year the Company acted in its capacity as corporate trustee to the Hiscox plc group employee share ownership plan trust (ESOP). The Company is non-trading and consequently no profit and loss account is included in these accounts.

Dividends

The directors do not recommend the payment of a dividend (2002: *£nil*).

Directors

The names of the directors of the Company at the date of this report are listed on page 1 of these accounts.

The directors have no interests in the shares of the Company, nor in the shares of any other Group company other than in the ultimate holding company. The interests of the directors in the ultimate holding company, who are also directors of the ultimate holding company, are shown in the consolidated financial statements of Hiscox plc. The interests of those directors who are not directors of the ultimate holding company, in the ordinary shares of the ultimate holding company are set out in Note 5 to the accounts.

By Order of the Board

 8 JUNE 2004

N B Tyler, FCA
Secretary

1 Great St Helen's
London
EC3A 6HX

HISCOX TRUSTEES LIMITED

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, subject to any material departures disclosed and explained in the financial statements; 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 to enable them to ensure that the financial statements comply with the provision of the Companies Act 1985. 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.

HISCOX TRUSTEES LIMITED

BALANCE SHEET

at 31 December 2003

	Note	2003 £	2002 £
Current assets			
Amounts due from parent company		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	4	<u>1</u>	<u>1</u>

All shareholders' funds are attributable to equity shareholders.

For the year ended 31 December 2003 the Company was entitled to exemption under section 249A(1) of the Companies Act 1985.

Members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

These financial statements were approved by the board of directors on 8 June 2004



A N Foster
Director

HISCOX TRUSTEES LIMITED

NOTES TO THE ACCOUNTS

1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards as at 31 December 2003 and under the historical cost accounting rules.

2 Accounting policies

a) *Assets held in trust*

The Company acts as a corporate trustee for the Hiscox plc group employee share ownership plan trust (ESOP). The Company has no beneficial interest in the assets or liabilities of the ESOP and accordingly these are not included on its balance sheet.

The assets and liabilities of the ESOP were as follows:

	2003 £	2002 £
313,368 (2002: 255,466) ordinary shares of 5p each in Hiscox plc	448,116	402,359
Cash at bank and in hand	10,909	4,133
Income tax payable	(1,701)	(340)
Net assets held in trust	<u>457,324</u>	<u>406,152</u>

b) *Cash flow statement*

As the Company is a wholly owned subsidiary undertaking of Hiscox plc, the Company has taken advantage of the exemption contained in Financial Reporting Standard 1 "Cash Flow Statements", as revised, and therefore has not prepared a cash flow statement.

c) *Related party transactions*

As the Company is a wholly owned subsidiary undertaking of Hiscox plc, the Company has taken advantage of the exemption contained in Financial Reporting Standard 8 "Related Party Disclosures" and has therefore not disclosed transactions or balances with entities that form part of the Group. The consolidated financial statements of Hiscox plc can be obtained from the Company Secretary, Hiscox plc, 1 Great St Helen's, London, EC3A 6HX.

3 Directors' and employees' remuneration

None of the directors receives remuneration for their services to the Company.

There were no employees employed by the Company during the current or preceding financial year.

HISCOX TRUSTEES LIMITED

NOTES TO THE ACCOUNTS *continued*

4 Called up share capital

	2003 £	2002 £
Authorised: 100 ordinary shares of £1 each	100	100
Issued and called up: 1 ordinary share of £1	<u>1</u>	<u>1</u>

5 Directors' interests

The interests of the directors, who are not directors of the ultimate holding company, in the ordinary shares of the ultimate holding company as at 31 December 2003 and at 1 January 2003, or date of appointment if later, were:

	31 December 2003		1 January 2003	
	5p Ordinary Shares Beneficial	5p Ordinary Shares Non-beneficial	5p Ordinary Shares Beneficial	5p Ordinary Shares Non-beneficial
A N Foster	2,730,999	11,479,391	2,720,000	11,784,391

Hiscox Trustees Limited is the trustee of the Hiscox plc group employee share ownership plan trust (ESOP) and at 31 December 2003 was interested in 313,368 (2002: 255,466) ordinary shares of Hiscox plc. The directors are potential beneficiaries of the ESOP and are deemed to have an interest in these shares.

6 Ultimate holding company

The ultimate holding company and controlling party which heads both the largest and smallest group of undertakings for which group financial statements are prepared is Hiscox plc, which is a limited company registered in England and Wales.

A copy of the consolidated financial statements of Hiscox plc may be obtained from the Company Secretary, Hiscox plc, 1 Great St Helen's, London, EC3A 6HX.