



3194712

HISCOX TRUSTEES LIMITED



REPORT AND ACCOUNTS
31 December 2001

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

Auditors

KPMG Audit Plc
8 Salisbury Square
London EC4Y 8BB

HISCOX TRUSTEES LIMITED

DIRECTORS' REPORT

31 December 2001

The directors present their report and the audited financial statements for the year ended 31 December 2001.

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).

Dividends

The directors do not recommend the payment of a dividend (2000: *£nil*).

Directors

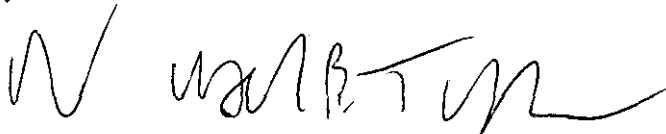
The names of the directors of the Company at the date of this report are listed on page 1 of these accounts.

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.

Auditors

A resolution is to be proposed at the forthcoming annual general meeting for the re-appointment of KPMG Audit Plc as auditor of the Company.

By Order of the Board



N B Tyler, FCA
Secretary

26 MARCH 2002

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

INDEPENDENT AUDITORS' REPORT

To the members of Hiscox Trustees Limited

We have audited the financial statements on pages 5 to 7.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the Company is not disclosed.

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 2001 and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

London

2/4/02

HISCOX TRUSTEES LIMITED

BALANCE SHEET

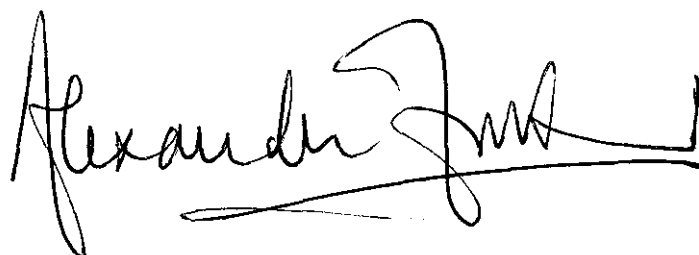
at 31 December 2001

	Note	2001 £	2000 £
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>

The Company has not traded during the current or preceding financial years. Accordingly, no profit and loss account, statement of total recognised gains and losses or note of historical cost profits are given.

The financial statements on pages 5 to 7 were approved by the board of directors on 26 MARCH 2002

A N Foster
Director



26th March 2002

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 2001 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:

	2001 £	2000 £
170,311 ordinary shares of 5p each in Hiscox plc	264,834	240,990
Cash at bank and in hand	26,956	24,041
Income tax payable	(326)	(477)
Net assets held in trust	<u>291,464</u>	<u>264,554</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

	2001 £	2000 £
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 2001 and at 1 January 2001, or date of appointment if later, were:

	31 December 2001		1 January 2001	
	5p Ordinary Shares Beneficial	5p Ordinary Shares Non-beneficial	5p Ordinary Shares Beneficial	5p Ordinary Shares Non-beneficial
A N Foster	2,845,000	12,372,026*	3,047,150	12,372,026*

*Hiscox Trustees Limited is the trustee of the Hiscox plc group employee share ownership plan trust (ESOP) and at 31 December 2001 was interested in 170,311 (2000: 170,311) 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.