

Registered No. 6252

GENERAL ACCIDENT EXECUTOR

AND

TRUSTEE COMPANY LIMITED

REPORT & ACCOUNTS 1993



GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 1993

DIRECTORS AND SECRETARY

Directors: W N Robertson, MA FCII (Chairman)
B Holder, FCCA
R A Whitaker, LLB DMS FCII

Secretary: R A Whitaker, LLB DMS FCII

Principal Activity and Business Review

Low interest rates and a subsequently buoyant stock market has led to another profitable year for General Accident Executor and Trustee Company Limited. Its main activity continues to be Unit Trust Trusteeships and it continued to achieve growth in its role as Custodian for Investment Funds within the General Accident Group both in the UK and Overseas.

Dividend and Reserves

Profit after tax amounted to £506,553. An interim dividend of £250,000 and a preference dividend of £840 were paid on 29th December 1993.

Directors and their interests

The names of the present Directors are shown above.

The interests of Mr Robertson and Mr Holder in the share capital of other companies in the General Accident group are stated in the Directors' Report of General Accident plc. The interests of Mr Whitaker are set out below.

Ordinary Shares

1st January 1993

31st December 1993

6,404

10,218

Options

1st January 1993

Options Granted
during the year

Options Exercised for
Lapsed during the year

31st December 1993

41,576

11,561

10,479

44,157

By order of the Board


R A Whitaker

March 1994

GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

Profit and Loss Account

for the year ended 31st December 1993

	Note	1993 £	1992 £
Turnover	2	2,001,386	1,681,502
Expenses		<u>1,233,457</u>	<u>1,287,092</u>
Operating Profit	3	767,929	394,410
Tax on profit on ordinary activities	4	<u>261,376</u>	<u>140,508</u>
Profit for the financial year		506,553	253,902
Retained profit brought forward		<u>627,404</u>	<u>425,342</u>
Total available for appropriation		1,133,957	679,244
Dividends	5	<u>250,840</u>	<u>51,840</u>
Retained profit carried forward		<u>883,117</u>	<u>627,404</u>
Statement of Total Recognised Gains and Losses			
Profit (Loss) for the year attributable to shareholders		506,553	253,902
Net realised gains on sale of investments		<u>40,612</u>	<u>-</u>
Total recognised gains and losses relating to the year		<u>547,165</u>	<u>253,902</u>

There is no material difference between the results as described in the profit and loss account and the results on an unmodified historical cost basis. Accordingly a note of the historical cost profits and losses for the year is not given.

Reconciliation of the Movement in Shareholders' Funds

Total recognised gains and losses relating to the year	547,165	253,902
Dividends - preference shares	250,000	51,000
- ordinary shares	<u>840</u>	<u>840</u>
Movement in ordinary shareholders funds	296,325	202,062
Balance as at 1st January	<u>1,722,860</u>	<u>1,520,798</u>
Balance as at 31st December	<u>2,019,185</u>	<u>1,722,860</u>

The notes on pages 4 to 6 form an integral part of these accounts

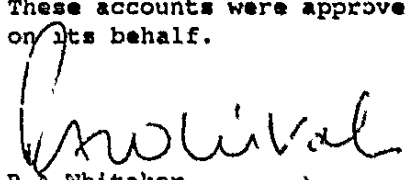
GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

Balance Sheet

at 31st December 1993

	Note	1993 £	1992 £
Investments	6	466,537	583,521
Fixed Assets	1(f), 7		
Computer Equipment		<u>63,164</u>	<u>118,908</u>
		<u>529,701</u>	<u>702,429</u>
Current Assets			
Due from Parent Company		4,800,452	4,458,650
Debtors		535,777	283,628
Accrued interest		5,552	11,089
Cash at bank and in hand		<u>15,303</u>	<u>32,739</u>
		5,357,084	4,786,106
Creditors: amounts falling due within one year	8	<u>3,865,768</u>	<u>3,762,016</u>
Net Current Assets/(Liabilities)		<u>1,491,316</u>	<u>1,024,090</u>
Total assets less current liabilities		2,021,017	1,726,519
Deferred taxation		<u>1,832</u>	<u>3,659</u>
		<u>2,019,185</u>	<u>1,722,860</u>
Capital and reserves			
Called up share capital	9	826,600	826,600
General Reserve		144,571	144,571
Investment Reserve		164,897	124,285
Profit and Loss account		<u>883,117</u>	<u>627,404</u>
		<u>2,019,185</u>	<u>1,722,860</u>

These accounts were approved by the Board of Directors on 23rd March 1994 and are signed on its behalf.


R A Whitaker

The notes on pages 4 to 6 form an integral part of these accounts.

GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1993

1. Accounting Policies

a. Accounting Convention

The accounts are prepared under the historical cost convention.

b. Investment Income

Ordinary dividends are taken to credit when received. Fixed dividends and interest are on an accrual basis.

c. Trusteeship Business Fees

Fee income, predominantly based on a percentage of fund valuation, is recognised on an accrual basis.

d. Investments

Investments are shown in the balance sheet at or under cost. Profits and losses on realisation of investments, after adjusting for taxation, have been dealt with through investment reserve.

e. Deferred Taxation

Deferred taxation has been provided at current rates on all timing differences other than those considered likely to continue in the foreseeable future. No detailed breakdown under the categories concerned is given as the amounts involved are immaterial.

f. Depreciation

Depreciation is provided on Computer Equipment at a rate calculated to write off the cost over five years.

g. Cash Flow Statement

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking.

2. Turnover

Analysis of turnover is as follows:

	1993 £	1992 £
a. Investment income received from investments held in the UK	67,853	77,396
b. Trusteeship Business Fees	<u>1,933,533</u>	<u>1,604,106</u>
	<u>2,001,386</u>	<u>1,681,502</u>

3. Operating Profit

This is stated after charging:

	1993 £	1992 £
Directors' remuneration	Nil	Nil
Auditors' remuneration	1,116	1,116
Depreciation	55,744	55,744

GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1993

4. Tax on profit on ordinary activities

	1993	1992
Based on the profit for the year:	£	£
Corporation Tax	260,595	137,526
Tax credits attributable to dividends received	2,608	2,982
Deferred taxation	<u>(1,827)</u>	<u>-</u>
	<u>261,376</u>	<u>140,508</u>

5. Dividends

Preference	840	840
Ordinary - Interim paid	<u>250,000</u>	<u>51,000</u>
	<u>250,840</u>	<u>51,840</u>

6. Investments

At beginning of year	583,521	519,857
Additions	404,664	63,664
Disposals	<u>(521,648)</u>	<u>-</u>
At end of year	<u>466,537</u>	<u>583,521</u>

Listed investments	438,637	369,857
Deposits at interest	<u>27,900</u>	<u>213,664</u>
	<u>466,537</u>	<u>583,521</u>

Valuation:

Listed investments - market value	778,140	659,018
Deposits at interest	<u>27,900</u>	<u>213,664</u>
	<u>806,040</u>	<u>872,682</u>

7. Fixed Assets

	<u>Cost</u>	<u>Aggregate Depreciation</u>	<u>Net Book Value</u>
	£	£	£
Brought forward 1st January	278,721	159,813	118,908
Depreciation charge	<u>-</u>	<u>55,744</u>	<u>55,744</u>
	<u>278,721</u>	<u>215,557</u>	<u>63,164</u>

GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1993

8. <u>Creditors: amounts falling due within one year</u>	1993	1992
	£	£
Current corporation tax	622,864	532,009
Accruals	42,904	29,417
Parent Company - interest free subordinated loan	<u>3,200,000</u>	<u>3,200,000</u>
	<u>3,865,769</u>	<u>3,762,016</u>

9. Share Capital

Authorised:	No	No
Ordinary shares of £4 each	<u>350,000</u>	<u>350,000</u>
6% (now 4.2% plus tax credit)		
Preference shares of £5 each	<u>20,000</u>	<u>20,000</u>
Issued:	£	£
194,500 Ordinary shares of £4 each, fully paid	778,000	778,000
13,000 Ordinary shares of £4 each, £2.20 per share paid	<u>28,600</u>	<u>28,600</u>
	806,600	806,600
6% (now 4.2% plus tax credit)		
Preference shares of £5 each, £1 paid	<u>20,000</u>	<u>20,000</u>
	<u>826,600</u>	<u>826,600</u>

10. Holding Company

The Company's ultimate holding company is General Accident plc which is registered in Scotland.

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the auditors' statement set out on page 8, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

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 its profit or loss for the year and which comply with the provisions of the Companies Act 1985.

The directors consider that in preparing the financial statements on pages 2 to 6, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed. The directors are required to use a going concern basis in preparing the financial statements unless this is inappropriate.

The directors are responsible for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They also have a general responsibility 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.

The directors, having prepared the financial statements on pages 2 to 6, have requested the auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to give their audit opinion below.

GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

Report of the Auditors to the Members of General Accident Executor and Trustee Company Limited

We have audited the financial statements on pages 2 to 6.

Respective responsibilities of Directors and Auditors

As described on page 7 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 at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG Peat Marwick
Chartered Accountants
Registered Auditors

24 Blythswood Square
Glasgow G2 4QS

27th April 1994