

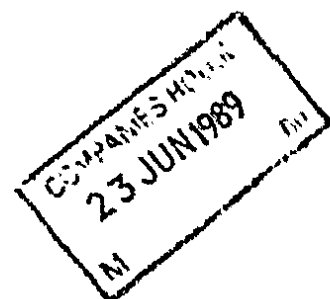
6252

GENERAL ACCIDENT EXECUTOR

AND

TRUSTEE COMPANY LIMITED

REPORT AND ACCOUNTS 1988



REGISTERED OFFICE: Becket House, 87 Cheapside, London EC2/ 6AY  
Registered in England - No. 6252

**DIRECTORS AND SECRETARY**

Chairman: B C Marshall, CA

Directors: T Roberts, MA FCII  
W N Robertson, MA FCII

Secretary: R A Whitaker, LLB DMS FCII

**DIRECTORS' REPORT**

The directors submit their Report together with the Accounts of the Company for the year ended 31 December 1988.

**RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £160,090 to which has been added £158,263 balance brought forward from the previous year. An interim ordinary dividend of £100,000 and a preference dividend of £840 was paid on 29 December 1988 leaving a balance of £217,513 to be carried forward. The directors recommended that no final dividend be paid.

**ULTIMATE HOLDING COMPANY**

The ultimate holding company is General Accident Fire & Life Assurance Corporation p.l.c. incorporated in Great Britain, of which the Company is a wholly owned subsidiary.

**PRINCIPAL ACTIVITY**

The principal activity of the Company is transacting trustee and executorship business.

**DIRECTORS AND THEIR INTERESTS**

None of the directors are interested in the issued share capital of the company. The interests of the directors in the issued share capital of the ultimate holding company are dealt with in the report of the directors of General Accident Fire and Life Assurance Corporation p.l.c.

**AUDITORS**

A resolution concerning the re-appointment of Peat Marwick McLintock as auditors will be proposed at the forthcoming annual general meeting.

By order of the Board

  
Secretary

PERTH  
29 March 1989

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED DECEMBER 31, 1988

|                                      | Notes | 1988           | 1987           |
|--------------------------------------|-------|----------------|----------------|
| Turnover                             | 2     | 962,194        | 832,911        |
| Expenses                             |       | <u>719,847</u> | <u>507,788</u> |
| Operating Profit                     | 3     | 242,347        | 325,123        |
| Tax on profit on ordinary activities | 4     | <u>82,257</u>  | <u>115,444</u> |
| Profit for the financial year        |       | 160,090        | 209,679        |
| Retained profit brought forward      |       | <u>158,263</u> | <u>149,424</u> |
| Total available for appropriation    |       | 318,353        | 359,103        |
| Dividends                            | 5     | <u>100,840</u> | <u>200,840</u> |
| Retained profit carried forward      |       | <u>217,513</u> | <u>158,263</u> |

The notes on pages 5 to 7 form part of these accounts.

BALANCE SHEET  
AT DECEMBER 31, 1988

|   | Notes        | 1988              | 1987              |
|---|--------------|-------------------|-------------------|
|   |              | £                 | £                 |
| Investments   | 6            | 701,681           | 1,174,401         |
| Fixed Assets  |              |                   |                   |
| Computer Software                                       |              | <u>18,000</u>     |                   |
|   |              | 719,681           |                   |
| Current Assets  |              |                   |                   |
| Due from Parent Company                                 | 3,796,446    |                   | 3,368,181         |
| Debtors   | 167,902      |                   | 36,506            |
| Accrued interest  | 17,669       |                   | 17,340            |
| Cash at bank and in hand                                | <u>1,160</u> |                   | <u>6,019</u>      |
|   | 3,983,177    |                   | 3,428,046         |
| Creditors: amounts falling due within one year          | 7            | 3,307,389         | <u>79,300</u>     |
| Net current Assets/(Liabilities)                        |              | <u>675,788</u>    | <u>3,348,746</u>  |
| Total assets less current liabilities                   |              | 1,395,469         | 4,523,147         |
| Creditors: amounts falling due after more than one year |              |                   |                   |
| Corporation Tax (payable January 1, 1990)               | 79,669       |                   | 112,992           |
| Loan - Parent Co  | -            |                   | 3,200,000         |
| Provision for liabilities and charges                   |              |                   |                   |
| Deferred taxation                                       | <u>6,184</u> |                   | <u>6,069</u>      |
|   |              | 85,853            | 3,319,061         |
|   |              | <u>£1,309,616</u> | <u>£1,204,086</u> |
| Capital and reserves                                    |              |                   |                   |
| Called up share capital                                 | 3            | 826,600           | 826,600           |
| General Reserve   |              | 144,571           | 144,571           |
| Investment Reserve                                      |              | 120,932           | 74,652            |
| Profit and loss account                                 |              | <u>217,263</u>    | <u>151,263</u>    |
|   |              | <u>£1,309,616</u> | <u>£1,204,086</u> |

The notes on pages 5 to 7 form part of these accounts.

STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1988

|   | 1988             | 1987               |
|---|------------------|--------------------|
|   | £                | £                  |
| Source of Funds:                                      |                  |                    |
| Profit on ordinary activities before taxation         | 242,347          | <u>325,124</u>     |
| Application of funds:                                 |                  |                    |
| Dividends paid  | 100,840          | 200,840            |
| Tax paid  | 87,399           | 33,156             |
| Purchase of Fixed Assets                              | <u>18,000</u>    | <u>-</u>           |
|   | <u>206,239</u>   | <u>233,996</u>     |
| Working capital increase/(decrease)                   | <u>£36,108</u>   | <u>£91,128</u>     |
| Components of increase/(decrease) in working capital: |                  |                    |
| Share Capital   | -                | (680,000)          |
| Debtors   | 559,991          | 3,451,583          |
| Creditors   | <u>(25)</u>      | <u>(3,199,611)</u> |
|   | 559,966          | <u>(428,028)</u>   |
| Movement in investments and net liquid funds:         |                  |                    |
| Cash at bank and in hand                              | (4,858)          | (1,844)            |
| Cash on deposit                                       | (430,000)        | 521,000            |
| Listed Investments (net of reserve)                   | <u>(89,000)</u>  | <u>-</u>           |
|   | <u>(523,858)</u> | <u>519,156</u>     |
|   | <u>£36,108</u>   | <u>£91,128</u>     |

The notes on pages 5 to 7 form part of these accounts

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1988

1. Accounting Policies

Accounting Convention

The accounts are prepared under the historical cost convention.

Investment Income

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

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.

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 relatively immaterial.

2. Turnover

Analysis of turnover is as follows:

|   | 1988           | 1987           |
|---|----------------|----------------|
|   | £              | £              |
| a) Investment income received from investments held in the U.K. | 55,331         | 7,153          |
| b) Trusteeship Business Fees                                    | <u>866,863</u> | <u>7,575</u>   |
|   | <u>962,194</u> | <u>832,911</u> |

3. Operating profit

This is stated after charging:

|                         | £   | £   |
|-------------------------|-----|-----|
| Directors' remuneration | N11 | N11 |
| Auditors' remuneration  | 955 | 925 |

4. Tax on profit on ordinary activities

Based on the profit for the year:

|  | £             | £              |
|--|---------------|----------------|
| Corporation Tax at 35% (1987: 35%)             | 79,669        | 112,969        |
| Tax credits attributable to dividends received | 2,473         | 2,382          |
| Deferred taxation                              | <u>115</u>    | <u>93</u>      |
|  | <u>82,257</u> | <u>115,444</u> |

5. Dividends

|                         | £              | £              |
|-------------------------|----------------|----------------|
| Preference              | 840            | 840            |
| Ordinary - Interim paid | <u>100,000</u> | <u>200,000</u> |
|                         | <u>100,840</u> | <u>200,840</u> |

## NOTES TO THE ACCOUNTS AT DECEMBER 31, 1988


|  | 1988             | 1987             |
|--|------------------|------------------|
| <b>6. Investments</b>                                    | £                | £                |
| Cost at January 1, 1988                                  | 1,174,401        | 653,401          |
| Additions  | ~                | 521,000          |
| Disposals  | <u>472,720</u>   | <u>-</u>         |
| Cost at December 31, 1988                                | <u>701,681</u>   | <u>1,174,401</u> |
|  | £                | £                |
| Listed investments                                       | 501,681          | 544,401          |
| Deposits at interest                                     | <u>200,000</u>   | <u>630,000</u>   |
|  | <u>701,681</u>   | <u>1,174,401</u> |
| Valuation:   |                  |                  |
| Listed investments - market value                        | £694,831         | £807,567         |
| Deposits at interest                                     | <u>£200,000</u>  | <u>£630,000</u>  |
| <b>7. Creditors: amounts falling due within one year</b> | £                | £                |
| Current corporation tax                                  | 106,434          | 78,370           |
| Accruals   | 955              | 930              |
| Loan - Parent Company                                    | <u>3,200,000</u> | <u>-</u>         |
|  | <u>3,307,389</u> | <u>79,300</u>    |
| <b>8. Share Capital</b>                                  |                  |                  |
| Authorised:  | No               | No               |
| Ordinary shares of £4 each                               | <u>1,480,000</u> | <u>1,480,000</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>   |


NOTES TO THE ACCOUNTS AT DECEMBER 31, 1988

9. Holding Company

The company's ultimate holding company is General Accident Fire and Life Assurance Corporation plc which is incorporated in Great Britain.

Approved by the Board

  
Chairman

  
Director

29th March 1989



We have audited the accounts on pages 2 to 7, in accordance with approved Auditing Standards.

In our opinion the accounts, give a true and fair view of the state of the company's affairs at December 31, 1988 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Peat Marwick McLintock*

PEAT MARWICK MCLINTOCK  
Chartered Accountants

24 Blythswood Square  
Glasgow G2 4QS

29th March 1989