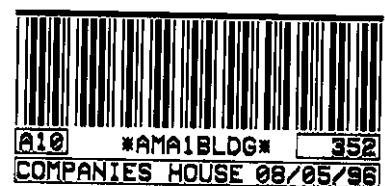


GENERAL ACCIDENT EXECUTOR

AND

TRUSTEE COMPANY LIMITED

REPORT & ACCOUNTS 1995



GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31st DECEMBER 1995

DIRECTORS AND SECRETARY

Directors: R A Scott, AAI  
R Evans  
R A Whitaker, LLB DMS FCII

Secretary: R A Whitaker, LLB DMS FCII

Principal Activity and Business Review

Continued interest in Unit Trust and Stock Market investment has led to another profitable year for General Accident Executor and Trustee Company Limited. Unit Trust Trusteeships continues to be its main activity. Further growth was achieved 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 £1,084,297 (1994: £968,798). An interim dividend of £300,000 (1994: £250,000) and a preference dividend of £840 (1994: £840) were paid on 29th December 1995.

Directors and their interests

The present members of the board are as shown above.

The following changes to the directorate have taken place during the year:

Mr W N Robertson retired as a director on 31 December 1995.  
Mr B Holder died on 30 November 1995.

Messrs Scott and Evans were appointed directors after the year end on 1 January 1996 and 24 January 1996 respectively.

The beneficial interests of Mr Robertson and Mr Scott in the share capital of other companies in the General Accident group are stated in the Directors' Report and Accounts of the ultimate parent company General Accident plc. The interests of Messrs Whitaker and Evans in the share capital of General Accident plc are shown below.

Ordinary Shares

	1st January 1995	31st December 1995
R A Whitaker	11,087	12,623

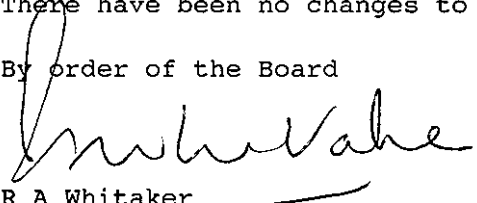
Share Options

1st January 1995	Options Granted during the year	Options Exercised or Lapsed during the year	31st December 1995
R A Whitaker 52,307	18,201	Nil	70,508

At the date of his appointment, Mr Evans had an interest in 2,509 ordinary shares and 77,059 share options.

There have been no changes to the interests as stated above.

By order of the Board

  
R A Whitaker

27th March 1996

Statement of Directors' Responsibilities

The following statement, which should be read in conjunction with the auditors' statement set out on page 3, 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 4 to 8, 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 4 to 8, have requested the auditors to take whatever steps and undertake whatever inspections they consider to be appropriate for the purpose of enabling them to form an audit opinion.

## **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 4 to 8.

#### **Respective responsibilities of Directors and Auditors**

As described on page 2 the company's directors are responsible for the preparation of the 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 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG  
Chartered Accountants  
Registered Auditors

24 Blythswood Square  
Glasgow G2 4QS

26 April 1996

**GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED**

**Profit and Loss Account**

for the year ended 31st December 1995

	Note	1995 £	1994 £
<b>Turnover</b>		2,895,506	2,778,534
Administrative Expenses		<u>1,358,090</u>	<u>1,388,395</u>
<b>Operating Profit</b>	2	1,537,416	1,390,139
Income from other fixed asset investments		45,943	48,112
Other interest receivable		<u>5,115</u>	<u>2,203</u>
<b>Tax on profit on ordinary activities</b>	3	<u>1,588,474</u> <u>504,177</u>	<u>1,440,454</u> <u>471,656</u>
<b>Profit for the financial year</b>		1,084,297	968,798
Transfer from Investment Reserve		164,897	-
Retained profit brought forward		<u>1,601,075</u>	<u>883,117</u>
Total available for appropriation		2,850,269	1,851,915
Dividends	4	<u>300,840</u>	<u>250,840</u>
<b>Retained profit carried forward</b>		<u>2,549,429</u>	<u>1,601,075</u>
<b>Statement of Total Recognised Gains and Losses</b>			
Profit for the year attributable to shareholders		1,084,297	968,798
Net realised gains on sale of investments		<u>-</u>	<u>-</u>
<b>Total recognised gains and losses relating to the year</b>		<u>1,084,297</u>	<u>968,798</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.			
<b>Reconciliation of the Movement in Shareholders' Funds</b>			
Total recognised gains and losses relating to the year		1,084,297	968,798
Dividends - ordinary shares		300,000	250,000
- preference shares		<u>840</u>	<u>840</u>
Movement in ordinary shareholders funds		783,457	717,958
Balance as at 1st January		<u>2,737,143</u>	<u>2,019,185</u>
Balance as at 31st December		<u>3,520,600</u>	<u>2,737,143</u>

The notes on pages 6 to 8 form an integral part of these accounts

GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

Balance Sheet

at 31st December 1995

	Note	1995 £	1994 £
<b>Fixed Assets</b>			
Tangible assets	5	91,146	78,218
Investments	6	<u>438,637</u>	<u>438,637</u>
		529,783	516,855
<b>Current Assets</b>			
Debtors	7	7,089,460	6,307,583
Cash at bank and in hand		<u>313,034</u>	<u>86,446</u>
		7,402,494	6,394,029
<b>Creditors: amounts falling due within one year</b>	8	<u>4,409,845</u>	<u>4,171,909</u>
<b>Net Current Assets/(Liabilities)</b>		<u>2,992,649</u>	<u>2,222,120</u>
<b>Total assets less current liabilities</b>		3,522,432	2,738,975
<b>Deferred taxation</b>		<u>1,832</u>	<u>1,832</u>
		<u>3,520,600</u>	<u>2,737,143</u>
<b>Capital and reserves</b>			
Called up share capital	9	826,600	826,600
Other Reserves		144,571	144,571
Investment Reserve		-	164,897
Profit and Loss account		<u>2,549,429</u>	<u>1,601,075</u>
		<u>3,520,600</u>	<u>2,737,143</u>

These accounts were approved by the Board of Directors on 27th March 1996 and are signed on its behalf.

R A Whitaker

The notes on pages 6 to 8 form an integral part of these accounts.

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1995

1. Accounting Policies

a. Accounting Convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

b. Investment Income

Investment income is recognised on an accruals basis and is shown after grossing for related tax credits. Realised gains and losses on the disposal of investments represent sale proceeds less cost.

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.

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 and Office Refurbishments at rates calculated to write off the costs over five years and three years respectively.

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.

h. Change in Presentation

Following on a change in group accounting policy cash deposits at call, previously treated as investments, have been classified as cash at bank and comparative figures restated.

2. Operating Profit

	1995	1994
This is stated after charging:	£	£
Directors' remuneration	Nil	Nil
Auditors' remuneration	1,155	1,116
Depreciation	61,371	42,886

GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1995

3. Tax on profit on ordinary activities

Based on the profit for the year:

Corporation Tax

Tax credits attributable to dividends received

Deferred taxation

1995

£

501,153

3,024

-

504,177

1994

£

469,031

2,625

-

471,656

4. Dividends

Preference

Ordinary - Interim paid

840

300,000

300,840

840

250,000

250,840

5. Fixed Assets

Plant and Machinery:-

Cost

£

Aggregate  
Depreciation

£

Net  
Book Value

£

Brought forward 1st January

336,661

258,443

78,218

Purchase during year

74,299

-

74,299

Depreciation charge

-

61,371

61,371

410,960

319,814

91,146

6. Investments

1995

£

1994

£

Other investments other than loans:

At beginning of year

438,637

438,637

At end of year

438,637

438,637

Market Value

798,540

693,520

All investments are UK listed investments

Investment Reserve

At beginning of year

164,897

164,897

Transfer to Profit and Loss account

164,897

-

At end of year

-

164,897

7. Debtors

Trade debtors

9,500

463,798

Amounts owed by group undertakings

Due by parent company

6,852,044

5,691,132

Other debtors

27,964

28,801

Prepayments and accrued income:-

Work in progress

194,400

118,300

Accrued interest

5,552

5,552

7,089,460

6,307,583



GENERAL ACCIDENT EXECUTOR AND TRUSTEE COMPANY LIMITED

NOTES TO THE ACCOUNTS AT DECEMBER 31, 1995

8. <u>Creditors: amounts falling due within one year</u>	1995 £	1994 £
Amounts owed to group undertakings -		
Parent company interest free subordinated loan	3,200,000	3,200,000
Other creditors including taxation and social security:		
Current corporation tax	1,154,945	822,129
Accruals	<u>54,900</u>	<u>149,780</u>
	<u>4,409,845</u>	<u>4,171,909</u>

9. Share Capital

Authorised:

350,000 Ordinary shares of £4 each (1994: 350,000)

20,000 6% (now 4.2% plus tax credit)

Preference shares of £5 each (1994: 20,000)

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. Ultimate Holding Company

The largest group in which the accounts of the company are consolidated is that headed by General Accident plc, the ultimate holding company incorporated in Great Britain and registered in Scotland. The smallest group in which they are consolidated is that headed by General Accident Fire and Life Assurance Corporation plc, incorporated in Great Britain and registered in Scotland.

The consolidated accounts of these groups are available to the public and can be obtained from The Registrar of Companies, Companies House, 37 Castle Terrace, Edinburgh, EH1 2EB.