

COMPANIES HOUSE  
17 OCT 1992  
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# REPORT & ACCOUNTS 1992

3-11-92  
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## DIRECTORS AND OFFICERS

### DIRECTORS

Russell H. Church, F.R.I.C.S.  
Herbert W. Tuckey, F.C.A.  
Susan R. Howdle, B.C.L., M.A.  
Rev. Brian A. Greet, B.A., B.D., S.T.M.  
Rev. Jeffrey W. Harris, M.A., B.D.  
Rev. Ralph E. Fennell, M.A.  
Michael A. H. Willett, F.I.A., M.B.C.S.  
Norman Parker, F.C.I.B., M.I.Ex.  
Ronald A. Johnson, M.B.I.M.  
Andrew G. Gibbs, M.A., F.C.A.  
Colin H. Boothman, F.R.I.C.S., M.A. Cost E.  
Rev. G. Michael Wear'ng, M.A., B.D.

Chairman.

Vice-Chairman.

### OFFICERS

David A. Blanks, B.A., F.C.I.I.  
Grayham Simpson, F.C.I.S  
Michael J. Jarrett, F.C.I.I.

General Manager.

Secretary and Accountant.

Underwriting Manager.

### HEAD OFFICE AND REGISTERED ADDRESS

Brazennose House, Brazennose Street, Manchester M2 5AS.  
Telephone 061-833 9696  
Facsimile 061-833 1287

### IRISH OFFICE

Mayo House, 61 Rathdown Park, Dublin 6.  
Rev. Paul Kingston

Attorney for the Republic of Ireland.

### AUDITORS

KPMG Peat Marwick, Chartered Accountants,  
7 Tib Lane, Manchester M2 6DS.

### BANKERS

Midland Bank plc,  
100 King Street, Manchester M60 2HD.

## STATEMENT BY THE CHAIRMAN

It is with much pleasure that I report that we have made an overall profit this year, which includes a modest underwriting profit.

The turnaround in our fortunes is due to two main reasons. Firstly, the past winter was exceptionally mild and storm free, consequently the number and cost of weather related claims was well down on the previous year. Secondly, the premium increases which we have been applying to most classes have helped us significantly in spite of a higher than usual lapse ratio on our Home account.

However, the number and cost of theft and vandalism claims is causing increasing concern. On average one church in five experienced a loss from these causes and the total cost was 25% up on last year. Losses under these headings accounted for 65% of all claims received from churches during the year. These losses may be, as some suggest, "recession led" but insurers generally feel that the number and cost of such losses are unlikely to abate even when the country returns to fuller employment. Unless church officers and members alike are more vigilant and take steps to tighten-up on security a further across the board increase in premiums at some later stage, or a higher excess, seems inevitable.

The overall number of all types of claims received dropped to 4,750 from 5,430 and the total cost £3.0 million gross and £1.7 million net, well down on last year.

I am pleased to say that this year's profit will enable us to resume making grants to Connexional Funds and the allocation of the sum of £445,510 will be recommended to the Annual General Meeting in October. A dividend will also be paid to shareholders this year.

During the year two new Directors were appointed, Reverend G. Michael Wearing, a Chairman of District and Mr. Colin H. Boothman, a Chartered Quantity Surveyor, we welcome them to the Board and are happy to support their nominations for re-election at the Annual General Meeting.

There will be two retirements from the Board at the end of the Annual General Meeting. The Reverend Brian A. Greet has served as a Director for ten years and we thank him for his valued contributions to our deliberations. His quiet and friendly counsel will be greatly missed. I am retiring as Chairman and Director having served as a member of the Board for nineteen years, which I have found both stimulating and enjoyable.

It is usual for me in the annual statement, on behalf of the shareholders, to thank the employees of the Company for their efforts during the year, and this I gladly do. In addition, in this my final statement, I wish to express my personal thanks and appreciation for the fellowship and support of my Vice-Chairman and fellow Directors, the excellence, devotion and loyalty of the General Manager, officers and staff at head office, the hard work of our representatives in the field, the Superintendent Ministers who add our cause to their many other responsibilities, and also our insurance intermediaries.

I commend to you all my successor Mr. Herbert W. Tuckey, who has been a Director since 1978, and a most able Vice-Chairman for the past five years. I offer him a warm welcome and our best wishes in his new responsibilities.

R.H. Church, Chairman.

## REPORT OF THE DIRECTORS

The directors submit the Annual Report and Accounts of the Company for the year ended 30 June 1992.

### FINANCIAL RESULTS

The Profit and Loss Account on page 4 shows the profit for the year.  
The directors recommend a dividend for the year of 1p per share.  
The movement on reserves is shown on page 9.

### ACTIVITIES

The principal activity of the Company is the transaction of general insurance business.

### REVIEW OF ACTIVITIES

The Chairman's review of the affairs of the Company is set out on page 2.

### DIRECTORS

The names of the present directors are shown on page 1.  
Mr. C.W. Jacob retired from the board during the year.  
Rev. R.E. Fennell in accordance with Article 95 of the Company's Articles of Association, retires from the board by rotation and, being eligible, offers himself for re-election.  
Mr. R.H. Church and Rev. B.A. Greet in accordance with Article 95 of the Company's Articles of Association, retire from the board by rotation but do not offer themselves for re-election.  
Mr. C.H. Boothman and Rev. G.M. Wearing were appointed directors on 22 April 1992. In accordance with Article 100 of the Company's Articles of Association, they now retire from the board and, being eligible, offer themselves for re-election.

### DIRECTORS' SHAREHOLDINGS

The directors were interested in the shares of the Company as follows:

|                   | 30 June 1992 | 30 June 1991<br>(or date of appointment) |
|-------------------|--------------|--|
| R.H. Church       | 1,000        | 1,000                                    |
| H.W. Tuckey       | 500          | 500                                      |
| S.R. Howdle       | 250          | 250                                      |
| Rev. B.A. Greet   | 50           | 50                                       |
| Rev. J.W. Harris  | 250          | 250                                      |
| Rev. R.E. Fennell | 25           | 25                                       |
| M.A.H. Willett    | 500          | 500                                      |
| N. Parker         | 20           | 20                                       |
| R. A. Johnson     | 250          | 250                                      |
| A.G. Gibbs        | 150          | 150                                      |
| C.H. Boothman     | -            | -  |
| Rev. G.M. Wearing | -            | -  |

### CHARITABLE AND POLITICAL CONTRIBUTIONS

Charitable contributions donated during the year amounted to £447,300 (1991 £4,525). There were no contributions for political purposes.

### DIRECTORS AND OFFICERS LIABILITY INSURANCE

Insurance of officers against liabilities in relation to the Company was maintained during the year.

### AUDITORS

A resolution for the re-appointment of KPMG Peat Marwick as auditors of the Company, will be proposed at the forthcoming Annual General Meeting.

By Order of the Board,  
G. SIMPSON, Secretary,  
25 August 1992.

*G. Simpson*

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1992

|                                      | Notes | 1992<br>£       | 1991<br>£         |
|--------------------------------------|-------|-----------------|-------------------|
| <b>Income</b>                        |       |                 |                   |
| Net written premiums                 | 1B&2  | 2,860,685       | 2,538,019         |
| Less increase in unearned premiums   | 1B    | <u>207,608</u>  | <u>174,220</u>    |
| Premiums earned                      |       | 2,653,077       | 2,363,799         |
| <br><b>Expenditure</b>               |       |                 |                   |
| Net claims incurred                  | 1C&3  | 1,741,811       | 2,484,172         |
| Management expenses                  | 4     | <u>822,020</u>  | <u>773,634</u>    |
| <b>Underwriting Profit/(Loss)</b>    | 5     | 89,246          | (894,007)         |
| <br><b>Investment Income</b>         | 1D&5  |                 |                   |
| Interest and dividends               |       | 605,413         | 593,385           |
| Profit on investment realisations    |       | <u>18,413</u>   | <u>153,347</u>    |
| <b>Profit/(Loss) before Taxation</b> | 5     | 713,072         | (147,275)         |
| <br><b>Charitable Grants</b>         |       |                 |                   |
| Methodist funds and organisations    |       | 445,510         | —                 |
|                                      |       | <u>267,562</u>  | <u>(147,275)</u>  |
| <br><b>Taxation</b>                  | 6     | 38,038          | 19,809            |
| <b>Profit/(Loss) after Taxation</b>  |       | 229,524         | (167,084)         |
| <br><b>Proposed Dividend</b>         |       | 187             | —                 |
| <b>Retained Profit</b>               | 7     | <u>£229,337</u> | <u>£(167,084)</u> |

The notes on pages 7 to 11 form an integral part of these accounts.

## BALANCE SHEET

AS AT 30 JUNE 1992

|                               | Notes | £                | 1992<br>£         | £                | 1991<br>£         |
|-------------------------------|-------|------------------|-------------------|------------------|-------------------|
| <b>INVESTMENTS</b>            |       |                  |                   |                  |                   |
| Listed Securities             |       |                  |                   |                  |                   |
| Fixed Interest                |       | 2,508,755        |                   | 2,410,559        |                   |
| Ordinary Shares               |       | 918,766          |                   | 595,036          |                   |
|                               |       | <u>3,427,521</u> |                   | <u>3,005,595</u> |                   |
| Unlisted Securities           |       |                  |                   |                  |                   |
| Mortgages and Loans           |       | 213,343          |                   | 201,782          |                   |
|                               |       | <u>213,343</u>   | 3,640,264         | <u>201,782</u>   | 3,207,377         |
| <b>FIXED ASSETS</b>           | 1E&9  |                  | 41,672            |                  | 38,151            |
|                               |       |                  | <u>3,682,536</u>  |                  | <u>3,245,528</u>  |
| <b>CURRENT ASSETS</b>         |       |                  |                   |                  |                   |
| Premiums                      |       | 485,510          |                   | 389,667          |                   |
| Debtors                       |       | 271,255          |                   | 213,686          |                   |
| Deferred Acquisition Expenses | 1F    | 194,699          |                   | 180,757          |                   |
| Cash at Bank and in Hand      | 10    | 2,369,542        |                   | 2,512,469        |                   |
|                               |       | <u>3,321,006</u> |                   | <u>3,296,579</u> |                   |
| <b>TOTAL ASSETS</b>           |       |                  | 7,003,542         |                  | 6,542,107         |
| <b>CURRENT LIABILITIES</b>    |       |                  |                   |                  |                   |
| Creditors                     |       | 334,996          |                   | 157,270          |                   |
| Claims                        | 1C&3  | 2,661,835        |                   | 2,791,598        |                   |
| Unearned Premiums             | 1B&11 | 1,688,973        |                   | 1,481,365        |                   |
| Bank Overdraft                | 10    | -                |                   | 33,827           |                   |
| Current Taxation              |       | 28,667           |                   | 18,500           |                   |
| Proposed Dividend             |       | 187              |                   | -                |                   |
|                               |       | <u>4,714,658</u> |                   | <u>4,482,560</u> |                   |
| <b>NET ASSETS</b>             |       |                  | <u>£2,288,884</u> |                  | <u>£2,059,547</u> |
| <b>FINANCED BY:</b>           |       |                  |                   |                  |                   |
| SHARE CAPITAL                 | 12    |                  | 112,500           |                  | 112,500           |
| RESERVES                      | 7     |                  | 2,176,384         |                  | 1,947,047         |
|                               |       |                  | <u>£2,288,884</u> |                  | <u>£2,059,547</u> |

The accounts on pages 4 to 11 were approved by the Board of Directors on 25 August 1992 and were signed on its behalf by:

R.H. Church, Director.



The notes on pages 7 to 11 form an integral part of these accounts.

# CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 1992

Note 10

|   | 1992       | 1991       |
|---|------------|------------|
|   | £          | £          |
| Net cash inflow from operating activities                             | 751,291    | 1,125,073  |
| Returns on investments and servicing of finance                       |            |            |
| Dividends paid  | -          | (187)      |
| Net cash outflow from returns on investments and servicing of finance | -          | (187)      |
| Taxation  |            |            |
| UK Corporation tax recovered/(paid)                                   | 11,600     | (45,254)   |
| Overseas tax paid   | (16,653)   | (14,543)   |
| Total tax paid  | (5,053)    | (59,797)   |
| Investing activities  |            |            |
| Purchase of investments   | (735,075)  | (579,707)  |
| Sale of investments   | 320,001    | 804,804    |
| Purchase of tangible fixed assets                                     | (28,644)   | (17,849)   |
| Sale of tangible fixed assets   | 5,380      | 3,500      |
| Net cash (outflow)/inflow from investing activities                   | (438,338)  | 210,748    |
| Charitable grants paid  | (417,000)  | (170,218)  |
| (Decrease)/increase in cash and cash equivalents                      | £(109,100) | £1,105,619 |

The notes on pages 7 to 11 form an integral part of these accounts.



## NOTES ON THE ACCOUNTS

### 1 ACCOUNTING POLICIES

#### A Disclosure Requirements

The accounts have been prepared in compliance with Section 258 and Schedule 9 of the Companies Act 1985, and in accordance with applicable accounting standards and the statement of recommended practice on accounting for insurance business issued by the Association of British Insurers.

#### B Premium Income

1. Direct premiums written relate to business inception during the year.
2. Unearned premiums represent that proportion of premiums written in the year to 30 June, which relate to periods from 1 July to the subsequent dates of expiry of the policies, and have been computed as follows:-
  - (i) Direct business - on a daily pro-rata basis, net of reinsurance premiums.
  - (ii) Inwards Treaty business - as provided for in the respective treaty contracts.

#### C Claims Outstanding

Provisions for notified claims as at 30 June each year are determined on an individual case basis after taking into account related handling expenses, expected recoveries, anticipated inflation and trends in settlements. Estimates made are based on the information available at the time. Provision is also made in respect of claims incurred but not reported at 30 June. Any differences between original claims provisions and subsequent re-estimates or settlements are reflected in the underwriting results of the year in which claims are re-estimated or settled.

#### D Investment Income

Investment income includes interest accrued to 30 June on deposits but no credit is taken for ordinary dividends and income arising on fixed interest securities other than those received in the year, and is stated before any deductions for income tax, and after adding back tax credits available on distributions.

#### E Capital Expenditure

Expenditure on computer and office equipment, furniture, fixtures and fittings, and motor vehicles is capitalised and depreciated by equal annual instalments over the estimated useful lives of the assets, which are as follows:

|                                 |         |
|---------------------------------|---------|
| Computer equipment              | 4 years |
| Office equipment                | 5 years |
| Furniture, fixture and fittings | 3 years |
| Motor vehicles                  | 5 years |

#### F Deferred Acquisition Expenses

Provision is made for deferred acquisition expenses representing commission relating to unearned premiums and has been based on actual expenses.

#### G Foreign Currencies

Assets and liabilities in foreign currencies have been converted into sterling at the rates of exchange ruling at 30 June. Differences on exchange have been dealt with through the Profit and Loss Account.

## NOTES ON THE ACCOUNTS (continued)

### 2 PREMIUM INCOME

|  | 1992<br>£        | 1991<br>£        |
|--|------------------|------------------|
| Gross direct premiums written and reinsurance accepted | 6,010,019        | 5,186,963        |
| Deduct reinsurance premiums ceded                      | 3,149,334        | 2,648,944        |
|  | <u>2,860,685</u> | <u>2,538,019</u> |
| Gross premiums by geographical areas:-                 |                  |                  |
| United Kingdom   | 5,836,188        | 5,038,198        |
| Eire   | 173,831          | 148,765          |
|  | <u>6,010,019</u> | <u>5,186,963</u> |
| Gross premiums by class of business:-                  |                  |                  |
| Fire and damage to property                            | 5,041,527        | 4,273,972        |
| Liability  | 466,711          | 452,724          |
| Accident and health                                    | 167,023          | 123,198          |
| Miscellaneous financial loss                           | 94,761           | 70,342           |
| Reinsurance accepted                                   | 239,997          | 266,727          |
|  | <u>6,010,019</u> | <u>5,186,963</u> |

### 3 CLAIMS

|                               | 1992<br>£        | 1991<br>£        |
|-------------------------------|------------------|------------------|
| Gross claims incurred         | 3,003,795        | 5,589,257        |
| Deduct reinsurance recoveries | 1,261,984        | 3,105,085        |
|                               | <u>1,741,811</u> | <u>2,484,172</u> |
| Gross claims outstanding      | 5,258,138        | 6,223,730        |
| Deduct reinsurance recoveries | 2,596,303        | 3,432,132        |
|                               | <u>2,661,835</u> | <u>2,791,598</u> |

### 4 MANAGEMENT EXPENSES

|   | 1992<br>£      | 1991<br>£      |
|---|----------------|----------------|
| Administrative expenses and commissions     | 1,486,372      | 1,416,762      |
| Deduct - reinsurance and agency commissions | 650,410        | 620,300        |
| - increase in deferred acquisition expenses | 13,942         | 22,828         |
|   | <u>822,020</u> | <u>773,634</u> |
| Management expenses include:-               |                |                |
| Directors' emoluments                       |                |                |
| Fees and expenses                           | 11,530         | 11,427         |
| Pension to former director                  | 10,564         | 9,708          |
| Auditors' remuneration                      |                |                |
| Audit fees                                  | 15,481         | 14,961         |
| Non-audit fees                              | 2,277          | 2,083          |
| Depreciation                                | 16,862         | 17,423         |

### 5 GEOGRAPHICAL INFORMATION

|                               | United Kingdom   |                  | Eire           |                | Total            |                  |
|-------------------------------|------------------|------------------|----------------|----------------|------------------|------------------|
|                               | 1992<br>£        | 1991<br>£        | 1992<br>£      | 1991<br>£      | 1992<br>£        | 1991<br>£        |
| Underwriting Profit/(Loss)    | 81,551           | 317,556          | 7,695          | 23,549         | 89,246           | (894,007)        |
| Investment Income             | 599,858          | 724,434          | 23,958         | 22,298         | 623,826          | 746,732          |
| Profit/(Loss) before Taxation | <u>681,409</u>   | <u>(193,122)</u> | <u>31,653</u>  | <u>45,847</u>  | <u>713,072</u>   | <u>(147,275)</u> |
| Net Assets                    | <u>2,146,529</u> | <u>1,934,047</u> | <u>142,355</u> | <u>125,500</u> | <u>2,268,884</u> | <u>2,059,547</u> |

## NOTES ON THE ACCOUNTS (continued)

### 6 TAXATION

U.K. Corporation Tax at 25% based on the profit for the year after charitable grants  
Over provision in respect of prior years

Tax in respect of U.K. dividends received

Overseas taxation

Less relief for overseas taxation

| 1992<br>£ | 1991<br>£ |
|-----------|-----------|
| 15,500    | -         |
| (11,601)  | (19,353)  |
| 3,899     | (19,353)  |
| 20,972    | 20,662    |
| 24,871    | 1,309     |
| 13,933    | 19,260    |
| 38,804    | 20,569    |
| 766       | 760       |
| 38,038    | 19,809    |

### 7 RESERVES

At 1 July 1991  
Retained profit

At 30 June 1992

| Profit and Loss<br>Account<br>£ |
|---------------------------------|
| 1,947,047                       |
| 229,337                         |
| 2,176,384                       |

### 8 INVESTMENTS

Listed and unlisted securities are stated in the Balance Sheet at cost.

Aggregate market value of listed securities

| 1992<br>£ | 1991<br>£ |
|-----------|-----------|
| 4,925,739 | 4,215,527 |

### 9 FIXED ASSETS

|                           | Computer<br>equipment<br>£ | Office<br>equipment<br>fixtures<br>and fittings<br>£ | Motor<br>vehicles<br>£ | Total<br>£ |
|---------------------------|----------------------------|--|------------------------|------------|
| Cost                      |                            |  |                        |            |
| At 1 July 1991            | 108,298                    | 24,332   | 29,454                 | 162,084    |
| Additions                 | 7,216                      | 10,542   | 10,886                 | 28,644     |
| Disposals                 | (4,561)                    | (6,966)  | (9,025)                | (20,552)   |
| At 30 June 1992           | 110,953                    | 27,908   | 31,315                 | 170,176    |
| Accumulated depreciation  |                            |  |                        |            |
| At 1 July 1991            | 100,296                    | 13,865   | 9,772                  | 123,933    |
| Depreciation for the year | 6,582                      | 4,017  | 6,263                  | 16,862     |
| Disposals                 | (4,492)                    | (4,189)  | (3,610)                | (12,291)   |
| At 30 June 1992           | 102,386                    | 13,693   | 12,425                 | 128,504    |
| Net book value            |                            |  |                        |            |
| At 30 June 1992           | 8,567                      | 14,215   | 18,890                 | 41,672     |
| At 30 June 1991           | 8,002                      | 10,467   | 19,682                 | 38,151     |

## NOTES ON THE ACCOUNTS (continued)

### 10 CASH FLOW STATEMENT

#### a. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

|   | 1992<br>£      | 1991<br>£        |
|---|----------------|------------------|
| Operating profit/(loss)   | 713,072        | (147,275)        |
| Depreciation charges  | 16,862         | 17,423           |
| Loss on sale of tangible fixed assets                             | 2,882          | 1,240            |
| Profit on sale of investments                                     | (18,413)       | (153,347)        |
| Increase in premiums  | (95,843)       | (142,924)        |
| (Increase)/Decrease in debtors                                    | (87,926)       | 406,275          |
| Increase in deferred acquisition expenses                         | (13,942)       | (22,828)         |
| Increase in creditors   | 177,726        | 31,330           |
| (Decrease)/Increase in claims provisions                          | (129,763)      | 981,621          |
| Increase in unearned premiums                                     | 207,608        | 174,220          |
| Tax on franked investment income included within operating income | (20,972)       | (20,662)         |
| <b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>                  | <b>751,291</b> | <b>1,125,073</b> |

#### b. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

|                                | £                |
|--------------------------------|------------------|
| Balance at 1 July 1991         | 2,478,642        |
| Net cash outflow               | (109,100)        |
| <b>Balance at 30 June 1992</b> | <b>2,369,542</b> |

#### c. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

|                          | 1992<br>£        | 1991<br>£        | Change<br>in year<br>£ |
|--------------------------|------------------|------------------|------------------------|
| Cash at bank and in hand | 2,369,542        | 2,512,489        | (142,927)              |
| Bank overdraft           | -                | (33,827)         | 33,827                 |
|                          | <b>2,369,542</b> | <b>2,478,642</b> | <b>(109,100)</b>       |

#### d. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

Financing is shown in the balance sheet as 'Share Capital' £112,500(1991 £112,500)

## NOTES ON THE ACCOUNTS (continued)

### 11 UNEARNED PREMIUMS

|                                   | 1992             | 1991             |
|-----------------------------------|------------------|------------------|
|                                   | £                | £                |
| Gross unearned premiums           | 3,300,233        | 2,842,800        |
| Deduct reinsurance premiums ceded | 1,611,260        | 1,361,435        |
|                                   | <u>1,688,973</u> | <u>1,481,365</u> |

### 12 SHARE CAPITAL

At 30 June 1992 and 1991

18,750 shares of £6 each fully paid

| Authorised     | Issued         |
|----------------|----------------|
| £              | £              |
| <u>112,500</u> | <u>112,500</u> |

### 13 PENSION COSTS

The company operates a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Company, being invested with an insurance company under a Grouped Funding policy. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the Company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the discontinuance target funding method. The most recent valuation was as at 1 January 1990. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. It was assumed that the investment returns would be 8½% per annum, that salary increases would average 7% per annum and that present and future pensions would increase at the rate of 4% per annum.

The pension charge for the period was £70,057 (1991 £57,683).

The most recent actuarial valuation showed that the market value of the scheme's assets was £624,100 and that the actuarial value of those assets represented 99% of the benefits then had accrued to members, after allowing for expected future increases in earnings.

### 14 TRANSACTIONS WITH OFFICERS

At 30 June 1992 the amounts outstanding in respect of transactions, arrangements and agreements with officers of the Company (other than directors) were:-

|                      | Number of Officers | 1992              | 1991         |
|----------------------|--------------------|-------------------|--------------|
|                      |                    | £                 | £            |
| House purchase loans | 2                  | 81,750 (2)        | 73,750       |
| Other loans          | 3                  | <u>13,467 (3)</u> | <u>8,740</u> |

### 15 CURRENCY EXCHANGE

The rate of exchange used for converting Eire Puntis was IR£1.0875

## FIVE YEAR REVIEW

|                                | 1992<br>£<br>000 | 1991<br>£<br>000 | 1990<br>£<br>000 | 1989<br>£<br>000 | 1988<br>£<br>000 |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>PROFIT AND LOSS ACCOUNT</b> |                  |                  |                  |                  |                  |
| Gross premiums                 | 6,010            | 5,187            | 4,504            | 4,022            | 3,678            |
| Gross claims                   | (3,004)          | (5,589)          | (5,050)          | (1,890)          | (3,448)          |
| Net premiums earned            | 2,653            | 2,364            | 2,091            | 1,879            | 1,691            |
| Net claims                     | (1,742)          | (2,484)          | (1,770)          | (995)            | (1,212)          |
| Management expenses            | (822)            | (774)            | (584)            | (512)            | (515)            |
| Underwriting Profit/(Loss)     | 89               | (894)            | (263)            | 372              | (36)             |
| Investment income              | 624              | 747              | 659              | 481              | 445              |
| Profit/(Loss) before Taxation  | 713              | (147)            | 396              | 853              | 409              |
| Charitable contributions       | (446)            | -                | (208)            | (567)            | (233)            |
| Taxation                       | (38)             | (20)             | (84)             | (90)             | (58)             |
| Profit/(Loss)                  | 229              | (167)            | 104              | 196              | 118              |
| <b>BALANCE SHEET</b>           |                  |                  |                  |                  |                  |
| Investments                    | 3,641            | 3,207            | 3,279            | 2,820            | 2,639            |
| Fixed assets                   | 42               | 38               | 42               | 39               | 46               |
| Current assets                 | 3,321            | 3,297            | 2,487            | 2,651            | 2,094            |
| Total assets                   | 7,004            | 6,542            | 5,808            | 5,510            | 4,779            |
| Current liabilities            | 4,715            | 4,483            | 3,582            | 3,388            | 2,853            |
| Net assets                     | 2,289            | 2,059            | 2,226            | 2,122            | 1,926            |
| <b>FINANCED BY:</b>            |                  |                  |                  |                  |                  |
| Share Capital                  | 112              | 112              | 112              | 112              | 112              |
| Reserves                       | 2,177            | 1,947            | 2,114            | 2,010            | 1,814            |
|                                | 2,289            | 2,059            | 2,226            | 2,122            | 1,926            |

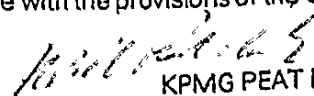
## REPORT OF THE AUDITORS

To the members of the Methodist Insurance P.L.C.

We have audited the accounts set out on pages 4 to 11 in accordance with Auditing Standards.

In our opinion, the accounts have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to insurance companies.

Manchester  
25 August 1992

  
KPMG PEAT MARWICK  
Chartered Accountants