

**Liverpool Marine
and General
Insurance Company
Limited**

REPORT AND ACCOUNTS 1975

Certified a true copy

R. Williams

Director

[Signature]

Secretary

LIVERPOOL MARINE AND GENERAL INSURANCE COMPANY LIMITED

Registered Office

Phoenix House
4-5 King William Street
London
EC4P 4HR

Directors

W C Harris FCI (Chairman)
R K Bishop FCI FCIS
R G Blackman ACII
A R Matanle FCI
B C Stone ACII
D Town ACII
K Wilkinson FCI

Secretary

E R Wills FCI

Notice of Meeting

The annual general meeting of the company will be held at Phoenix House, 4-5 King William Street, London, EC4P 4HR on Monday 26th April 1976 at 2.30 pm to receive and consider the directors' report and statement of accounts, to re-elect directors and to authorise the directors to fix the remuneration of the auditors.

A member of the company entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the company.

By order of the Board

E R WILLS

Secretary

2nd April 1976

Directors' Report

The directors submit their report on the affairs of the company for the year ended 31st December 1975.

Principal Activity

The principal activity of the company throughout the year was the transaction of insurance business.

Underwriting Results

Net premiums amounted to £663,632 and a loss of £50,000 has been transferred to profit and loss account.

Profit and Loss Account

Investment income amounted to £86,728. After the transfer of £85,000 from inner reserve and repayment of £75,000 to The Century Insurance Company Limited, being part of the contribution received in 1974, the balance of unappropriated profit in the sum of £1,549 has been transferred to retained profits and reserves.

Directors

Mr W C Harris, Mr R K Bishop, Mr A R Matanle and Mr K Wilkinson were appointed directors on 12th February 1975. Mr D Town was appointed a director on 22nd March 1976. The other directors whose names appear on page 2 were directors throughout 1975. Mr W L Stubbs, Mr M G Brigham, Mr F G Cotton and Mr M S Hardie were directors until they resigned on 12th February 1975.

In accordance with the company's articles of association Mr W C Harris, Mr R K Bishop and Mr D Town retire from office at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Directors' Share and Debenture Interests

As recorded in the register of directors' share and debenture interests the following directors were interested in the shares of 25p each of Phoenix Assurance Company Limited:

	Number of shares at 1st January 1975 or on subsequent appointment	Number of shares at 31st December 1975
Mr A R Matanle	350	350
Mr K Wilkinson	300	300

As Mr W C Harris is a director of Phoenix Assurance Company Limited his interests are not required to be recorded in the register of directors' share and debenture interests maintained by this company. There were no other interests recorded.

By order of the Board

E R WILLS

Secretary

22nd March 1976

Profit and Loss Account

for the year ended 31st December 1975

	1975 £	1974 £
Investment income	86,728	82,864
Marine and aviation insurance underwriting result	—50,000	—31,250
Profit before taxation	36,728	51,614
Less taxation	45,179	67,841
Loss after taxation	8,451	16,227
Transferred from inner reserve	85,000	—100,000
	76,549	—116,227
Less part repayment of contribution from holding company	75,000	+125,000
Net profit retained	1,549	8,773

The notes on pages 5 and 6 are an integral part of this account

Balance Sheet

as at 31st December 1975

	1975 £	1974 £		1975 £	1974 £
Capital and reserves			Investments		
Share capital:			Government, provincial and municipal securities	548,165	453,440
Authorised 1,000,000 ordinary shares of £1 each	1,000,000	1,000,000	Deposits other than at banks	68,038	77,841
Issued and fully paid 300,000 ordinary shares of £1 each	300,000	300,000		616,203	531,281
Retained profits and reserves	15,198	13,649	Current assets		
	315,198	313,649	Sundry debtors	2,467,712	2,299,723
Marine and aviation insurance funds	814,099	690,070	Interest accrued	15,664	15,664
Other liabilities, including provisions and reserves			Cash on deposit	392,400	—
Sundry creditors	986,392	1,001,431	Cash at banks and in hand	6,374	—
Due to holding company	1,382,664	731,477			
Due to bankers	—	110,041			
	3,498,353	2,846,668		3,498,353	2,846,668

The notes and signatures on pages 5 and 6 are an integral part of this balance sheet

Notes to the Accounts

- 1 The accounting policies followed by the company which are regarded as material in determining profits or in stating the financial position are as follows :

(a) Profit (before taxation) :

- (i) The underwriting result on marine and aviation insurance business in a year is determined after a period of two years from the end of that year after taking into account the amount required to run off liabilities outstanding in relation to business attributable to that year.
The premiums received less claims and expenses paid to date in relation to business attributable to the current year and the preceding year are carried forward in the marine and aviation insurance funds, which are considered sufficient to provide for all outstanding claims.
- (ii) The profit for the year as shown in the profit and loss account excludes profits and losses on the realisation of investments. Such profits and losses, after an appropriate adjustment for taxation, are transferred to inner reserve.
- (iii) Foreign currency transactions have been converted into sterling rates of exchange approximating to the average rates for the year.

(b) Balance Sheet :

- (i) Investments are stated at cost, less reserves. The total valuation of investments at market values or directors' valuations at 31st December 1975 amounted to £651,587.
- (ii) Foreign currency assets and liabilities at 31st December 1975 have been converted into sterling at rates of exchange ruling at that date or rates approximating thereto.

- 2 The provision for United Kingdom taxation includes amounts set aside to cover the liability for corporation tax up to 31st December 1975.

The charge for taxation in the profit and loss account comprises :

	1975 £	1974 £
United Kingdom taxation :		
Corporation tax		
(i) at 52% (1974—at 52%) on the net income of the year	44,959	42,802
(ii) credit for the underwriting loss of the year 1973 closed in 1975 computed on the conventional basis for tax purposes against the provision at 31st December 1973 for tax on the net income of the year (charge for 1972—40%)	-3,011	23,885
Adjustments for previous years	2,963	—
	<u>44,911</u>	<u>66,687</u>
Overseas taxation on profits	268	1,154
	<u>45,179</u>	<u>67,841</u>

As the results of the marine and aviation underwriting years of account 1974 and 1975 will not be determined until these accounts are closed at the end of 1976 and 1977 respectively, any liability to United Kingdom corporation tax is regarded as being covered in the marine and aviation insurance funds at 31st December 1975.