

WOOLWICH

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE FIFTEEN MONTHS ENDED 31 DECEMBER 1997



Registered Number : 151731

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

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WOOLWICH LIFE ASSURANCE COMPANY LIMITED

DIRECTORS, OFFICERS AND REGISTERED OFFICE

DIRECTORS

R C H Jeens MA, FCA (Chairman)
T C Baker BSc, FCIS, FCIB (Managing Director)
R Coatesworth MA, FIA
R D Johnson FCCA
J C Hance BA, FCA
I W Poston FCII
T A Wild BSc

COMPANY SECRETARY

P T Trimmer BSc, ACCA

APPOINTED ACTUARY

R Coatesworth MA, FIA

REGISTERED AUDITOR

KPMG Audit Plc
Chartered Accountants & Registered Auditor
PO Box 695
8 Salisbury Square
London
EC4Y 8BB

REGISTERED OFFICE

Watling Street
Bexleyheath
Kent
DA6 7RR

Registered in England No 151731

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

DIRECTORS' REPORT

The Directors present their report for the fifteen months ended 31 December 1997 together with the audited financial statements.

Principal Activities

The company transacts long-term life assurance and pension business in the United Kingdom.

Business Review

Throughout the period the company sold a range of regular premium life assurance investment products, protection products and Guaranteed Bonds. In September 1997, the company launched a personal pension product. Most of the sales of these products were made through the company's appointed representative, Woolwich plc.

New regular annualised premium business amounted to £12 million (1996 - £9 million) and single premium business to £39 million (1996 - £41 million).

During the forthcoming year the Company intends to continue to transact long term life assurance and pension business in the United Kingdom.

Results and Dividends

The results for the fifteen months to 31st December 1997 with the comparison of the previous financial year to 30th September 1996 are shown in the attached financial statements.

No dividends are payable.

Directors

The names of the directors who served during the period and the date of their appointment or resignation, if during the period, are as follows:

T C Baker (Appointed 1 December 1997)	Ms L Peacock (Appointed 1 October 1996) (Resigned 31 December 1996)
Lord Borrie (Resigned 7 July 1997)	I W Poston (Appointed 31 December 1996)
R Coatesworth	J M Stewart (Resigned 1 October 1996)
J C Hance (Appointed 1 December 1997)	M J Turner (Resigned 29 August 1997)
B C Hines (Resigned 11 July 1997)	T A Wild (Appointed 7 July 1997)
R C H Jeens (Appointed 31 December 1996)	J J Woods (Resigned 1 December 1997)
R D Johnson	

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

DIRECTORS' REPORT continued

Directors' Share Interests

No Director had an interest in the shares of the Company at any time during the fifteen months.

At 1 October 1996 no director had any interest in the share capital of Woolwich plc. On 7 July 1997, the business of Woolwich Building Society was transferred to Woolwich plc, which has since that date been the ultimate holding company. Shares in Woolwich plc were issued to members of Woolwich Building Society and to employees of Woolwich Building Society and its subsidiaries on 7 July.

The notifiable interest as at 31 December 1997 of each director including, where applicable, their family in the share capital of Woolwich plc is as listed below:

	Ordinary shares of 10p each	
	31 December 1997	1 October 1996 or date of appointment if later
T C Baker	2,656	2,656
R Coatesworth	1,350	0
R D Johnson	1,350	0
I W Poston	1,848	0
T A Wild	1,434	1,434

Each of the above Directors' holdings includes 450 shares which are held by the Trustees of the Woolwich plc Employee Share Ownership Scheme. No other Director had any notifiable interest as at 31 December 1997.

Policy and Practice on Payment of Creditors

It is the company's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the company and its suppliers, provided that all trading terms and conditions have been complied with.

Commission, administration fees and payments to reinsurers are settled on average within ten days.

Statement Of Directors' Responsibilities

Company Law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

select suitable accounting policies and then apply them consistently,

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

P T Trimmer
Secretary
23 January 1998



WOOLWICH LIFE ASSURANCE COMPANY LIMITED

AUDITOR'S REPORT

TO THE MEMBERS OF WOOLWICH LIFE ASSURANCE COMPANY LIMITED

We have audited the financial statements on pages 5 to 18.

Respective Responsibilities of Directors and Auditors

As described on page 3 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 financial 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 as at 31st December 1997 and of its profit for the fifteen months then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



KPMG Audit Plc
Chartered Accountants and Registered Auditor
London

23 January 1998

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the fifteen months ended 31 December 1997

		15 months ended 31 December	Year ended 30 September
	Notes	1997 £000	1996 £000
Technical Account - Long Term Business			
Earned Premiums, Net of Reinsurance			
Gross premiums written		125,821	104,092
Outward reinsurance premiums		(4,407)	(2,960)
	2	121,414	101,132
Other Income			
Investment income	3	45,798	20,519
Unrealised gains on investments	3	1,234	8,721
		47,032	29,240
Total Income		168,446	130,372
Claims paid			
gross amount		82,649	30,652
reinsurers' share		(3,011)	(1,634)
net of reinsurance		79,638	29,018
Change in provision for claims			
gross amount		356	381
reinsurers' share		(71)	(169)
net of reinsurance		285	212
Claims Incurred, Net of Reinsurance		79,923	29,230
Change In Other Technical Provisions, Net of Reinsurance			
Long term business provision, net of reinsurance			
gross amount		(6,353)	32,187
reinsurers' share		-	-
net of reinsurance		(6,353)	32,187
Technical provisions for linked business, net of reinsurance		68,986	47,424
Net Change in Technical Provisions		62,633	79,611
Net operating expenses	4	19,785	16,181
Investment expenses and charges	3	493	750
Tax attributable to long term business	7	700	171
Other Charges		20,978	17,102
Total Expenditure		163,534	125,943
Sub-Total (Balance on the Technical Account - Long Term Business)		4,912	4,429

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the fifteen months ended 31 December 1997

		<i>15 months ended 31 December 1997</i>	<i>Year ended 30 September 1996</i>
	<i>Notes</i>	<i>£000</i>	<i>£000</i>
Non-Technical Account			
Balance On The Long Term Business Technical Account		4,912	4,429
Tax attributable to the balance on the long term business technical account	7	700	2,181
Pre tax profit arising on long term business		5,612	6,610
Investment income	3	1,756	956
Unrealised gain on investments	3	-	46
Investment expenses and charges	3	(33)	(57)
Profit On Ordinary Activities Before Taxation		7,335	7,555
Tax on profit on ordinary activities	7	700	858
Profit For The Financial Year		6,635	6,697
Dividends		-	-
Retained Profit For The Financial Year		6,635	6,697

All recognised gains and losses in both the current and preceding periods are included in the Profit and Loss account.

The inclusion of unrealised gains and losses in the profit and loss account is not deemed to be a departure from the unmodified historical cost basis of accounting and therefore a separate note of historical cost, profit and losses has not been included.

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

BALANCE SHEET

as at 31 December 1997

		31 December 1997	30 September 1996
	Note	£000	£000
Assets			
Investments			
Investments in group undertakings and participating interests	8	-	12,453
Other financial investments	8	166,897	128,575
Deposits with ceding undertakings		36,049	72,305
		<u>202,946</u>	<u>213,333</u>
Assets Held To Cover Linked Liabilities	9	188,153	117,573
Reinsurers' Share of Technical Provisions			
Claims outstanding		<u>777</u>	<u>706</u>
		<u>777</u>	<u>706</u>
Debtors			
Debtors arising out of direct insurance operations	10	24	42
Other debtors	11	2,857	1,717
		<u>2,881</u>	<u>1,759</u>
Other Assets			
Tangible assets	12	90	92
Cash at bank and in hand		1,554	749
		<u>1,644</u>	<u>841</u>
Prepayments And Accrued Income			
Accrued interest and rent		4,588	3,863
Deferred acquisition costs		10,591	6,879
Other prepayments and accrued income		51	45
		<u>15,230</u>	<u>10,787</u>
Total Assets		<u><u>411,631</u></u>	<u><u>344,999</u></u>

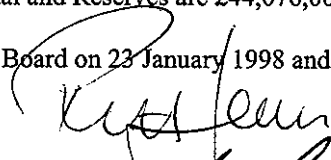
WOOLWICH LIFE ASSURANCE COMPANY LIMITED

BALANCE SHEET as at 31 December 1997

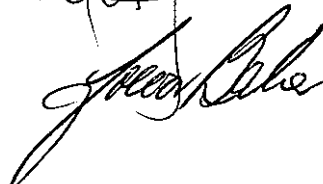
		31 December 1997	30 September 1996
	Note	£000	£000
Liabilities			
Capital And Reserves			
Called up share capital	13	30,000	30,000
Profit and loss account	14	14,076	7,441
Shareholders' funds attributable to equity interests		44,076	37,441
Technical Provisions			
Long term business provision	15	174,998	181,351
Claims outstanding		1,926	1,570
		176,924	182,921
Technical Provisions For Linked Liabilities	15	185,049	116,063
Provision For Other Risks And Charges		-	-
Creditors			
Creditors arising out of direct insurance operations	16	3,747	7,899
Other creditors including taxation and social security	17	1,835	675
		5,582	8,574
Accruals And Deferred Income		-	-
Total Liabilities		411,631	344,999

Included in Capital and Reserves are £44,076,000 (1996 - £37,441,000) which are not distributable.

Approved by the Board on 23 January 1998 and signed on its behalf by:



R C H Jeens Chairman



T C Baker Managing Director

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

Notes forming part of the financial statements

1. Accounting Policies

The accounts are prepared on the basis of the accounting policies set out below:

a. Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with the provisions of Section 255 of, and Schedule 9A to, the Companies Act 1985 as amended by the Companies Act 1985 (Insurance Companies Accounts) Regulations 1993. The financial statements have also been prepared in accordance with applicable accounting standards and the Association of British Insurers Guidance on Accounting for Insurance Business issued in December 1995 (as amended).

The company is exempt from providing a cashflow statement on the grounds that 90% of voting rights are controlled within the Woolwich Group and consolidated accounts including the company are publicly available.

As the Company's financial statements are consolidated in the financial statements of Woolwich plc, the company has taken advantage of the exemption clauses in Financial Reporting Standard Number 8 in respect of transaction with group companies, which are also related parties.

b. Premiums

Premiums for unit linked business are accounted for when the policy liability is established. Other premiums are accounted for when due for payment.

c. Investment income, expenses and charges.

Investment income, expenses and charges are included in the long term business technical account to the extent that they relate to long term business. Other investment income and expenses are included in the non-technical account.

Dividend income is accounted for when the shares are quoted ex-dividend and unit trust income is accounted for on a receivable basis.

Interest, expenses and charges are accounted for on an accruals basis.

Realised gains and losses on investments are calculated as the difference between net sale proceeds and original cost.

Dividend income received prior to 2 July 1997 has been stated gross of tax credits. All other dividend income has been included gross.

d. Unrealised Gains and Losses on Investments

Unrealised gains and losses recorded in the profit and loss account represent the changes in value during the year of investments held at the balance sheet date and the reversal of changes in prior years on investments disposed of in the year. Unrealised gains and losses are included in the long term business technical account to the extent that they relate to long term business. Other unrealised gains and losses are included in the non technical account.

e. Claims

Death claims and surrenders are accounted for when notified and maturities are recognised when due for payment. Claims payable include the claims handling costs relating to settlement. Reinsurance recoveries are accounted for in the same period as the related claim.

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

Notes forming part of the financial statements continued

1. Accounting Policies

f. Long Term Business Provision

The long term business provision is determined by the Appointed Actuary, following his annual investigation of the long term business, and is calculated initially to comply with the reporting requirements under the Insurance Companies Act 1982. A net premium valuation method is used for all business with the exception of unit linked contracts where the provisions are based on the market value of the related assets. The statutory solvency basis of valuation is then adjusted by eliminating the undistributed surplus determined by that valuation, general contingency reserves, certain reserves required under the insurance companies regulations and deferred acquisition costs allowed for in the valuation.

g. Acquisition costs and deferred acquisition costs.

Acquisition costs comprise direct and indirect costs relating to the obtaining and processing of new business.

Deferred acquisition costs relate to those costs incurred in acquiring insurance policies during a financial year but which relate to a subsequent financial year. These costs are deferred as an explicit asset which is amortised over the period in which they are recoverable out of future margins from the relevant policies.

h. Finance Leases

Assets acquired under finance leases are included within tangible assets and the corresponding commitments for future payments are included within creditors, net of future finance charges. Finance charges are accounted for on a systematic basis over the life of each lease.

i. Operating Leases

The cost of operating leases are charged to the technical account as they accrue.

j. Tangible Assets

Tangible assets are depreciated on a straight line basis over their estimated useful lives which have been taken as:

Office equipment	10 years
Computer equipment and software	4 years
Motor vehicles	4 years

k. Retirement Benefits

The costs of providing retirement pensions and other post retirement benefits are charged to the long term business technical account over the periods benefiting from the employees' services. Any difference between the charge to the long term business technical account and the contributions paid to the scheme is shown as an asset or liability at the balance sheet date.

l. Investments

All investments, are stated at their current value as detailed below:

Debt securities and other fixed income securities are at middle market prices.

Listed investments are valued at the mid market value on the balance sheet date or on the last Stock Exchange trading day before the balance sheet date.

Unit Trusts are stated at the bid price.

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

Notes forming part of the financial statements continued

1. Accounting Policies

m. Taxation

Provision is made using the liability method for all material timing differences where it is probable that a tax payment or recovery will occur in the foreseeable future. Provision is made for deferred taxation in respect of timing differences between the treatment of certain items for taxation and accounting purposes.

Any transfer from the long term business technical account to the non technical account is grossed up at the effective rate of tax applicable to the period.

2. Premiums

All premium income is derived within the UK in respect of continuing operations and relates exclusively to individual policyholders.

a. Premiums Written

	1997			1996		
	£000			£000		
	Gross	Reins	Net	Gross	Reins	Net
Life Insurance Business						
Non participating contracts						
Single premiums	38,887	-	38,887	41,208	-	41,208
Unit linked Contracts						
- periodic premiums	81,977	4,161	77,816	59,582	2,805	56,777
Other Contracts						
- periodic premiums	4,857	246	4,611	3,302	155	3,147
Pension Business						
Unit linked contracts						
- periodic premiums	23	-	23	-	-	-
- single premiums	77	-	77	-	-	-
Total Premiums Written	125,821	4,407	121,414	104,092	2,960	101,132

b. Annualised New Business Premiums

	1997	1996
	£000	£000
Life periodic premiums		
- Life Unit linked	7,251	6,286
- Other	4,289	3,052
Life single premiums	38,887	41,208
Pensions Unit linked		
-periodic premiums	143	-
-single premiums	77	-
Total Annualised New Business Premiums	50,647	50,546

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

Notes forming part of the financial statements continued

3 Investment Activity Account

	<i>Technical Account</i>		<i>Non Technical Account</i>	
	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Investment Income				
Income from other investments	30,466	20,519	1,756	956
Gains on the realisation of investments	15,332	-	-	-
	<u>45,798</u>	<u>20,519</u>	<u>1,756</u>	<u>956</u>
Investment Expenses and Charges				
Investment management expenses	493	314	33	29
Losses on the realisation of investments	-	436	-	28
	<u>493</u>	<u>750</u>	<u>33</u>	<u>57</u>
Unrealised gains on investments	1,234	8,721	-	46
Net Investment Return	<u>46,539</u>	<u>28,490</u>	<u>1,723</u>	<u>945</u>

4 Net Operating Expenses

	<i>1997</i>	<i>1996</i>
	<i>£000</i>	<i>£000</i>
Acquisition costs	16,184	11,435
Change in deferred acquisition costs	(3,712)	(724)
Administration expenses	7,760	5,787
Reinsurance commissions and profit participation	(447)	(317)
	<u>19,785</u>	<u>16,181</u>
Administrative expenses include:		
	<i>1997</i>	<i>1996</i>
	<i>£000</i>	<i>£000</i>
Auditors' remuneration:		
- Audit	42	34
- Other services	39	15
Depreciation on tangible assets	43	64
Profit on disposal of tangible fixed assets	6	-
Payments under Finance Leases	6	-

Total commission payable was £12,012,000 (1996-£8,487,000)

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

Notes forming part of the financial statements continued

5 Staff Costs

	1997	1996
	£000	£000
Wages and salaries	758	557
Social security costs	63	45
Other pension costs	55	36
	<u>876</u>	<u>638</u>

The average numbers of staff employed by the Company in the period was 17 (1996 - 16)

The employees were involved in the management and central administration of the company. The policy administration is carried out by Royal & Sun Alliance plc and investment administration and management is carried out by Mercury Asset Management plc.

6 Directors' Emoluments

None of the directors personally receive fees from the company. Fees are paid to either the Woolwich plc or Royal & Sun Alliance plc in respect of their duties as directors.

The aggregate amount of directors' emoluments were as follows:

	1997	1996
	£000	£000
Emoluments	363	235
Pension Scheme Contributions	54	28
Compensation for loss of office	134	-
Sums paid to third parties for Directors Services	32	28
	<u>583</u>	<u>291</u>

Retirement benefits are accruing to 5 directors under defined benefit schemes at 31st December 1997 and 5 directors at 30th September 1996.

Highest Paid Director

Aggregate emoluments	136	109
Pensions Scheme Contributions to a defined Benefit Scheme	44	24
Total	<u>180</u>	<u>133</u>

The annual pension which accrued to the highest paid director on retirement was £25,566 per annum.

The amount taken as a lump sum on retirement was £49,000.

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

Notes forming part of the financial statements continued

7 Taxation

	<i>Technical Account</i>		<i>Non Technical Account</i>	
	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
UK Corporation tax @ 31% (1996:33%)	195	171	-	-
Tax credits on franked investment income	205	-	-	-
Adjustments relating to earlier years	300	-	-	(1,309)
Tax attributable to shareholders' profit	-	-	700	2,181
Deferred taxation	-	-	-	(14)
	<u>700</u>	<u>171</u>	<u>700</u>	<u>858</u>

8 Investments

	<i>Current Value</i>		<i>Historical Cost</i>	
	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Investments in Group undertakings and Participating Interests				
Debt securities issued by and loans to Group undertakings	-	12,453	-	12,000
Other Financial Investments				
Debt securities and other fixed income securities	149,496	105,223	148,740	104,575
Deposits with credit institutions	17,401	23,352	17,401	23,352
	<u>166,897</u>	<u>128,575</u>	<u>166,141</u>	<u>127,927</u>

9 Assets Held To Cover Linked Liabilities

	<i>Current Value</i>		<i>Historical Cost</i>	
	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Assets held to cover linked liabilities	188,153	117,573	171,792	102,790
	<u>188,153</u>	<u>117,573</u>	<u>171,792</u>	<u>102,790</u>

Assets held to cover linked liabilities comprise investments, cash at bank and accrued income.

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

Notes forming part of the financial statements continued

10	Debtors arising out of direct insurance operations	1997	1996			
		£000	£000			
	Policyholders					
	Due to Reassurers	24	-			
	Outstanding premiums	-	42			
		24	42			
11	Other Debtors					
	Tax recoverable	2,857	1,717			
		2,857	1,717			
12	Tangible Assets					
		Held Under Finance Leases	Motor Vehicles	Office Equipment	Computer Equipment and Software	Total
		£000	£000	£000	£000	£000
	Cost					
	At 1 October 1996	-	73	62	200	335
	Additions	50	-	-	2	52
	Disposals	-	(31)	-	-	(31)
	At 31 December 1997	50	42	62	202	356
	Depreciation					
	At 1 October 1996	-	36	33	174	243
	Charge for period	4	19	8	12	43
	On disposals	-	(20)	-	-	(20)
	At 31 December 1997	4	35	41	186	266
	Net book value					
	At 31 December 1997	46	7	21	16	90
	At 1 October 1996	-	37	29	26	92

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

Notes forming part of the financial statements continued

13 Share Capital

	1997	1996
	£000	£000
Authorised:		
Ordinary shares of £1 each	40,000	40,000
	<u>40,000</u>	<u>40,000</u>
Allotted, called up and fully paid	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

14 Reconciliation in Movement of Shareholders' Fund

	Share Capital	Profit & Loss Account	Total Shareholders' Fund
	£000	£000	£000
Balance at 1 October 1996	30,000	7,441	37,441
Profit for the period after taxation	-	6,635	6,635
Balance at 31 December 1997	<u>30,000</u>	<u>14,076</u>	<u>44,076</u>

15 Long Term Business Assumptions

The principal assumptions underlying the long term business provision are:

	Guaranteed Income Bonds	Term Assurances	Unit Linked Policies
Mortality	N/A	90% A67/70 AIDS 50% Basis R	90% A67/70 AIDS 50% Basis R
Interest	6.75% gross	4.0% net	4.5% net
Fund Growth	N/A	N/A	6.0% net
Renewal Expenses	£12.86 p.a.	£18.93 p.a.	£30.97 p.a.
Tax Relief on Expenses	N/A	20%	20%
Inflation Rate	5%	5%	5%

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

Notes forming part of the financial statements continued

16 Creditors Arising Out of Direct Insurance Operations

	1997	1996
	£000	£000
Premiums received in advance	52	10
Commission payable to Group undertaking	1,293	1,254
Administration fee payable to third party administration	607	643
Amounts due to reassurers	1,795	5,992
	<u>3,747</u>	<u>7,899</u>

17 Other Creditors Including Taxation and Social Security

	1997	1996
	£000	£000
Due within one year		
Corporation tax payable	-	189
Other creditors	1,789	486
Obligations under finance leases	10	-
	<u>1,799</u>	<u>675</u>
Due after one year		
Obligations under finance leases between two and five years	36	-
	<u>1,835</u>	<u>675</u>
Total Other Creditors	<u>1,835</u>	<u>675</u>

18 Pension Scheme

Employees are eligible to participate in the scheme operated by Woolwich plc, the contributions to which are based on pension costs across the Woolwich Group as a whole.

The scheme is a contributory defined benefit scheme based on final pensionable earnings, with the assets of the scheme being held in a separate trustee administered fund.

The company's pension cost for the period, calculated in accordance with Statement of Standard Accounting Practice Number 24, "Accounting for Pension Costs" amounted to £57,875 (1996 - £47,180).

The pension cost is assessed in accordance with the advice of a qualified actuary using the projected unit method and the latest full actuarial valuation of the scheme was as at 31 March 1995. Scheme information is contained in the accounts of Woolwich plc for the period ended 31 December 1997.

WOOLWICH LIFE ASSURANCE COMPANY LIMITED

Notes forming part of the financial statements continued

19 Ultimate Parent Company

The company's ultimate holding company is Woolwich plc following the transfer of the whole of the business of the Woolwich Building Society to the public limited company on 7th July 1997. Woolwich plc holds 90% of the issued share capital and Royal & Sun Alliance plc holds the remaining 10%.