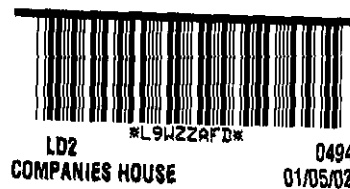


Company Registration No. 239726 (England and Wales)

**CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN  
ALLIANCE TRUST COMPANY LIMITED)**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2001**



# **CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)**

## **COMPANY INFORMATION**

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<b>Directors</b>	G M Hurst	(Appointed 16 May 2001)
	P R M Pindar	(Appointed 16 May 2001)
	R Coyle	(Appointed 16 May 2001)
	A J Arthur	
<b>Secretary</b>	T M Fontana	
<b>Company number</b>	239726	
<b>Registered office</b>	Bourne House, 34 Beckenham Road Beckenham Kent BR3 4TU	
<b>Auditors</b>	Ernst & Young LLP Becket House 1 Lambeth Palace Road London SE1 7EU	
<b>Bankers</b>	Barclays Bank PLC 54 Lombard Street London EC3V 9EX	
<b>Solicitors</b>	Herbert Smith Exchange House Primrose Street London EC2A 2HS	

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# **CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)**

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# **CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2001**

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The directors present their report and financial statements for the year ended 31 December 2001.

### **Principal activity and review of the business**

The principal activity of the company continued to be that of corporate trustees and the provision of trust and administration services. On 17 May 2001 the company became a wholly owned subsidiary of The Capita Group Plc and on 18 May 2001 the company changed its name to Capita Trust Company Limited from Royal & Sun Alliance Trust Company Limited.

### **Directors**

The following directors have held office since 1 January 2001:

G M Hurst	(Appointed 16 May 2001)
P R M Pindar	(Appointed 16 May 2001)
R Coyle	(Appointed 16 May 2001)
A J Arthur	
S W Broughton	(Resigned 16 May 2001)
F D Booth	(Resigned 16 May 2001)
B T Walsh	(Appointed 21 August 2001 and resigned 5 December 2001)

### **Directors' interests**

Mr P R M Pindar and Mr G M Hurst are directors of The Capita Group Plc, the ultimate parent undertaking. Details of their interests are included within the accounts of that company.

None of the other directors who served during the year had an interest in the shares of the company.

### **Auditors**

During the year PricewaterhouseCoopers, the company's auditor, resigned and Ernst & Young were appointed in their place. On 28 June 2001, Ernst & Young, the company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001. A resolution to re-appoint Ernst & Young LLP as the company's auditor will be put to the forthcoming Annual General Meeting.

# **CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001**

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### **Directors' responsibilities**

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 and of the profit or loss of the company 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;
- 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.

On behalf of the board



G M Hurst

**Director**

24 April 2002

## AUDITORS' REPORT

### TO THE SHAREHOLDERS OF CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)

We have audited the company's financial statements for the year ended 31 December 2001 which comprise the profit and loss account, balance sheet and the related notes 1 to 17. These financial statements have been prepared on the basis of the accounting policies set out therein.

#### Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### Basis of opinion

We conducted our audit in accordance with United Kingdom 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 the material 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 31 December 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP

Registered Auditor  
London

24/4/02

**CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2001**

		Year ended 31 December 2001 £	Period ended 31 December 2000 £
	Notes		
<b>Turnover</b>	<b>2</b>	2,938,521	2,152,435
Administrative expenses		(2,282,352)	(2,010,797)
<b>Operating profit</b>	<b>3</b>	656,169	141,638
Bank interest receivable		280,190	585,947
<b>Profit on ordinary activities before taxation</b>		936,359	727,585
Tax on profit on ordinary activities	<b>4</b>	(322,131)	(235,591)
<b>Profit on ordinary activities after taxation</b>		614,228	491,994
Dividends	<b>5</b>	(6,222,338)	-
<b>Retained (loss)/profit for the year</b>	<b>11</b>	(5,608,110)	491,994

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)

## BALANCE SHEET AS AT 31 DECEMBER 2001

	Notes	2001 £	2000 £
<b>Fixed assets</b>			
Tangible assets	6	9,871	8,219
<b>Current assets</b>			
Debtors	7	9,717,308	12,810,962
Cash at bank and in hand		1,200,468	8,155,505
		10,917,776	20,966,467
<b>Creditors: amounts falling due within one year</b>	8	(1,338,419)	(5,777,348)
<b>Net current assets</b>		9,579,357	15,189,119
<b>Total assets less current liabilities</b>		9,589,228	15,197,338
<b>Capital and reserves</b>			
Called up share capital	10	8,975,000	8,975,000
Profit and loss account	11	614,228	6,222,338
<b>Shareholders' funds - equity interests</b>	12	9,589,228	15,197,338

The financial statements were approved by the Board on 24 April 2002

  
G M Hurst  
Director

# CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has not produced a cashflow statement on the basis that the ultimate parent undertaking, The Capita Group Plc, has prepared a group cashflow statement in accordance with FRS1 (revised).

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with accounting standards applicable in the United Kingdom.

#### 1.3 Turnover

Turnover comprises fee and commission income and is accounted for on the basis of the income invoiced.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows:

Computer equipment	3 years
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#### 1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Pensions

The company maintains a contracted-out money purchase scheme and contributions are charged to the profit and loss account in the year in which they are due.

#### 1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 1.8 Related party transactions

The company has not prepared related party transaction disclosure on the basis that The Capita Group Plc owns at least 90% of the voting rights of the company. The consolidated financial statements of The Capita Group Plc are publicly available in accordance with FRS8.

### 2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

### 3 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	10,601	18,773
Operating lease rentals	88,990	-
Auditors' remuneration	44,000	32,085

**CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2001**

<b>4</b>	<b>Taxation</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	<b>U.K. current year taxation</b>		
	U.K. corporation tax at 30% (2000 - 30%)	322,131	235,591
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Dividends</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Ordinary interim paid	6,222,338	-
		<u>          </u>	<u>          </u>
<b>6</b>	<b>Tangible fixed assets</b>		
			<b>Computer equipment £</b>
	<b>Cost</b>		
	At 1 January 2001		130,024
	Additions		12,253
			<u>          </u>
	At 31 December 2001		142,277
			<u>          </u>
	<b>Depreciation</b>		
	At 1 January 2001		121,805
	Charge for the year		10,601
			<u>          </u>
	At 31 December 2001		132,406
			<u>          </u>
	<b>Net book value</b>		
	At 31 December 2001		9,871
			<u>          </u>
	At 31 December 2000		8,219
			<u>          </u>
<b>7</b>	<b>Debtors</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Trade debtors	191,298	-
	Amounts owed by parent and fellow subsidiary undertakings	8,849,997	12,678,216
	Prepayments and accrued income	676,013	132,746
		<u>          </u>	<u>          </u>
		9,717,308	12,810,962
		<u>          </u>	<u>          </u>

# CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

8 Creditors: amounts falling due within one year	2001 £	2000 £
Trade creditors	185,261	-
Amounts owed to parent and fellow subsidiary undertakings	143,395	5,272,906
Corporation tax	322,131	235,591
Other taxes and social security costs	35,133	69,353
Accruals and deferred income	652,499	199,498
	<u>1,338,419</u>	<u>5,777,348</u>

### 9 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £54,323 (2000 - £42,300). The company remits monthly pension contributions to Capita Business Services Limited, a fellow subsidiary of The Capita Group Plc, who pay the group liability centrally. The unpaid pension contributions at the year end have been accrued in the accounts of that company.

10 Share capital	2001 £	2000 £
<b>Authorised</b>		
10,000,000 Ordinary shares of £ 1 each	<u>10,000,000</u>	<u>10,000,000</u>
<b>Allotted, called up and fully paid</b>		
8,975,000 Ordinary shares of £ 1 each	<u>8,975,000</u>	<u>8,975,000</u>

### 11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2001	6,222,338
Retained loss for the period	<u>(5,608,110)</u>
Balance at 31 December 2001	<u>614,228</u>

# CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001

12 Reconciliation of movements in shareholders' funds	2001 £	2000 £
Profit for the financial year	614,228	491,994
Dividends	(6,222,338)	-
Net (depletion in)/addition to shareholders' funds	(5,608,110)	491,994
Opening shareholders' funds	15,197,338	14,705,344
Closing shareholders' funds	9,589,228	15,197,338

### 13 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2001 £	2000 £
Expiry date:		
Between two and five years	214,000	-

14 Directors' emoluments	2001 £	2000 £
Emoluments	146,920	114,000
Pension contributions	6,792	-
	153,712	114,000

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2000 - 0).

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 0 (2000 - 1).

# **CAPITA TRUST COMPANY LIMITED (FORMERLY ROYAL & SUN ALLIANCE TRUST COMPANY LIMITED)**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2001**

### **15 Employees**

#### **Number of employees**

The average monthly number of employees (including directors) during the year was:

	<b>2001 Number</b>	<b>2000 Number</b>
Sales	3	2
Operations	7	7
Administration	28	27
	<u>38</u>	<u>36</u>

#### **Employment costs**

	<b>£</b>	<b>£</b>
Wages and salaries	1,283,124	1,117,288
Social security costs	103,568	86,462
Other pension costs	54,323	42,300
	<u>1,441,015</u>	<u>1,246,050</u>

### **16 Control**

The company is a wholly owned subsidiary undertaking of The Capita Group Plc, a company incorporated in England & Wales. The financial statements of The Capita Group Plc are available from the registered office at 71 Victoria Street, London SW1H 0XA.

### **17 Fixed asset investments**

The company owned the entire issued share capital of Capita (LLRP) Trustee Limited (formerly RSA (LLRP) Trustee Limited), a company incorporated in England and Wales. This company is dormant. The issued share capital is £2 and as the amount is negligible no value was carried in the accounts. During the year the company sold the entire issued share capital to The Capita Group Plc.