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ECCLESIASTICAL

ECCLESIASTICAL INSURANCE GROUP plc

REPORT AND ACCOUNTS 31 DECEMBER 1995

Report and Accounts 31 December 1995

Page	Contents

Financial Highlights

KEY FEATURES	1995 £000	*1994* *£000* *Restated*
Profit before tax	17,097	*14,164*
Net assets	97,358	*68,819*
Charitable grants before tax	2,510	*2,000*

SUMMARY OF RESULTS		
Premium income		
General insurance	175,407	*162,672*
Long term insurance	15,929	*17,636*
	191,336	*180,308*
Profit and loss account		
General insurance underwriting result	1,068	*4,946*
Long term insurance result	7	*(2,400)*
Investment income after expenses	16,579	*11,745*
Realised investment gains	1,266	*848*
Other operations	218	*132*
Other charges	(2,041)	*(1,107)*
Profit before tax	17,097	*14,164*
Taxation	(4,968)	*(3,831)*
Minority interests	(2,219)	*(1,669)*
	9,910	*8,664*
Charitable grants net of tax	(1,685)	*(1,340)*
	8,225	*7,324*

Chairman's Statement

British composite insurers, including the Ecclesiastical, generally made good progress during 1995, aided by buoyant stock markets. The marketplace was, however, far from problem-free. The underwriting cycle in United Kingdom general insurance has clearly peaked, with spare capital chasing market share. The problems facing Lloyds still await resolution and the future shape of the London international insurance market remains uncertain. Indeed, a process of consolidation within the wider insurance industry is gathering pace with major composites seeking economies of scale through mergers while many medium-sized companies in the life and pensions market are considering whether they can sensibly retain their independence in a fiercely competitive market. In addition, much work remains to be done to solve the pensions transfer problem.

During the year the Board conducted with the Managing Director its own strategic review of the company's markets, strengths and prospects in the context of this competitive environment. After a long, hard look we concluded that there is a healthy future for an independent Ecclesiastical committed to high standards of service and focussed on its traditional client base in church and state.

Against this background, I am therefore pleased to report on further steady growth from the Ecclesiastical during the year. Despite the reduction in our Life and Pensions business, our overall turnover grew by some 6% to £191 million, comfortably ahead of the rate of inflation. A reduction in the return from underwriting did not prevent pre-tax profits rising by more than 20% to £17 million. Pride of place must go to the International division which produced a positive underwriting result of £3.3 million to balance the costs borne by our core property portfolio as a result of subsidence claims after the dry summer and then harsh winter weather at the end of the year. The strong investment performance which helped raise pre-tax profits was also a powerful factor in raising capital and free reserves from £68 million to £97 million. The highlights of the results are set out on page 1. The accounts themselves this year are produced to conform with latest best practice and have been restated where appropriate to permit comparison.

One beneficial effect of Ecclesiastical's prosperity is that we face the expected underwriting down-turn in a strong position, exemplified by a general insurance solvency ratio in excess of 100%. The sustained good performance which underpinned last year's trading results also enabled the directors last September to approve a significant strategic move and raise £15 million of quoted irredeemable preference shares through the company's main operating subsidiary. The new capital satisfies two important criteria. First, the shares are permanent and in normal circumstances non-voting; they add to Ecclesiastical's strength without threatening the control of the company "in the Church interest" by Allchurches Trust. Second, the extra strength now available will support Ecclesiastical's steady and planned growth over the medium and long term. The Board adheres to the view that a strong capital base is essential to encourage far-sighted strategic management and give maximum security to policyholders. Although Ecclesiastical is now notably strong for the size of its business, that strength will not be dissipated in a dash for growth.

The strength and quality of the group's 1995 performance has encouraged the directors to allocate £2.5 million to Allchurches Trust, an increase of twenty-five per cent. Most of this money will support the 1996 distributions to the Church and we are confident that we shall again achieve our target of increasing charitable distributions in real terms, as we did in 1995. Slightly to our own surprise, Ecclesiastical has been identified by the Directory of Social Change as being among the top twenty-five companies in the UK for giving money for charitable purposes. We fully understand the financial pressures on the Church at large and we shall do everything we prudently can, by way of lower premium rates and higher charitable grants, to lighten the financial burden.

Chairman's Statement

Many readers of this statement already know that the beneficial owner of the Ecclesiastical is Allchurches Trust, a charitable company limited by guarantee; the group has no equity quoted on any stock exchange. Its operations, therefore, do not come strictly within the ambit of the Cadbury and Greenbury Committees' recommendations on corporate governance and directors' remuneration respectively. Insurance operations and our associated businesses are closely controlled by the Department of Trade and Industry and other regulators. In addition, special clauses in the Articles of the parent body specify that the remuneration of certain key directors must be voted in advance by members of Allchurches Trust. Relevant information on directors' remuneration, both executive and non-executive, are contained in notes to the accounts. In substance Ecclesiastical embraces the principles of both Cadbury and Greenbury and membership of the Remuneration and the Audit Committee is shown in the Directors' Report.

In this context, I would like to add a few comments on Ecclesiastical's philosophy of employment. We believe strongly that good quality management and staff should be rewarded by fair basic salaries and appropriate sickness and pensions arrangements. We also favour an element of performance-related pay, preferably on a team basis. We accept the "stakeholder" concept, implying duties to shareholders, policyholders and staff, and also to the community at large. Part of our determination to expand the business, within prudent limits, stems from our desire to attract able men and women and provide secure long-term employment prospects. We have always set our faces against over-protective, extended-term management employment contracts.

The Annual Report and Accounts can only provide a snapshot of the Group's progress, though in ever more detailed form. The Report cannot convey the energetic work in hand to achieve higher productivity and greater policyholder satisfaction and to develop the expertise necessary to enter new specialist niches. Yet all these tasks are essential elements in the healthy and profitable extension of our business and in our commitment to delivering high value protection at moderate cost. In a risk business only a foolish and unreliable insurer offers the cheapest rates. By contrast, in an uncertain world, we seek to offer our clients robust security at a fair price and a full-hearted commitment to prompt and honest settlement of claims.

Membership of a Board and the evolution of a balance of experience, vision and drive is one of the key responsibilities of any Chairman and his colleagues. This year we say farewell and thank you to Clive Thomson who has served the Group with commitment and distinction for 44 years, latterly as deputy to the Managing Director and as General Manager of the Financial Services division. His breadth of experience and staunch common sense have been a great asset to the Group and made him a trusted friend. We look forward to working with Mark Goodale, his successor as General Manager of the Financial Services division, who has recently joined us.

From the management team we are pleased to welcome to the Board of Ecclesiastical Insurance Office Graham Doswell and George Prescott as a proper reflection of the responsibilities they carry and the confidence we have in them. Last, but not least, we are delighted that Philip Mawer has accepted an invitation to join our ranks. His earlier experience in the higher echelons of the Public Service and now as Secretary General of the General Synod of the Church of England will add knowledge and depth to our discussions.

The results and comments contained elsewhere in this report demonstrate once again the professionalism, dedication and success of all those who work with and for the Group. I thank them for their achievement.

M. R. Cornwall-Jones
Chairman

Review of Group Operations

The excellent overall results achieved by Ecclesiastical in 1995 mark a further step in a three year cycle of real growth in turnover, pre-tax profits, charitable distributions and, most particularly, capital and free reserves, which doubled during the period. The year also saw a strong advance in general insurance business where premiums grew by 7.8% to £175.4 million. A lower underwriting profit was more than offset by growth in the investment return. These were the main factors contributing to pre-tax profits up by 20.7% to £17.1 million.

General Insurance – United Kingdom

Fierce competition in this primary geographic area of our business curtailed the growth of premiums. Gross written premiums recorded a fall of 1.2% to £125.7 million, though this is partly due to technical factors and the underlying trend shows growth of 2.3%. We nevertheless maintained our share in all key market segments.

The operating ratio for our UK business rose to 102.5% despite an improvement in the net commission and expense ratio. The principal causes of deterioration were weather-related claims – subsidence and winter storms – which together cost nearly £10 million net, of which £1.6 million is attributable to 1996, the storms having spanned the New Year period. In addition, we again found cause to strengthen Liability reserves. Employers' Liability insurance is not a major risk category for Ecclesiastical but the trend in court judgements is damaging to insurers, both in the level of damages and the extent of liability, sometimes with a retrospective effect.

General Insurance – International

The International division, which includes London Market operations, was Ecclesiastical's area of out-performance in 1995, building on a good result the previous year.

The division comprises a set of distinct niches, designed to augment and diversify the main UK business by geography, class of risk or cyclical timing. The expectation is that, in bad times, overall results will be smoothed by one or more successful niches. The theory is not infallible but the 1995 achievement, an underwriting profit of £3.3 million on gross premiums up by 40% to £49.7 million, just as the UK slides into down-turn, speaks for itself.

Two operations, the Canadian branch and our London Market property portfolio (EUML), contributed excellent underwriting profits and vigorous growth in hard markets. Some part of our growth in London Market operations is due to changes in accounting procedures but we are moving ahead selectively where good underwriting prospects manifest themselves. The strong Canadian growth has taken place in a very favourable property/casualty insurance market, where a previously troublesome competitor for church insurance became insolvent.

The remaining operations met with varying fortunes. Our London Market Professional Indemnity operation made a marginal underwriting profit on static premiums in weak market conditions. Reciprocal reinsurance trading yielded a good profit. Steady progress in Ireland was halted by severe weather in December while our Mediterranean operations, collectively, had an adverse year.

Looking to the future, we are steadily forging alliances with partners of good repute, while holding back in weaker markets. The success of our overall strategy, which is strongly biased towards short-tail business, is evidenced by the results.

Long Term Business

Operating in very difficult market conditions, premium volumes declined by 9.7% to £15.9 million. The decline reflects a fall in single premium business but sales of new annual premiums were also weak. More encouragingly, however, a positive sales trend developed as the year progressed, and the up-turn has continued into 1996.

The news was not entirely adverse. The main EIO Life fund, from which all profits are reserved for participating policyholders, significantly out-performed the average Life fund investment return in rising stock markets. The directors, acting on the advice of the Appointed Actuary, maintained reversionary bonuses and substantially increased capital bonuses on maturing policies. The general effect of this year's bonus review has been to improve Ecclesiastical's relative performance.

In its Allchurches Life subsidiary the group shares, to a very limited extent, the pension transfer problems endemic in the personal pensions industry. Despite our strong and energetic efforts, progress towards settlement is slow, due mainly to the difficulty in acquiring information from third parties, such as occupational pensions funds. The Appointed Actuary considers that the provision we made in the 1994 accounts for pension transfer compensation remains sufficient for the potential liability.

A reserve is included in the group's balance sheet representing the value, on as prudent basis, expected to emerge in due course from the proprietary Life subsidiary. The directors have reviewed that value in the light of the Appointed Actuary's advice and have decided to leave the reserve unchanged.

Finance

The Group's capital and free reserves have reached their highest ever levels. Successful investment strategies in favourable stock markets have played an important part in that achievement.

Non-Life funds enjoyed very strong cash flow from operations plus £15 million from the preference share issue. After dividends, interest, taxation and charitable grants, we were still able to invest a net £41 million.

In these circumstances the investment return naturally rose strongly, by 41.9% to £18 million. This achievement was, however, outshone by the dramatic effect of strong stock markets on unrealised capital gains which, in the non-Life fund, augmented free reserves by £20 million.

Our modest unit trust operation continued to grow, both through enhancement of capital values and by new money, mainly from unit-linked pension contracts.

There was no change in our controlling shareholding in St Andrew Trust, an authorised investment trust, managed on our behalf by Martin Currie. The trust slightly under-performed in 1995 as might have been expected in view of the smaller company element in its portfolio. On a three-year view, however, the trust has out-performed the FT-All Share index and our 1992 decision to convert St Andrew from associate to subsidiary status has made an important contribution to Ecclesiastical's strong balance sheet.

Conclusions

Despite one or two setbacks in the over-competitive UK markets, we achieved an excellent overall result in 1995, with record profits and an ultra-strong balance sheet. Equally important, we have a high quality, experienced and committed management team with which to meet future challenges and opportunities.

B. V. Day
Managing Director

Act of Parliament Clock, Hanbury.

Picture shows the clock at Chichester Police Station with two detectives: DC Peter Webb (left) and DC Nigel Spencer (right).

These treasures come from different periods of history. Yet their recent history has many similarities: church theft, the police, the Art Loss Register and the ancient rule of market overt.

The famous Barkham Flagons were stolen overnight in February 1994 from a 1" armour plated glass fronted safe at St Cuthbert's, Wells. They were presented to the church in 1639 by one Ezechial Barkham, who had been Lord Mayor of London, and his crest was engraved on both, together with the motto 'Recta Certa' (Straight and True), and quotations from Psalm 116. Their value to the church was incalculable and we immediately informed the Art Loss Register.

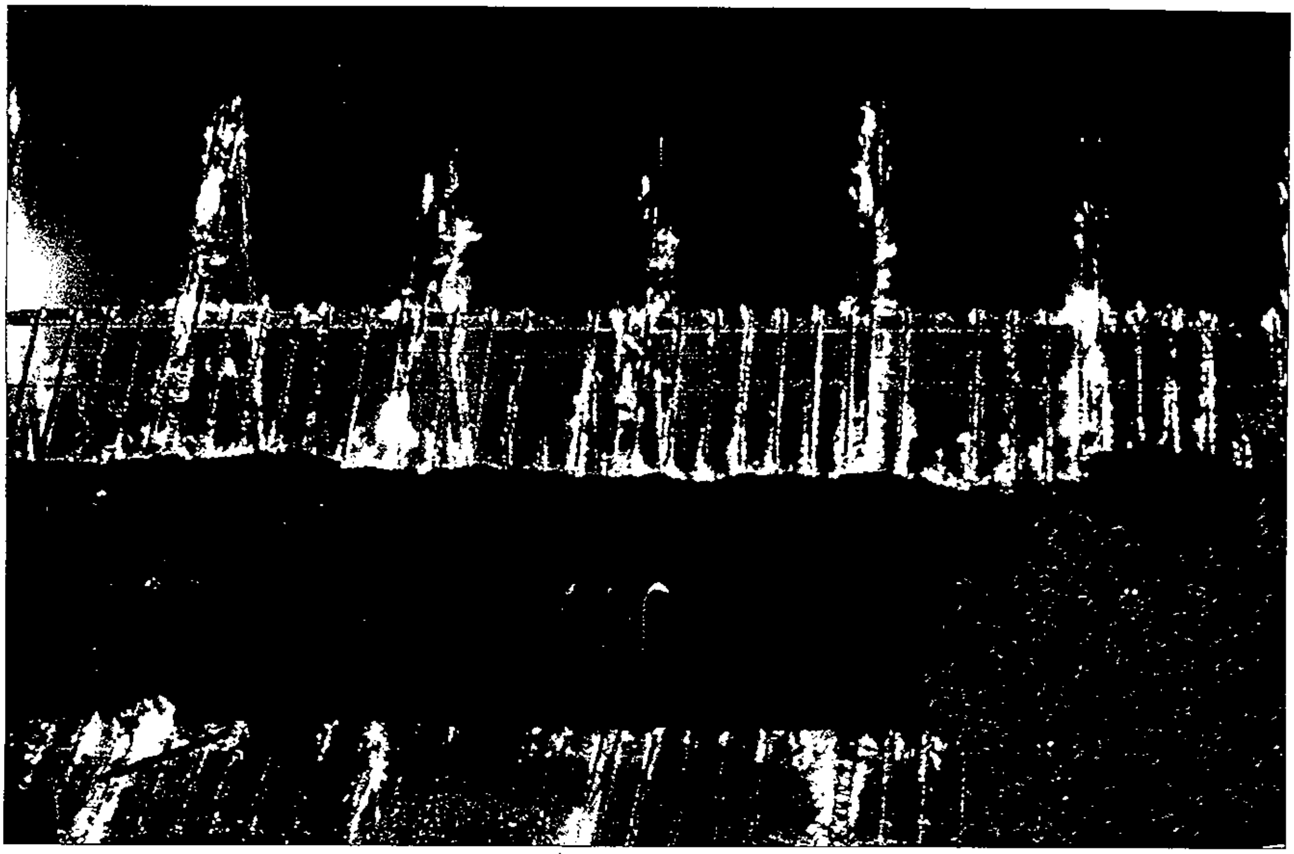
Five months later a pair of heavily engraved 'Charles I silver flagons' turned up at Sotheby's. They aroused the suspicion of the silver expert because the engraving was so new it nearly cut his hands. He contacted the Art Loss Register and it was confirmed that these were the Barkham Flagons, disguised by recent coarse engraving. The possessor of the flagons claimed he had bought them in market overt in Bermondsey, and had thus acquired good title. The case is still unresolved, but sadly the flagons have lost their historic value and are now worth only a fraction of what they were.

The 18th century Act of Parliament clock was so named because of William Pitt's levy of 1797 on all clocks and watches. As a result, few people carried watches and tavern owners had large clocks made as a service to their customers. This example had been in Hanbury Parish Church in Worcestershire since living memory. It was stolen one night in April 1994 and again we informed the Art Loss Register.

Six months later the clock was found by police in the possession of a man who again claimed good title through market overt. After further enquiries he dropped his claim and we were able to reunite the clock with its rightful owners.

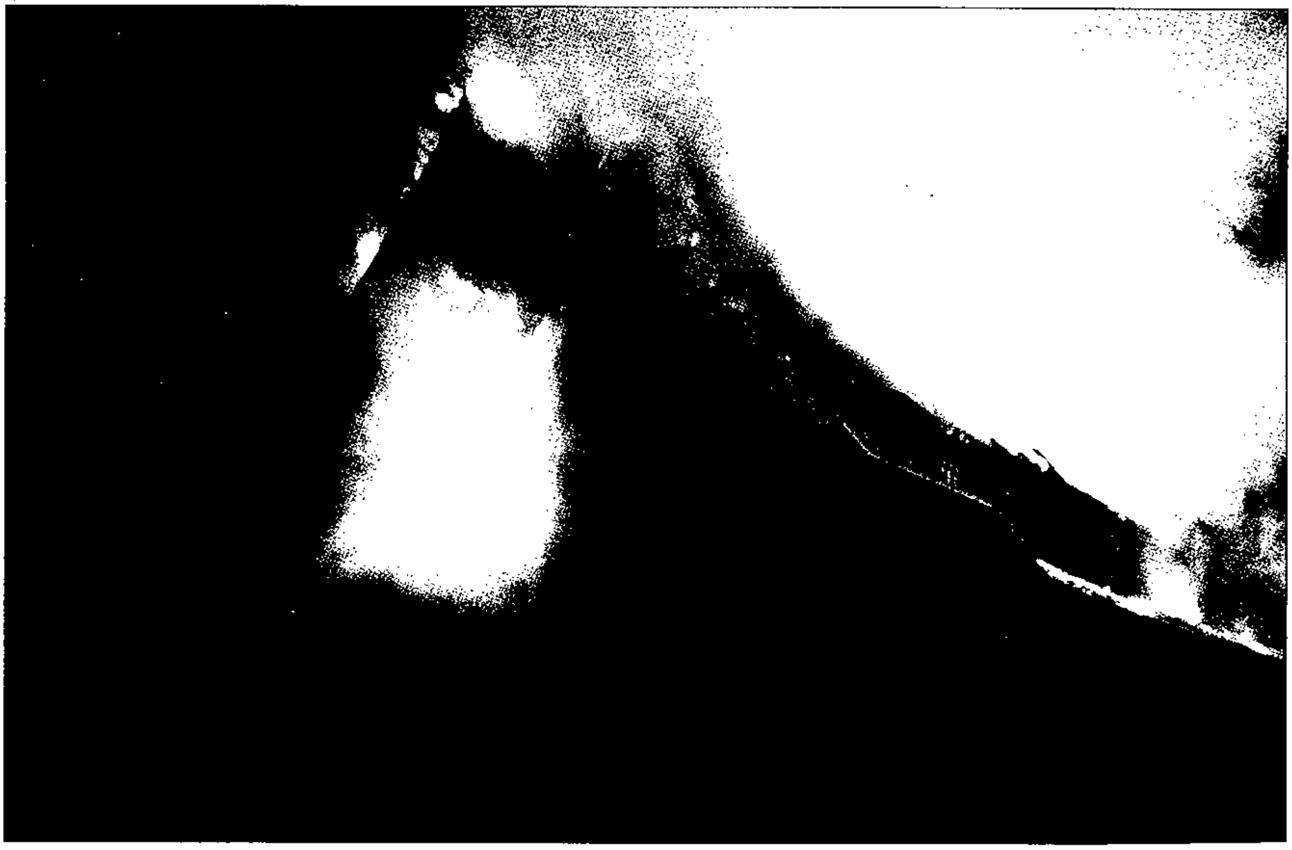
The market overt rule was originally established in the time of King John to assist trade and protect purchasers in good faith. It was abolished on 3 January 1995 as it was felt to have outlived its usefulness for these purposes.

The Barkham Flagons
Our photographs show (left) the flagons before being stolen and (below) the same flagons after they were found, with the heavy engraving which has reduced them to a fraction of their previous value.



Emmanuel Church, Bridlington

The fire occurred on 29 August, 1995.



Directors and General Management

Directors	M. R. Cornwall-Jones MA, ACIS *Chairman* W. H. Yates FRICS *Deputy Chairman* B. V. Day BA, LLB, FCII The Very Revd. T. E. Evans MA *the Dean of St Paul's* The Venerable R. B. Harris MA *the Archdeacon of Manchester* P. J. C. Mawer MA, DPA *(appointed 1 May 1996)* J. D. McArdell ACII M. C. D. Roberts MA, CA H. H. Scurfield MA, FIA D. R. W. Silk JP, MA The Very Revd. J. A. Simpson MA *the Dean of Canterbury*
General Management	B. V. Day BA, LLB, FCII *Managing Director* G. V. Doswell FCII M. Goodale BA, FIA G. A. Prescott BA, FCA
Actuary	P. C. Sparkhall FIA
Company Secretary	R. W. Clayton BSc, ACIS
Registered and Head Office	Beaufort House, Brunswick Road, Gloucester GL1 1JZ Tel: 01452 528533
Company Registration Number	1718196
Principal London and Investment Office	19-21 Billiter Street, London EC3M 2RY Tel: 0171 528 7364
Auditors	Binder Hamlyn, 20 Old Bailey, London EC4M 7BH
Registrar	The Royal Bank of Scotland plc, Caxton House, PO Box 82, Redcliffe Way, Bristol BS99 7NH
Trustee for the Debenture Stock	The Law Debenture Trust Corporation plc, Princes House, 95 Gresham Street, London EC2V 7LY

Directors

M. R. Cornwall-Jones
Chairman

Appointed to the Board in 1979 and became Chairman in 1993. He is Chairman of Govett Oriental Investment Trust plc and Capital Gearing Trust plc. He also serves on the Boards of Halifax Financial Services (Holdings) Ltd, St Andrew Trust plc and other companies.

B. V. Day
Managing Director

Joined the Group in 1975 and became Chief Executive in 1977. A past President of the Chartered Insurance Institute. His other directorships include St Andrew Trust plc, URC Insurance Company Ltd and Pool Reinsurance Company Ltd. He is also Chairman of Chatham Holdings Incorporated.

W. H. Yates
Deputy Chairman

Appointed to the Board in 1985 and became Deputy Chairman in March 1995. He was Senior Partner of Knight Frank and is Deputy Chairman of the Woolwich Building Society.

T. E. Evans
The Dean of St Paul's

Appointed to the Board in 1979 when he was the Archdeacon of Cheltenham. The Dean is a director of the London Festival Orchestra and a former Chairman of the Council for the Care of Churches. He is Dean of the Order of St Michael and St George and the Order of the British Empire. He is a Freeman of the City of London and a Liveryman of the Merchant Taylors Company and the Gardeners Company.

M. C. D. Roberts

Appointed to the Board in 1992. He was a partner in KPMG, Chartered Accountants, until 1991 and now acts as a consultant. He is also Treasurer of Guildford Cathedral.

R. B. Harris
The Archdeacon of Manchester

Appointed to the Board in 1993. The Archdeacon is a member of the Manchester Diocesan Board of Finance Ltd.

H. H. Scurfield

Appointed to the Board in January 1994. He was a director of the Norwich Union Insurance Group until 1992. A past President of the Institute of Actuaries. He is a director of the Royal Shrewsbury Hospital NHS Trust and Chairman of the Shropshire and Mid Wales Hospice.

P. J. C. Mawer

Appointed to the Board on 1 May 1996. He is the Secretary General of the General Synod of the Church of England.

D. R. W. Silk

Appointed to the Board in 1988. He was Warden of Radley College from 1968 until 1991. He was President of the MCC from 1992 until 1994 and is currently Chairman of the TCCB.

J. D. McArdell

Appointed to the Board in 1988. His whole career has been with the Ecclesiastical Insurance Group, retiring from his executive position of Deputy Managing Director in June 1994. He is a director of Westonbirt School Ltd and a member of the Council for the Care of Churches.

J. A. Simpson
The Dean of Canterbury

Appointed to the Board in 1983 when he was Archdeacon of Canterbury.
He is Chairman of the Board of Governors of the King's School, Canterbury.

Directors' Report

The directors present their report and the audited financial statements for the year ended 31 December 1995.

Principal activity

The principal activity of the company is that of an investment holding company. Its principal subsidiary is Ecclesiastical Insurance Office plc. That company and its life assurance subsidiary, Allchurches Life Assurance Limited, transact most forms of general and long term insurance.

Review of the year and future developments

These are described in the chairman's statement and the managing director's review of group operations.

Results

The results of the group for the year and the appropriations are shown in the consolidated profit and loss account on page 16. The retained profit of £8,225,000 has been transferred to reserves.

Changes in presentation and accounting policies

The financial statements have been prepared in accordance with Schedule 1, Part 1 of the Companies Act 1985 (Insurance Companies Accounts) Regulations 1993 which amends section 255 and Schedule 9A of the Companies Act 1985, and came into effect for periods commencing on or after 23 December 1994.

The prior year figures have been restated for changes in accounting policy and to comply with the changes in the presentation of the financial statements introduced by the Regulations. The changes are explained in note 26 to the accounts.

Tangible assets

Changes in tangible assets are shown in note 14 to the accounts.

Statement of 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 group as at the end of the financial year and of the profit or loss for the financial year and which comply with the Companies Act 1985.

Accordingly, the directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the accounts for the year ended 31 December 1995. The directors also confirm that applicable accounting standards have been followed and that the accounts have been prepared on the going concern basis.

The directors are responsible for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy, at all times, 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 fraud and other irregularities.

Directors

The directors of the company at the date of this report are stated on page 9.

Mr W. H. Yates was appointed deputy chairman on 23 March 1995.

Mr P. J. C. Mawer was appointed to the board on 1 May 1996. In accordance with the articles of association, Mr Mawer will retire at the forthcoming annual general meeting and, being eligible, offers himself for re-election.

Mr M. R. Cornwall-Jones, The Right Revd T. E. Evans and Mr M. C. D. Roberts retire by rotation and, being eligible, offer themselves for re-election.

Mr M. J. Burns retired from the board on 29 June 1995.

Remuneration and appointments committee

The committee membership comprises ten independent directors:

M. R. Cornwall-Jones *Chairman*
The Very Revd. T. E. Evans
The Venerable R. B. Harris
P. J. C. Mawer
J. D. McArdell
M. C. D. Roberts
H. H. Scurfield
D. R. W. Silk
The Very Revd. J. A. Simpson
W. H. Yates

Audit committee

The committee membership comprises four independent directors:

M. C. D. Roberts *Chairman*
M. R. Cornwall-Jones
H. H. Scurfield
W. H. Yates

Directors' Report

Directors' interests

The interests of the directors, all of which are beneficial, in the 2.8% First Cumulative Preference shares of Ecclesiastical Insurance Office plc are as follows:

	Interest at 31.12.1995	*Interest at 1.1.1995*
M. R. Cornwall-Jones	500	*500*
W. H. Yates	500	*500*
B. V. Day	3,220	*3,220*
The Very Revd. T. E. Evans *the Dean of St Paul's*	2,900	*2,900*
The Venerable R.B. Harris *the Archdeacon of Manchester*	500	*500*
J. D. McArdell	1,000	*1,000*
M. C. D. Roberts	500	*500*
H. H. Scurfield	500	*500*
D. R. W. Silk	500	*500*
The Very Revd. J. A. Simpson *the Dean of Canterbury*	500	*500*

Mr P. J. C. Mawer acquired 500 2.8% First Cumulative Preference shares of Ecclesiastical Insurance Office plc on 2 May 1996.

No director had an interest in any other shares or debentures of the group.

No contract subsisted during or at the end of the financial year in which a director was or is materially interested.

Directors' and officers' liability insurance

The company has maintained cover for its directors and certain officers, and those of its subsidiary undertakings.

Status

The close company provisions of the Income and Corporation Taxes Act 1988 do not apply to the company.

Ownership

The entire equity capital of the company is owned by Allchurches Trust Limited.

Charitable and political donations

Charitable donations given by the company and its subsidiary undertakings in the year amounted to £2,510,000.

During the last five years a total of £8.8 million has been provided by group companies for church and charitable purposes.

It is the company's policy not to make political donations.

Employees

The company recognises the importance of employee communication and aims to keep employees informed about its affairs through the use of briefing groups, company newsletters and the annual publication of financial reports to all employees. Regular meetings are held between management and employees and discussion encouraged. It is the company's policy to give full consideration to applications for employment by disabled persons. Where possible, employment of persons who become disabled is continued and the necessary retraining provided to allow continuing service with the company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Binder Hamlyn be re-appointed as auditors of the company will be put to the annual general meeting.

By order of the board

R. W. Clayton

Secretary

2 May 1996

Auditors' Report

To the members of Ecclesiastical Insurance Group plc

We have audited the financial statements on pages 14 to 38 which have been prepared in accordance with the accounting policies set out on pages 22 to 24.

Respective responsibilities of directors and auditors

As described on page 11 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 affairs of the company and the group as at 31 December 1995 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Binder Hamlyn

Binder Hamlyn
Chartered Accountants
Registered Auditors

20 Old Bailey
London
EC4M 7BH

2 May 1996

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1995

	Notes	1995	*1994*
TECHNICAL ACCOUNT – GENERAL BUSINESS		£000	*Restated* *£000*
Gross premiums written	3(a)	175,407	*162,672*
Outward reinsurance premiums		65,734	*60,054*
Net premiums written		109,673	*102,618*
Change in the gross provision for unearned premiums		1,702	*4,273*
Change in the provision for unearned premiums, reinsurers' share		(297)	*1,585*
Change in the net provision for unearned premiums		1,999	*2,688*
Earned premiums, net of reinsurance		107,674	*99,930*
Claims paid – gross amount		78,968	*68,718*
– reinsurers' share		24,306	*17,619*
		54,662	*51,099*
Change in the provision for claims – gross amount		22,498	*12,182*
– reinsurers' share		(652)	*588*
		23,150	*11,594*
Claims incurred, net of reinsurance		77,812	*62,693*
Net operating expenses	5	28,794	*29,291*
Change in the equalisation provision		-	*3,000*
Total technical charges		106,606	*94,984*
Balance on the technical account for general business		1,068	*4,946*

All the amounts above are in respect of continuing operations

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1995

		Notes	1995	*1994 Restated*
TECHNICAL ACCOUNT – LONG TERM BUSINESS			£000	*£000*
Gross premiums written		3(b)	15,929	*17,636*
Outward reinsurance premiums			259	*302*
Earned premiums, net of reinsurance			15,670	*17,334*
Investment income		4	20,948	*17,118*
Unrealised gains on investments			24,836	*–*
Total technical income			61,454	*34,452*
Claims paid	– gross amount		32,080	*29,105*
	– reinsurers' share		2,264	*591*
			29,816	*28,514*
Change in the provision for claims	– gross amount		443	*178*
	– reinsurers' share		6	*(16)*
			437	*194*
Claims incurred, net of reinsurance			30,253	*28,708*
Change in other technical provisions				
Long term business provision	– gross amount		(1,913)	*(4,187)*
	– reinsurers' share		(1,547)	*81*
			(366)	*(4,268)*
Technical provision for linked business			3,641	*1,604*
Change in other technical provisions, net of reinsurance			3,275	*(2,664)*
Bonuses and rebates, net of reinsurance			6,006	*4,497*
Net operating expenses		5	2,868	*3,129*
Investment expenses and charges			472	*443*
Unrealised losses on investments			–	*17,307*
Tax attributable to the long term business		9	770	*741*
Transfer to/(from) the fund for future appropriations			17,805	*(15,309)*
			27,921	*10,808*
Total technical charges			61,449	*36,852*
Balance on the technical account for long term business			5	*(2,400)*

All the amounts above are in respect of continuing operations

CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1995

	Notes	1995	*1994 Restated*
NON-TECHNICAL ACCOUNT		£000	*£000*
Balance on the general business technical account		1,068	*4,946*
Balance on the long term business technical account		5	*(2,400)*
Tax attributable to the shareholders' long term business profits		2	*–*
		1,075	*2,546*
Investment income	4	19,072	*13,565*
Investment expenses and charges	4	(1,227)	*(972)*
Other operations	4	218	*132*
Other charges including value adjustments	4	(2,041)	*(1,107)*
Profit on ordinary activities before tax		17,097	*14,164*
Tax on profit on ordinary activities	9	4,968	*3,831*
Profit on ordinary activities after tax		12,129	*10,333*
Minority interests	18	2,219	*1,669*
Profit attributable to shareholders		9,910	*8,664*
Charitable grants net of tax relief	10	1,685	*1,340*
Profit for the financial year		8,225	*7,324*

Non-equity interests included in minority interests and dividends are disclosed in note 18 to the accounts
All the amounts above are in respect of continuing operations

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 December 1995

	1995	*1994*
		Restated
	£000	*£000*
Profit attributable to shareholders	9,910	*8,664*
Discount on acquisition of shares in a subsidiary undertaking	2	*43*
Unrealised surplus/(deficit) on revaluation of investments	17,810	*(14,160)*
Realised investment gains of investment trust subsidiary	2,259	*3,300*
Revaluation of long term insurance business	–	*1,000*
Currency translation differences	590	*(981)*
Other movements	(103)	*(74)*
Total recognised gains and losses for the financial year	30,468	*(2,208)*

The effects of the changes in accounting policies are shown in note 26 to the accounts

Financial Statements

CONSOLIDATED BALANCE SHEET
at 31 December 1995

ASSETS	Notes	1995 £000	*1994 Restated £000*
Investments	11		
Land and buildings		13,633	*14,098*
Investments in group undertakings		250	*250*
Investments in participating interests		5,468	*4,903*
Other financial investments		502,367	*416,515*
		521,718	*435,766*
Assets held to cover linked liabilities	12	13,138	*9,497*
Reinsurers' share of technical provisions			
Provision for unearned premiums		20,203	*20,393*
Long term business provision	19	1,621	*3,164*
Claims outstanding		52,945	*53,327*
		74,769	*76,884*
Debtors			
Debtors arising out of direct insurance operations	13	36,784	*34,853*
Debtors arising out of reinsurance operations		15,640	*13,101*
Other debtors		3,471	*3,273*
		55,895	*51,227*
Other assets			
Tangible assets	14	2,972	*2,888*
Cash at bank and in hand		52,520	*49,300*
		55,492	*52,188*
Prepayments and accrued income			
Accrued interest and rent		4,298	*3,935*
Deferred acquisition costs		10,852	*10,660*
Value of long term insurance business	15	6,000	*6,000*
Other prepayments and accrued income		1,407	*1,703*
		22,557	*22,298*
Total assets		743,569	*647,860*

CONSOLIDATED BALANCE SHEET
at 31 December 1995

LIABILITIES	Notes	1995 £000	*1994 Restated £000*
Capital and reserves			
Called up share capital	16(a)	20,000	*20,000*
Revaluation and other reserves	16(b)	42,408	*22,284*
Long term business reserve	16(c)	6,000	*6,000*
General reserve	16(d)	5,500	*5,500*
Profit and loss account	16(e)	23,450	*15,035*
Shareholders' funds	17	97,358	*68,819*
Minority interests	18	68,707	*48,413*
Fund for future appropriations	19	54,749	*36,944*
Technical provisions			
Provision for unearned premiums		66,529	*64,717*
Long term business provision	19, 20	220,139	*216,042*
Claims outstanding		166,634	*143,197*
Equalisation provision		6,000	*6,000*
		459,302	*429,956*
Technical provision for linked liabilities	19	13,138	*9,497*
Provisions for other risks and charges	21	32	*31*
Deposits received from reinsurers		625	*400*
Creditors			
Creditors arising out of direct insurance operations		6,300	*7,176*
Creditors arising out of reinsurance operations		11,742	*12,490*
Other creditors including taxation and social security	22	30,120	*31,249*
		48,162	*50,915*
Accruals and deferred income		1,496	*2,885*
Total liabilities		743,569	*647,860*

Financial Statements

PARENT COMPANY BALANCE SHEET
at 31 December 1995

	Notes	1995	*1994 Restated*
		£000	*£000*
Tangible assets			
Investments in subsidiaries		110,582	*82,834*
Investments in participating interests		34	*–*
Other financial investments	11	3,091	*–*
		113,707	*82,834*
Current assets			
Amounts owed by subsidiary undertakings		2,427	*2,427*
Taxation		520	*621*
Other debtors		28	*–*
Gash at bank		2,036	*4,226*
		5,011	*7,274*
Creditors			
Amounts falling due within onĕ year: other creditors		360	*289*
Net current assets		4,651	*6,985*
Total assets less current liabilities		118,358	*89,819*
Creditors			
Amounts falling due after more than one year			
Debenture stock		6,000	*6,000*
Corporate business loans		15,000	*15,000*
		21,000	*21,000*
Net assets		97,358	*68,819*
Capital and reserves	16		
Share capital		20,000	*20,000*
Revaluation and other reserves		73,004	*44,973*
Profit and loss account		4,354	*3,846*
		97,358	*68,819*

The financial statements on pages 14 to 38 were approved by the board of directors on 2 May 1996 and signed on their behalf by

M. R. Cornwall-Jones

M. R. CORNWALL-JONES *Chairman*

B. V. Day

B. V. DAY *Managing Director*

CASH FLOW STATEMENT
for the year ended 31 December 1995
(excluding long term insurance business)

	Notes	1995	1994 *Restated*
		£000	*£000*
Net cash inflow from operating activities	23(a)	33,775	*30,453*
Servicing of finance			
Charitable grants paid		(1,883)	*(1,500)*
Dividends paid to minority shareholders		(2,042)	*(1,606)*
Lease purchase interest paid		(100)	*(103)*
Loan interest paid		(2,114)	*(1,106)*
Net cash outflow from servicing of finance		(6,139)	*(4,315)*
Taxation		(4,054)	*(2,634)*
Investing activities			
Purchases of liquid investments		(87,536)	*(66,258)*
Sales of liquid investments		46,807	*42,511*
Purchases of tangible fixed assets		(754)	*(587)*
Sales of tangible fixed assets		29	*8*
Reduction in minority interests		(4)	*(77)*
Net cash outflow from investing activities		(41,458)	*(24,403)*
Net cash outflow before financing		(17,876)	*(899)*
Financing activities			
Issue of 8.625% Irredeemable Non-Cumulative Preference shares		15,000	*-*
Increase in borrowings		-	*10,000*
Capital element of lease purchase rental payments		(260)	*(247)*
Net cash inflow from financing	23(c)	14,740	*9,753*
(Decrease)/increase in cash and cash equivalents	23(b)	(3,136)	*8,854*

Accounting Policies

Changes in presentation and accounting policies

The financial statements have been prepared in accordance with Section 255A and Schedule 9A to the Companies Act 1985, as amended by the Companies Act 1985 (Insurance Companies Accounts) Regulations 1993. The balance sheet of the parent company is drawn up in accordance with Section 226 and Schedule 4 of the Companies Act 1985. As permitted by Section 230 of the Act, a separate profit and loss account for the company is not presented. The financial statements have been prepared in accordance with applicable accounting standards and with the guidance on accounting for insurance business issued by the Association of British Insurers.

In implementing the requirements of the new Schedule 9A and the guidance on accounting, the group has modified several of its accounting policies. Certain comparative figures have been restated to reflect these changes. The principal changes are:

(a) Premiums and claims on London market and certain inwards reinsurance business are now recorded in the year in which they are written and paid respectively. In previous years, they were recorded in the year of closing. The prior year figures have been restated.

(b) Income from investments and interest on short term deposits is accounted for on an accruals basis. In previous years, it was credited in the year in which it was received. The prior year figures have been restated.

(c) Realised and unrealised gains in respect of long term business policyholder investments are now accounted for in the long term business technical account. Previously, realised and unrealised gains in respect of long term business non-linked policyholder investments were taken to revaluation reserves, with transfers to the long term business revenue account being determined by the directors. The prior year figures have been restated.

Basis of consolidation

The assets, liabilities and results of subsidiary undertakings are included in the consolidated accounts on the basis of accounts made up to 31 December. In the parent company balance sheet investments in subsidiary undertakings are stated at net asset value. Investments in associated undertakings are included at directors' valuation.

Foreign exchange

Foreign currency revenue transactions and assets, liabilities and reserves are translated at rates of exchange ruling at the balance sheet date, except for certain revenue transactions which are translated at the actual rate obtained on exchanging each currency for sterling. Surpluses and deficits arising from the translation at those rates of exchange of the branch current accounts are taken directly to non-distributable reserves as being outside the company's normal trading activities. Exchange profits and losses which arise from normal trading activities are taken to distributable reserves.

General business technical account

Premiums

The annual basis of accounting has been adopted except for London market and certain inwards reinsurance business. Under the annual basis of accounting, written premiums, gross of commission payable to intermediaries, comprise the premiums on contracts entered into during a financial year, regardless of whether such amounts may relate in whole or in part to a later financial year.

The fund basis of accounting has been applied to London market and certain inwards reinsurance business because the nature of the business is such that an underwriting result cannot be established with sufficient accuracy using the annual basis. Under the fund basis of accounting, written premiums comprise premiums receivable in respect of contracts commencing in the financial year. The excess of premiums written over claims and expenses paid in respect of business commenced in an underwriting year is carried forward as a technical provision as part of outstanding claims. A profit is not recognised until the end of the first or second year following the underwriting year of account to which that business relates. Any anticipated underwriting losses are recognised as soon as they are foreseen.

Premiums written include adjustments to premiums written in prior periods and estimates for pipeline premiums and are shown net of insurance premium taxes. Outward reinsurance premiums are accounted for in the same accounting period as the premiums for the related direct insurance or inwards reinsurance business.

Unearned premiums

For business accounted on the annual basis, the provision for unearned premiums comprises the amount representing that part of gross premiums written which is estimated to be earned in the following or subsequent financial years, computed separately for each insurance contract using the daily pro rata method and taking into account the risk profile of the contracts.

Unexpired risks

Provision for unexpired risks is made where anticipated claims and administrative expenses are expected to exceed unearned premiums, after taking account of future investment income. Unexpired risks are assessed separately for each class of business. Surpluses and deficits are offset where business classes are considered to be managed together.

Accounting Policies

Claims
Full provision for outstanding claims is made on an individual basis for the estimated cost of claims notified but not settled by the balance sheet date after taking into account handling costs, salvage and other recoveries and settlement trends. A provision for claims incurred but not reported is established on statistical methods. Any differences between provisions and subsequent settlements are dealt with in the technical accounts of later years. A claims equalisation reserve has been set up to offset any technical deficit or above average claims ratio arising in any class of business.

Deferred acquisition costs
Commission and management costs which vary with, and are primarily related to, the acquisition of new insurance contracts and the renewal of existing contracts are deferred to the extent that they are attributable to premiums unearned at the balance sheet date.

Long term business technical account

Premiums
Premiums and consideration for annuities are credited when they become due. Reinsurance premiums are charged when they become payable.

Claims
Maturity claims and annuities are charged against revenue when they become payable. Surrenders are accounted for when paid or, if earlier, on the date when the policy ceases to be included within the calculation of the long term business provision for linked liabilities. Death claims and all other claims are accounted for when notified. Claims payable include related internal and external claims handling costs. Reinsurance recoveries are accounted for in the same period as the related claim.

Deferred acquisition costs
The costs of acquiring new insurance contracts and the renewal of existing contracts which are incurred during a financial year but which relate to a subsequent financial year are deferred to the extent that they are recoverable out of future revenue margins.

Bonuses
Reversionary bonuses are recognised in the long term business technical account when declared and terminal bonuses when paid.

Long term business provision
The long term business provision is determined by the company's Appointed Actuary following his annual investigation of the long term business. Initially it is calculated to comply with the reporting requirements under the Insurance Companies Act 1982, principally using the net premium valuation method. This statutory solvency basis of valuation is then adjusted by eliminating the undistributed surplus determined by that valuation together with certain reserves advised under insurance companies regulations and general contingency reserves. It is then further reduced to reflect the impact of acquisition costs incurred which will be recovered out of future premium margins. This has been determined by means of a Zillmer adjustment applied to the net premium valuation basis. This adjusted basis is referred to as the modified statutory solvency business. The consequent long term business provision is grossed up for the impact of reinsurance.

Allocation of surpluses and fund for future appropriation
Surpluses arising on with-profits funds and funds which include participating business are determined by actuarial valuation of the assets and liabilities relating to these funds. These surpluses are appropriated by the directors, for the purpose of preparing the financial statements, to participating policyholders by way of bonuses and to shareholders' interests by way of transfers to the non-technical account from the long term business technical account. The balance of these funds, the allocation of which between policyholders and shareholders has not been determined at the end of the financial year, is carried forward in the fund for future appropriations. The transfer of shareholders' profit included in the non-technical account is grossed up at the full rate of corporation tax.

Investments

Listed investments are included in the balance sheet at mid-market value, and unlisted investments at directors' valuation. Mortgages and loans are valued at amortised cost.

Investment properties were valued at 31 December 1995 on an open market existing use basis by independent chartered surveyors. Owner occupied properties were valued at 31 December 1994 at market value based on vacant possession. In accordance with SSAP 19, which requires a departure from the Companies Act 1985, no depreciation is provided in respect of freehold investment properties not occupied by the group. The directors consider that depreciation of these investment properties would not give a true and fair view.

Accounting Policies

Investment income and expenses

Investment income includes dividends, interest, rents, gains and losses on the realisation of investments less related expenses. Dividends are included on the date that shares become quoted ex-dividend and are grossed up for applicable tax credits. Interest, rents and expenses are accounted for on an accruals basis. Realised gains and losses on investments represent net sales proceeds less cost. General business investment income and expenses are dealt with through the non-technical account. Long term business investment income and expenses are dealt with through the long term business technical account.

Unrealised investment gains and losses

Unrealised gains and losses on investments are calculated as the difference between market value and original cost. General business unrealised gains and losses are dealt with through the revaluation reserve. Long term business unrealised gains and losses are dealt with through the long term business technical account.

Deferred taxation

Deferred taxation is provided at appropriate rates of corporation tax in respect of timing differences where there is a reasonable probability that such taxation will become payable. Allowance is made in the long term business provision and technical provision for linked liabilities for deferred taxation at appropriate discounted rates in respect of the unrealised gains on investments, unrelieved management expenses and other timing differences.

Tangible assets

Tangible assets are capitalised and depreciated on a straight line basis over their estimated useful lives. The periods used are as follows:

Computer equipment	5 years
Motor vehicles	Length of lease
Fixtures, fittings and office equipment	5 years
Owner occupied investment properties	50 years or length of lease, if shorter

Value of long term insurance business

This item represents the amount which the directors consider to be a prudent valuation of the group's long term insurance business. The same amount is credited to long term insurance business reserve.

Pensions

Pension costs are charged so as to spread the long term cost over the expected service lives of employees.

Leasing commitments

Assets obtained under lease purchase contracts are capitalised as tangible fixed assets and are depreciated over the period of the lease. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The interest element of the lease payments is charged to the profit and loss account over the period of the lease.

Goodwill

Goodwill arising on the acquisition of subsidiary and associated undertakings is written off directly to reserves.

1 Profit after taxation

Of the group profit after taxation £508,000 *(£510,000)* has been dealt with in the accounts of the parent company.

2 Exchange rates

The principal rates of exchange used for translation are:

	1995	*1994*
United States of America	US $1.55	*US $1.56*
Canada	C $2.12	*C $2.19*
Republic of Ireland	IR £0.97	*IR £1.01*

3 Segmental analysis

(a) General business premiums

	1995		*1994 Restated*	
	Gross £000	Net £000	*Gross £000*	*Net £000*
Class of business				
Direct:				
Accident	2,980	2,840	*2,959*	*2,822*
Motor	15,844	14,784	*13,826*	*12,860*
Property	112,443	62,655	*112,375*	*62,951*
Liability	16,154	15,046	*13,220*	*12,083*
	147,421	95,325	*142,380*	*90,716*
Reinsurance accepted and London market	27,986	14,348	*20,292*	*11,902*
Total	175,407	109,673	*162,672*	*102,618*
Geographical analysis – on the basis of location of office.				
United Kingdom	154,633	98,548	*148,401*	*94,863*
Canada	17,358	8,781	*11,282*	*5,708*
Other overseas	3,416	2,344	*2,989*	*2,047*
Total	175,407	109,673	*162,672*	*102,618*

(b) Long term business premiums

Geographical analysis – on the basis of location of office.

United Kingdom	15,929	15,670	*17,636*	*17,334*

3 Segmental analysis (continued)

The analysis of long term business premiums written before reinsurance is:

	1995 £000	1994 £000
Life insurance business		
– Single premiums	5	621
– Regular premiums	7,098	6,435
Annuity business		
– Single premiums	3,523	5,136
– Regular premiums	1	7
Pension business		
Non-linked contracts		
– Single premiums	360	285
– Regular premiums	2,009	2,248
Linked contracts		
– Single premiums	386	518
– Regular premiums	2,412	2,221
PHI business	133	162
Endowment certain business	2	3
	15,929	17,636
Gross new annualised regular premiums		
Life insurance	506	568
Pensions	433	641
	939	1,209

Periodic payments include recurrent single premiums designated as likely to result in regular premium payments at the time such contracts are written. Thereafter only increases in premiums originally designated as such are treated as new business.

(c) Profit before taxation		Restated
United Kingdom	14,399	13,011
Canada	2,066	1,094
Other overseas	632	59
	17,097	14,164

(d) Net assets		Restated
United Kingdom	85,716	60,650
Canada	10,562	7,696
Other overseas	1,080	473
	97,358	68,819

3 Segmental analysis (continued)

(e) Balance sheet analysis

1995	General business	Long term business			Eliminations	Total
		Linked contracts	Non-linked contracts	Fund for future appropriations		
	£000	£000	£000	£000	£000	£000
Investments	268,457	–	205,555	54,749	(7,043)	521,718
Assets held to cover linked liabilities	–	13,138	–	–	–	13,138
Reinsurers' share of technical provisions	73,137	–	1,632	–	–	74,769
Other assets	118,331	–	15,613	–	–	133,944
	459,925	13,138	222,800	54,749	(7,043)	743,569
Capital and reserves	97,358	–	–	–	–	97,358
Fund for future appropriations	–	–	–	54,749	–	54,749
Technical provisions	237,655	13,138	221,647	–	–	472,440
Other liabilities	124,912	–	1,153	–	(7,043)	119,022
	459,925	13,138	222,800	54,749	(7,043)	743,569

1994 Restated	*General business*	*Long term business*			*Eliminations*	*Total*
		Linked contracts	*Non-linked contracts*	*Fund for future appropriations*		
	£000	*£000*	*£000*	*£000*	*£000*	*£000*
Investments	*201,495*	–	*203,387*	*36,944*	*(6,060)*	*435,766*
Assets held to cover linked liabilities	–	*9,497*	–	–	–	*9,497*
Reinsurers' share of technical provisions	*73,716*	–	*3,168*	–	–	*76,884*
Other assets	*115,347*	–	*12,766*	–	*(2,400)*	*125,713*
	390,558	*9,497*	*219,321*	*36,944*	*(8,460)*	*647,860*
Capital and reserves	*68,819*	–	–	–	–	*68,819*
Fund for future appropriations	–	–	–	*36,944*	–	*36,944*
Technical provisions	*212,850*	*9,497*	*217,106*	–	–	*439,453*
Other liabilities	*108,889*	–	*2,215*	–	*(8,460)*	*102,644*
	390,558	*9,497*	*219,321*	*36,944*	*(8,460)*	*647,860*

Eliminations shown for 1995 relate to the long term business investment holdings in St Andrew Trust plc and those shown for 1994 also include inter-fund debtors and creditors.

Notes to the Accounts

4 **Investment activity account**

	1995		*1994 Restated*	
	General business £000	Long term business £000	*General business £000*	*Long term business £000*
Investment income:				
– land and buildings	691	996	*828*	*947*
– listed investments	13,045	10,399	*9,195*	*8,916*
– other investments	4,070	6,542	*2,694*	*6,478*
– group undertakings	218	209	*132*	*197*
Gains on the realisation of investments	1,266	2,802	*848*	*580*
	19,290	20,948	*13,697*	*17,118*
Investment management expenses, including interest	(1,227)	(472)	*(972)*	*(443)*
	18,063	20,476	*12,725*	*16,675*
Debenture interest	(780)	–	*(780)*	–
Corporate business loan interest	(1,261)	–	*(327)*	–
Unrealised gains/(losses) on investments	19,968	24,836	*(10,891)*	*(17,307)*
Total investment return	35,990	45,312	*727*	*(632)*

Unrealised investment gains not relating to long term business are dealt with in the revaluation reserve.

5 **Net operating expenses**

		1995		*1994 Restated*	
		General business £000	Long term business £000	*General business £000*	*Long term business £000*
Acquisition costs		36,080	1,195	*35,464*	*1,268*
Change in deferred acquisition costs		(303)	139	*(442)*	*149*
Administrative expenses		11,878	1,592	*10,943*	*1,745*
Reinsurance commissions and profit participation		(18,861)	(58)	*(16,674)*	*(33)*
		28,794	2,868	*29,291*	*3,129*
Administrative expenses include:					
Depreciation	– property	258	19	*531*	*8*
	– owned assets	465	80	*310*	*35*
	– leased assets	50	–	*158*	*45*
Auditors' remuneration	– UK	102	25	*100*	*27*
	– overseas	17	–	*15*	–
	– fees for non-audit services	31	–	*30*	–

6 Employee information

The average weekly number of employees, including executive directors, during the year by geographical location was:	1995 General business No.	1995 Long term business No.	*1994 General business No.*	*1994 Long term business No.*
United Kingdom	649	48	*625*	*49*
Canada	43	–	*36*	–
Republic of Ireland	13	–	*13*	–
	705	48	*674*	*49*
	£000	£000	*£000*	*£000*
Wages and salaries	11,742	973	*10,780*	*956*
Social security costs	887	88	*840*	*94*
Other pension costs	2,090	189	*2,017*	*191*
	14,719	1,250	*13,637*	*1,241*

7 Directors' emoluments

	1995	*1994*
The aggregate emoluments of the directors of the company were:	£	*£*
In respect of services as non-executive directors	109,928	*116,894*
In respect of executive directors' salaries, pension contributions and other benefits	191,074	*277,266*
	301,002	*394,160*

In addition, an ex-gratia payment of £20,000 was made to a retiring director *(£36,000 to two retiring directors)*.

Chairman's fees	22,000	*22,000*

In addition, the chairman received £7,500 *(£7,500)* as a director of St Andrew Trust plc and was reimbursed £7,900 *(£7,765)* in respect of the cost of running his office and the provision of secretarial assistance.

Highest paid director		
Salary and benefits	161,074	*169,865*
Pension contributions	30,000	*29,050*
Charged in accounts	191,074	*198,915*

Other directors, excluding pension contributions	No.	*No.*
Up to £5,000	–	*1*
£5,001 to £10,000	6	*4*
£10,001 to £15,000	3	*4*
£80,001 to £85,000	–	*1*

8 Pensions

The group's main scheme is a defined benefit scheme for UK employees. The assets of the scheme are held separately from those of the group by the Ecclesiastical Insurance Office plc Staff Retirement Benefit Fund. Pension costs for this scheme are determined, on the basis of triennial valuations, by a qualified actuary who is an employee of the group, using the aggregate method. The most recent valuation was at 31 August 1995. The assumptions which have the greatest effect on the valuation results are those related to the rate of return on investment and the rate of increase in salaries. It is assumed that there will be a margin of 2% between investment return and salary growth. Other than in respect of statutory pension increases no allowance was made for pension increases as these are separately funded by the company.

The most recent actuarial valuation showed that the market value of the scheme's assets was £40,407,000 and that the actuarial value of the assets was sufficient to cover 103.9% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contribution of the group to the fund will remain at 20% of pensionable salary, plus additional amounts in accordance with recommendations by the Appointed Actuary. The scheme is registered with the Registry of Pension Schemes. Canadian pension liabilities are dealt with by payment to a Canadian Trustee Fund. Republic of Ireland pension liabilities are dealt with by payment to an Irish life office. The total funding cost for the year was £2,289,000 *(£2,217,000)*. Of this £2,227,000 *(£2,184,000)* related to the UK scheme.

9 Taxation

	Long term business technical account		Non-technical account	
	1995	*1994 Restated*	1995	*1994 Restated*
	£000	*£000*	£000	*£000*
UK Corporation tax	98	*165*	4,140	*3,163*
Tax on franked investment income	671	*513*	1,028	*788*
Overseas tax	26	*7*	28	*6*
Prior year adjustment	(25)	*56*	(316)	*(134)*
Share of associated undertakings' tax	–	–	86	*8*
Tax attributable to shareholders' long term business profits	–	–	2	–
	770	*741*	4,968	*3,831*

The comparative figure for UK corporation tax shown in the non-technical account has been restated to reflect tax relief claimed on charitable grants at 33%. The long term funds are charged to tax on the bases applicable to life assurance and annuity business. General business corporation tax is a charge of £4,140,000 *(£3,163,000)* at 33% *(33%)*.

10 Charitable grants

Charitable grants consist mainly of gift aid payments to the ultimate parent company, Allchurches Trust Limited. The comparative figure shown in the non-technical account has been restated to reflect tax relieved at 33%.

11 Investments

(a) at current value	1995 General business £000	1995 Long term business £000	1995 Total £000	*1994 Restated General business £000*	*1994 Restated Long term business £000*	*1994 Restated Total £000*
Freehold land and buildings						
– occupied by the group	3,104	1,191	4,295	*3,104*	*1,191*	*4,295*
– other	1,494	7,844	9,338	*1,558*	*8,245*	*9,803*
	4,598	9,035	13,633	*4,662*	*9,436*	*14,098*
Investments in group undertakings						
– preference shares	250	–	250	*250*	*–*	*250*
Other financial investments						
Shares and other variable yield securities and units in unit trusts:						
– UK stock exchange listed	115,240	108,605	223,845	*94,701*	*90,425*	*185,126*
– other listed	36,558	11,561	48,119	*26,823*	*8,885*	*35,708*
– unlisted	44	–	44	*1,019*	*–*	*1,019*
	151,842	120,166	272,008	*122,543*	*99,310*	*221,853*
Debt and other fixed income securities:						
– UK stock exchange listed	84,451	52,143	136,594	*52,397*	*49,861*	*102,258*
– other listed	20,574	1,946	22,520	*16,577*	*2,542*	*19,119*
– unlisted	450	450	900	*–*	*–*	*–*
Loans secured by mortgages	704	68,871	69,575	*51*	*72,302*	*72,353*
Other loans	119	651	770	*112*	*820*	*932*
	106,298	124,061	230,359	*69,137*	*125,525*	*194,662*
Total	258,140	244,227	502,367	*191,680*	*224,835*	*416,515*
(b) at historical cost						
Freehold land and buildings						
– occupied by the group	4,071	763	4,834	*4,197*	*782*	*4,979*
– other	1,301	8,232	9,533	*1,301*	*8,232*	*9,533*
	5,372	8,995	14,367	*5,498*	*9,014*	*14,512*
Investments in group undertakings						
– preference shares	250	–	250	*250*	*–*	*250*
Other financial investments						
Shares and other variable yield securities and units in unit trusts:						
– UK stock exchange listed	68,082	42,813	110,895	*60,649*	*40,289*	*100,938*
– other listed	30,522	7,930	38,452	*22,136*	*7,033*	*29,169*
– unlisted	90	–	90	*605*	*–*	*605*
	98,694	50,743	149,437	*83,390*	*47,322*	*130,712*
Debt and other fixed income securities:						
– UK stock exchange listed	81,466	50,413	131,879	*55,256*	*50,644*	*105,900*
– other listed	19,275	1,709	20,984	*16,893*	*2,303*	*19,196*
– unlisted	450	450	900	*–*	*–*	*–*
Loans secured by mortgages	704	68,871	69,575	*51*	*72,302*	*72,353*
Other loans	119	651	770	*112*	*820*	*932*
	102,014	122,094	224,108	*72,312*	*126,069*	*198,381*
Total	200,708	172,837	373,545	*155,702*	*173,391*	*329,093*

11 **Investments (continued)**

In the parent company balance sheet, other financial investments comprise UK government securities at market value with an original cost of £2,818,000.

12 **Assets held to cover linked liabilities**

	1995		*1994 Restated*	
	Current Value	Historical Cost	*Current Value*	*Historical Cost*
	£000	£000	*£000*	*£000*
Assets held to cover linked liabilities	13,138	10,862	*9,497*	*8,503*

13 **Debtors arising out of direct insurance operations**

	1995			*1994 Restated*		
	General business	Long term business	Total	*General business*	*Long term business*	*Total*
	£000	£000	£000	*£000*	*£000*	*£000*
Policy holders	10,899	1,805	12,704	*10,392*	*1,991*	*12,383*
Intermediaries	24,080	-	24,080	*22,470*	-	*22,470*
	34,979	1,805	36,784	*32,862*	*1,991*	*34,853*

14 **Tangible assets**

	£000
Cost:	
At 1 January 1995	9,503
Additions	1,299
Disposals	(621)
At 31 December 1995	10,181
Depreciation:	
At 1 January 1995	6,615
Additions	980
Disposals	(386)
At 31 December 1995	7,209
Net book value at 31 December 1995	
General business	2,439
Long term business	533
	2,972
Net book value at 1 January 1995	
General business	2,357
Long term business	531
	2,888

Tangible assets comprise computer equipment, motor vehicles and office equipment.

15 Value of long term insurance business

	1995 £000	*1994 £000*
Balance 1 January 1995	6,000	*5,000*
Increase during the year	–	*1,000*
Balance 31 December 1995	6,000	*6,000*

16 Share capital and reserves

	1995 Group £000	1995 Parent £000	*1994 Restated Group £000*	*1994 Restated Parent £000*
(a) Share capital				
Authorised, allotted, issued and fully paid				
Ordinary share capital				
20,000,000 shares of £1 each	20,000	20,000	*20,000*	*20,000*
(b) Revaluation and other reserves				
As previously reported	23,643	45,441	*34,802*	*50,176*
Prior year adjustments	(1,359)	(468)	*(1,571)*	*(1,145)*
Balance 1 January 1995 as restated	22,284	44,973	*33,231*	*49,031*
Currency translation differences	156	–	*(56)*	–
Other movements	(101)	–	*(31)*	–
Surplus/(deficit) arising from revaluation of investments	17,810	28,031	*(14,160)*	*(4,058)*
Realised investment gains of investment trust subsidiary	2,259	–	*3,300*	–
Balance 31 December 1995	42,408	73,004	*22,284*	*44,973*
(c) Long term insurance business reserve				
Balance 1 January 1995	6,000	–	*5,000*	–
Movement in year	–	–	*1,000*	–
Balance 31 December 1995	6,000	–	*6,000*	–
(d) General reserve				
Balance 31 December 1995	5,500	–	*5,500*	–
(e) Profit and loss account				
As previously reported	14,144	3,846	*8,210*	*3,336*
Prior year adjustment	891	–	*426*	–
Balance 1 January 1995 as restated	15,035	3,846	*8,636*	*3,336*
Currency translation differences	434	–	*(925)*	–
Issue costs	(244)	–	–	–
Profit for the financial year	8,225	508	*7,324*	*510*
Balance 31 December 1995	23,450	4,354	*15,035*	*3,846*
Total capital and reserves	97,358	97,358	*68,819*	*68,819*

17 Reconciliation of movements in group shareholders' funds

	1995	*1994 Restated*
	£000	*£000*
Profit for the financial year	9,910	*8,664*
Other recognised gains and losses	20,558	*(10,872)*
	30,468	*(2,208)*
Charitable grants net of tax relief	(1,685)	*(1,340)*
Issue costs	(244)	–
Net movement in shareholders' funds	28,539	*(3,548)*
Opening shareholders' funds	69,287	*73,512*
Restatement	(468)	*(1,145)*
Closing shareholders' funds	97,358	*68,819*

18 Minority interests

Minority interests comprise preference and ordinary share capital and attributable profits in a subsidiary undertaking.

	Profit and Loss Account		Balance Sheet	
	1995	*1994 Restated*	1995	*1994 Restated*
	£000	*£000*	£000	*£000*
Equity interests				
St Andrew Trust plc Ordinary shares of £1 each	1,539	*1,346*	50,164	*44,864*
Non-equity interests				
Ecclesiastical Insurance Office plc				
2.8% First Cumulative Preference shares of £1 each	6	*6*	211	*211*
10% Redeemable Second Cumulative Preference shares of £1 each	300	*300*	3,000	*3,000*
8.625% Irredeemable Non-Cumulative Preference shares of £1 each	362	–	15,000	–
St Andrew Trust plc 5.25% Cumulative Preference stock (now 3.675% plus tax credit)	12	*17*	332	*338*
	680	*323*	18,543	*3,549*
	2,219	*1,669*	68,707	*48,413*

Ecclesiastical Insurance Office plc has the right to redeem all or any of the 10% Redeemable Second Cumulative Preference shares at par together with a premium as follows:

Year of Redemption	Premium
1996 to 1997	7 1/2 per cent
1998 to 2002	5 per cent
2003 to 2007	2 1/2 per cent
2008 to 2012	Nil

Any of these preference shares not previously redeemed will be redeemed at par on 31 December 2012.

19 Technical provisions, net of reinsurance

Long term business

	Long term business fund	Revaluation reserve	Long term business provision	Claims outstanding	Technical Provision for linked liabilities	Fund for future appropriations
	£000	£000	£000	£000	£000	£000
As previously reported	223,305	32,273	–	1,060	–	–
Prior year adjustments	1,234	(2)	–	–	–	–
Reallocation of long term business fund	(224,539)	–	212,871	–	9,497	2,171
Deferred acquisition costs, net of tax	–	–	7	–	–	2,502
Reallocation of revaluation reserve	–	(32,271)	–	–	–	32,271
Balance 1 January 1995 as restated	–	–	212,878	1,060	9,497	36,944
Movement in year	–	–	(366)	437	3,641	–
Bonus allocations	–	–	6,006	–	–	–
Transfer to fund for future appropriations	–	–	–	–	–	17,805
Balance 31 December 1995	–	–	218,518	1,497	13,138	54,749

20 Long term business provision

The long term business provision has been calculated by the Appointed Actuary of the company using the following underlying principal assumptions:

(a) Rates of interest

		%
Assurances:		
Life		2.5 – 4.0
Pensions		3.5
Annuities:		
With profit	– deferred	2.5 – 5.5
Without profit	– deferred	5.75 – 6.5
	– vested	6.0 – 7.0

(b) Mortality tables

Assurances:		A67 – 70
Deferred annuities	– pensions	PA (90)
	– school fees	no mortality
Vested annuities	– pensions	PA (90)
	– other	a (90)

The mortality tables used have various deductions from age depending upon the type of business being valued. Further allowances were made for additional mortality resulting from AIDS where appropriate. The amount charged for bonuses and rebates in the long term business technical account relates entirely to reversionary and terminal bonuses paid and payable for the year, £6,006,000 *(£4,497,000)* of which has been included in the long term business provision.

21 Provisions for other risks and charges

The provision shown in the accounts relates to deferred taxation of a subsidiary company, St Andrew Trust plc, in respect of short term timing differences. If the investments of the group were realised at the amounts at which they are included in the accounts a liability to corporation tax of approximately £18.7m *(£11.9m)* would arise. No provision has been made in respect of these unrealised investment gains.

22 Other creditors including taxation and social security

	1995	*1994 Restated*
	£000	*£000*
Amounts falling due within one year:		
Other creditors	4,430	*5,624*
Taxation	3,863	*3,831*
Bank overdraft	30	*58*
	8,323	*9,513*
Amounts falling due after more than one year:		
Debenture stock	6,000	*6,000*
Corporate business loans	15,000	*15,000*
Other creditors	797	*736*
	21,797	*21,736*
Total	30,120	*31,249*
Included in other creditors are obligations under lease purchase contracts due:		
In 1 year or less	364	*339*
Between 2 and 5 years	797	*736*
	1,161	*1,075*

The £6,000,000 13% Debenture stock 2018 is secured on the assets of the company. Except insofar as previously repaid, or purchased by the company or any of its subsidiaries and cancelled, the stock will be repaid at par on 31 August 2018.

The corporate business loans are secured on the company's holdings of Ordinary shares and 9.5% Redeemable Third Non-Cumulative Preference shares in Ecclesiastical Insurance Office plc and are repayable:

	1995 £000	*1994 £000*
Between 1 and 2 years	5,000	–
Between 2 and 5 years	–	*5,000*
Over 5 years	10,000	*10,000*
	15,000	*15,000*

23 Notes to the cash flow statement

	1995	*1994 Restated*
	£000	*£000*
(a) Reconciliation of profit on ordinary activities before tax to net cash inflow from operating activities		
Profit on ordinary activities before tax	17,097	*14,164*
Depreciation charges	1,090	*1,453*
Realised investment gains	(1,267)	*(848)*
(Profit)/loss on sale of tangible fixed assets	(5)	*616*
Increase in insurance funds and net outstanding claims	25,384	*21,408*
Tax credit on franked investment income	(1,020)	*(1,063)*
Movements in debtors less creditors	(9,104)	*(9,032)*
(Profit)/loss retained in associated undertakings	(536)	*146*
Transfer (from)/to long term business	(5)	*2,400*
Lease purchase interest payable	100	*103*
Loan interest payable	2,041	*1,106*
	33,775	*30,453*

23 Notes to the cash flow statement (continued)	1995 £000	*1994 £000*
(b) Analysis of changes in cash and cash equivalents and other liquid investments during the year		
Balance 1 January 1995	47,615	*38,545*
Net cash (outflow)/inflow	(3,136)	*8,854*
Movements on exchange	787	*216*
Balance 31 December 1995	45,266	*47,615*

(c) Analysis of changes in financing during the year	1995		*1994*	
	Share capital	Loans and lease contracts	*Share capital*	*Loans and lease contracts*
	£000	£000	*£000*	*£000*
Balance 1 January 1995	20,000	21,842	*20,000*	*11,916*
Cash inflow from financing	–	14,740	–	*9,753*
Inception of lease contracts	–	318	–	*173*
Balance 31 December 1995	20,000	36,900	*20,000*	*21,842*

24 Operating leases Annual commitments and payments under non-cancellable operating leases were as follows:	1995 Premises £000	1995 Equipment £000	*1994 Premises £000*	*1994 Equipment £000*
Commitments				
Expiring:				
Within 1 year	16	–	*7*	*28*
Between 2 and 5 years	152	447	*165*	–
Over 5 years	880	–	*868*	–
	1,048	447	*1,040*	*28*
Payments included in operating expenses	1,023	10	*687*	*47*

25 **Capital commitments**
At 31 December 1995 there were no outstanding contracts for capital expenditure *(£Nil)* or capital expenditure authorised by the directors but not contracted for *(£Nil)*.

26 **The effects of changes in accounting policies**
The effect of the change to accounting for investment income on an accruals rather than a receipts basis is an increase in the previously reported profits for the comparative period of £465,000. The cumulative effect is an increase in retained profits of £891,000. The effect of the change in the financial year is to increase reported profits by £186,000.
As a result of the change in accounting policy for investment income, together with changes to the valuation bases of mortgages, loans and owner occupied property, the revaluation reserve previously reported at 31 December 1994 is, on restatement, reduced by £1,359,000. The effect on the movement in the year is an increase of £212,000.

27 Parent and subsidiary undertakings

Parent company

The company's ultimate parent company is Allchurches Trust Limited incorporated in Great Britain and registered in England. Copies of the accounts for all companies are available from the registered office as shown on page 9.

All the subsidiaries listed are included within the consolidated financial statements.

Subsidiary undertakings	Share capital	Holdings of shares by: Parent	Subsidiary
Incorporated in Great Britain, registered and operating in England, engaged in investment, insurance and financial services or other insurance related business:			
Ecclesiastical Insurance Office plc	Ordinary shares	100%	
	2.8% First Cumulative Preference shares	15.4%	
	9.5% Redeemable Third Non-Cumulative Preference shares	100%	
Ecclesiastical Group Asset Management Limited	Ordinary shares	100%	
The Churches Purchasing Scheme Limited	Ordinary shares	100%	
Eccint Limited	Ordinary shares	100%	
Ecclesiastical Underwriting Management Limited	Ordinary shares	100%	
Allchurches Investment Management Services Limited	Ordinary shares		100%
Allchurches Life Assurance Limited	Ordinary shares		100%
Blaisdon Properties Limited	Deferred shares		100%
	Ordinary shares		100%
Incorporated in Great Britain and registered in Scotland, engaged in investment trust business:			
St Andrew Trust plc	Ordinary shares		58.6%
	5.25% Cumulative Preference stock (now 3.675% plus tax credit)		49.7%

Of the 58.6% holding of Ordinary shares in St Andrew Trust plc, 5.8% is held by the mutual life fund of Ecclesiastical Insurance Office plc.

There are also three other wholly owned subsidiary undertakings whose assets and contribution to group income are not significant.

Associated undertakings

Incorporated in Great Britain and registered in England, engaged in insurance business:

Wright Underwriting Group Limited	Ordinary shares		25%

Incorporated in the United States of America, engaged in insurance business:

Chatham Holdings Inc	Common stock		30.7%

Ecclesiastical Insurance Office plc holds 250,000 6% Non-Cumulative Redeemable Preference shares in Allchurches Mortgage Company Limited which is a wholly owned subsidiary of Allchurches Trust Limited.

Branches and Agencies – Great Britain

Birmingham	*Branch Manager:*	P. T. Bloxham ACII
	Office:	Berwick House, 35 Livery Street, Birmingham B3 2PB
	Tel:	0121 200 3200
Bristol	*Branch Manager:*	C. J. Langton
	Office:	Kings Court, King Street, Bristol BS1 4EE
	Tel:	0117 926 6211
Cambridge	*Branch Manager:*	A. M. M. Fraser ACII
	Office:	Abbeygate House, 164-167 East Road, Cambridge CB1 1DB
	Tel:	01223 460611
Cardiff	*Branch Manager:*	P. March
	Office:	5th Floor, Riverside House, 31 Cathedral Road, Cardiff CF1 9HB
	Tel:	01222 223983
City	*City Manager:*	D. S. Bullock ACII
	Office:	19-21 Billiter Street, London EC3M 2RY
	Tel:	0171 528 7363

Branches and Agencies – Great Britain

East Grinstead	*Branch Manager:*	D. M. F. Byrne FCII
	Office:	Kings House, 13-21 Cantelupe Road, East Grinstead, Sussex RH19 3BE
	Tel:	01342 410281
Edinburgh	*Manager for Scotland:*	T. G. Lawrie ACII
	Office:	55 North Castle Street, Edinburgh EH2 3QA
	Tel:	0131 225 5422
Harrogate	*Branch Manager:*	R. W. Marshall FCII
	Office:	7 Cambridge Road, Harrogate, North Yorkshire HG1 1PB
	Tel:	01423 524221
Manchester	*Branch Manager:*	J. M. Lindsey
	Office:	Lincoln House, 1 Brazennose Street, Manchester M2 5FJ
	Tel:	0161 832 2616
Southampton	*Branch Manager:*	S. F. Cakebread
	Office:	Adyar House, 32 Carlton Crescent, Southampton SO15 2YP
	Tel:	01703 634488

Branches and Agencies – Overseas

Canada	*Manager for Canada:*	W. T. Breckles BSc, MBA
	Chief Office:	2300 Yonge Street, Toronto, Ontario M4P 1E4
	Advisory Board:	M. R. Cornwall-Jones, B. V. Day, C. Alan McLintock, W. T. Breckles, M. E. T. Payne, D. M. Stovel, Prof. W. Waters
	Manager:	H. Meek
	Maritimes Office:	1969 Upper Water Street, Halifax, Nova Scotia B3J 3R7
	Manager:	T. D. Cowan
	British Columbia Office:	545 Clyde Avenue, West Vancouver, British Columbia V7T 1C5
	Provincial General Agent:	R. C. Anthony
	Newfoundland:	c/o Anthony Insurance Incorporated, P. O. Box 8130, Kenmount Road, St John's, Newfoundland A1B 3N2
	Provincial General Agent:	Robert Di Marco
	Quebec:	c/o Société de Courtage Meloche Limitée, 500 Réné Levesque Blvd West, Montreal, Quebec H2Z 1Y4
Ireland	*Manager for Ireland:*	D. E. Campbell
	Office:	65 Fitzwilliam Square, Dublin 2
	Local Manager:	W. C. McGrath ACII
	Office:	58 Howard Street, Belfast BT1 6PH
Malta	*Underwriting Agents:*	SMS Insurance Agency Ltd, 44a Ordnance Street, Valletta
Greece	*Underwriting Agents:*	Manthos J. Zoides & Co Ltd, 5 Stadiou Street, Athens 105 62
Cyprus	*Underwriting Agents:*	A. Pierides & P. Megalemos Ltd, Schoolteachers' Building, 18 Makarios III Avenue, P. O. Box 1493, CY-1509 Nicosia

Financial Summary

	1995	1994 Restated	1993	1992	1991
	£000	£000	£000	£000	£000
Premium income					
Gross premiums written					
General business	175,407	162,672	152,444	134,220	117,781
Long term business	15,929	17,636	23,191	20,146	32,284
Total	191,336	180,308	175,635	154,366	150,065
Net premiums written					
General business	109,673	102,618	99,057	86,852	77,244
Long term business	15,670	17,334	22,876	19,886	31,991
Total	125,343	119,952	121,933	106,738	109,235
Summary of results					
Profit on ordinary activities before taxation	17,097	14,164	13,876	6,903	2,039
Profit on ordinary activities after taxation	12,129	10,333	9,807	5,101	1,454
Minority interests	2,219	1,669	1,634	335	319
	9,910	8,664	8,173	4,766	1,135
Dividends	–	–	–	–	300
Charitable grants net of tax relief	1,685	1,340	1,500	800	130
	1,685	1,340	1,500	800	430
Retained profit	8,225	7,324	6,673	3,966	705
Capital and reserves					
Share capital	20,000	20,000	20,000	20,000	20,000
Revaluation and other reserves	42,408	22,284	34,802	15,022	5,862
Long term insurance business reserve	6,000	6,000	5,000	6,500	6,500
General reserve	5,500	5,500	5,500	3,500	1,500
Retained profits	23,450	15,035	8,210	3,720	1,101
	97,358	68,819	73,512	48,742	34,963

The 1994 figures have been restated to reflect the changes in accounting policies. The figures for 1993 and prior years have not been restated as any adjustments are not considered to be material.