

(2045961)

1988

COMMERCIAL UNION TRUSTEES LIMITED
(Formerly Commercial Union Executor and Trustee Company Limited)
REPORT AND ACCOUNTS

The directors submit their Report and Accounts of the Company for the year ended 31 December 1988, prepared in accordance with the provisions of the Companies Act 1985. The Annual General Meeting of the Company will be held on 27 April 1989.

REVIEW OF ACTIVITIES

The Company commenced trading on 1 January 1988 and is engaged in the administration of executor and trustee business of all kinds. Additionally, on 30 June 1988 the Company became the Plan Manager of Commercial Union Personal Equity Plans.

In accordance with the Financial Services Act 1986, the Company is authorised to carry on investment business and is a member of the Investment Management Regulatory Organisation Limited ("IMRO").

On 19 April 1988 the Company changed its name to "Commercial Union Trustees Limited".

As explained in note 8 to these accounts the Company increased its authorised and its issued share capital to £500,000 on 31 March 1989.

RESULTS

The results of the Company for the year are set out in the profit and loss account on page 3.

DIVIDEND

The directors do not recommend the payment of any dividend for the year.

DIRECTORS

The names of the directors at the date of this report are:

MR G T SPRATT
MR R S ASPINWALL
MS L M FOX
MR K N GRANT
MR G J HARPIN

The following changes to the composition of the Board have taken place since 1 January 1988:

1. Mr D W Haigh resigned as director on 28 September 1988.
2. Ms L M Fox and Mr G J Harpin were appointed directors on 18 November 1988.



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DIRECTORS' INTERESTS

None of the directors has an interest in the shares of the Company or its fellow subsidiaries. Those interests of the directors and of their families in the shares of the ultimate holding company, Commercial Union Assurance Company plc, that require disclosure under Schedule 7 paragraph 2 of the Companies Act 1985 are set out below:

| | Ordinary Shares of 25p each | | | |
|---------------|-----------------------------|------------------|---------------------------|------------------|
| | 31 December 1988 | | 1 January 1988 | |
| | | | or Date of Appointment | |
| | Shareholdings | Share Options | Shareholdings | Share Options |
| G T Spratt | 3,970 | 20,696 | 2,602 | 18,541 |
| R S Aspinwall | 1,779 | - | 1,092 | - |
| L M Fox | 242 | 955 | 242 | 955 |
| K N Grant | 763 | 3,184 | 261 | 3,184 |
| G J Harpin | 1,773 | 3,184 | 1,773 | 3,184 |

Share Options relate to options to subscribe for shares made under the Commercial Union Assurance Company plc's 1986 Savings Related Share Option Scheme and the 1987 Executive Share Option Scheme.

REAPPOINTMENT OF AUDITORS

It will be proposed at the Annual General Meeting that the retiring Auditors, Coopers & Lybrand, be reappointed as Auditors to the Company to hold office for the period prescribed by section 384(1) of the Companies Act 1985 and that the directors be authorised to fix the amount of their remuneration.

By order of the Board

P G GRAM
Secretary
27 April 1989

Registered office:
St. Helen's, 1 Undershaft, London, EC3P 3DQ

3.

COMMERCIAL UNION TRUSTEES LIMITED
(Formerly Commercial Union Executor and Trustee Company Limited)
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1988

| | 1988 £ |
|---|-------------------------|
| Turnover | 171,289 |
| Cost of sales | <u>(36,022)</u> |
| Gross Profit | 135,267 |
| Administrative expenses | (418,274) |
| Interest receivable and similar income | <u>2,610</u> |
| Loss on ordinary activities before taxation | (280,397) |
| Taxation (note 4) | <u>98,000</u> |
| Loss on ordinary activities after taxation | (182,397) |
| Retained losses brought forward | <u>-</u> |
| Retained losses carried forward | <u><u>(182,397)</u></u> |

The notes on pages 6 and 7 are an integral part of these accounts.

Auditors' report - page 7.

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COMMERCIAL UNION TRUSTEES LIMITED
 (Formerly Commercial Union Executor and Trustee Company Limited)
BALANCE SHEET AS AT 31 DECEMBER 1988

4.

| | 1988 £ | 1987 £ |
|--|---------------|----------------|
| CURRENT ASSETS | | |
| Debtors | | |
| Trade Debtors | 161,266 | - |
| Amounts owed by group companies | 106,003 | 250,000 |
| Investments (note 5) | 450,000 | - |
| Cash at bank and in hand | 71,981 | - |
| | 789,250 | 250,000 |
| CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| Amounts owed to group companies | (590,229) | - |
| Sundry creditors | (131,418) | - |
| | (721,647) | |
| TOTAL ASSETS LESS CURRENT LIABILITIES | <u>67,603</u> | <u>250,000</u> |
| CAPITAL AND RESERVES | | |
| Called up share capital (note 6) | 250,000 | 250,000 |
| Profit and Loss account | (182,397) | - |
| | <u>67,603</u> | <u>250,000</u> |

The notes on pages 6 and 7 are an integral part of these accounts.

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5.

COMMERCIAL UNION TRUSTEES LIMITED
(Formerly Commercial Union Executor and Trustee Company Limited)
SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31 DECEMBER 1988

| | |
|---|------------------|
| | 1988 £ |
| SOURCE OF FUNDS | |
| Loss on ordinary activities before taxation | (280,397) |
| <u>Total funds generated</u> | <u>(280,397)</u> |
| APPLICATION OF FUNDS | |
| <u>Increase/(decrease) in working capital</u> | |
| Trade debtors | 161,266 |
| Amounts owed by group companies | (143,997) |
| Amounts owed to group companies | (688,229) |
| Sundry creditors | (131,418) |
| Movement in net liquid funds: | |
| Investments | 450,000 |
| Bank loans and overdrafts | 71,981 |
| <u>Total funds applied</u> | <u>(280,397)</u> |

The notes on pages 6 and 7 are an integral part of these accounts.

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6.

COMMERCIAL UNION TRUSTEES LIMITED
(Formerly Commercial Union Executor and Trustee Company Limited)

NOTES ON THE ACCOUNTS - 31 DECEMBER 1988

1. Accounting Policies

- (a) The accounts have been prepared under the historical cost convention.
- (b) Turnover comprises fee income in respect of management services rendered to Trusts and Personal Equity Plans.
- (c) The taxation (charge)/credit in the profit and loss account is based on the taxable profits/(losses) for the year.

2. Auditors' remuneration

Auditors' remuneration in respect of the Company is charged in the accounts of the ultimate holding company.

3. Directors' emoluments

Directors' emoluments amounted to £Nil (1987 £Nil).

4. Taxation

The taxation credit of £98,000 is based on the losses that it is intended will be surrendered as group relief at a rate of 35.00%.

5. Investments

Investments comprise cash deposits.

6. Called up share capital

| | Ordinary shares of £1 each | |
|-------------------------------------|----------------------------|---------|
| | 1988 | 1987 |
| Authorised: | 250,000 | 250,000 |
| Allotted, called up and fully paid: | 250,000 | 250,000 |

7. Ultimate holding company

The ultimate holding company is Commercial Union Assurance Company plc (Incorporated in England).

8. Post balance sheet event

The Company increased its authorised and its issued share capital to £500,000 on 31 March 1989 by the issue for cash of an additional £250,000 of ordinary shares.

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NOTES ON THE ACCOUNTS - 31 DECEMBER 1988 (continued)

Approved by the Board
on 27 April 1989

G. V. Spitt Director
A. B. Spitt Director

A. V. Spitt Secretary
London

REPORT OF THE AUDITORS TO THE MEMBERS OF
COMMERCIAL UNION TRUSTEES LIMITED
(Formerly Commercial Union Executor and Trustee Company Limited)

We have audited the accounts on pages 3 to 7 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 31 December 1988, and of its results and source and application of funds for the period then ended and comply with the Companies Act 1985.

Coopers & Lybrand

London, 27 April 1989

Chartered Accountants

| | |
|----|----|
| CL | 28 |
| 2 | 29 |
| M | 40 |

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