

EAGLE STAR TRUST COMPANY LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
31 DECEMBER 2002  
COMPANY REGISTRATION NUMBER: 2372343



## **EAGLE STAR TRUST COMPANY LIMITED**

### **DIRECTORS' REPORT**

The directors present their report and audited financial statements for Eagle Star Trust Company Limited for the year ended 31 December 2002.

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#### **Principal Activities and Business Review**

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The Company acts as the Trustee of small self-administered pension schemes.

The results for the year are shown on page 4.

It is intended that the Company will continue to undertake business relating to this activity.

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#### **Directors**

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The directors who served during the year were:

C D Goodwin

I D Macrae

S G Reynolds

Resigned 16 May 2002

None of the directors had a material interest in a contract of significance with the Company during the year to 31 December 2002.

The Company is a wholly owned subsidiary of Zurich Financial Services, a company incorporated in Switzerland. As such, no director had any interests required to be disclosed under the Companies Act 1985.

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#### **Auditors**

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Following the conversion of the Company's auditors PricewaterhouseCoopers to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 18 March 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors.

The directors have taken advantage of the Elective Regime, under Section 386 of the Companies Act 1985, for the dispensation from the annual appointment of auditors. The auditors, PricewaterhouseCoopers LLP, have signified their willingness to continue in office.

# **EAGLE STAR TRUST COMPANY LIMITED**

## **DIRECTORS' REPORT (continued)**

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### **Statement of Directors' Responsibilities**

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The following statement sets out the responsibilities of the directors in relation to the financial statements of the Company.

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 as at the end of the financial period and of the profit or loss for the financial period. In preparing those financial statements, the directors are required to:

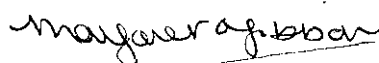
- Select appropriate policies and apply them consistently, subject to any material departures being disclosed and explained;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed; and
- Prepare the financial statements on the going concern basis, unless they consider that to be inappropriate.

The directors are responsible for ensuring that the Company keeps sufficient accounting records to disclose with reasonable accuracy 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 taking reasonable steps to safeguard the assets of the Company, and in that context to have proper regard to the establishment of appropriate systems of internal control with a view to the prevention and detection of fraud and other irregularities. The directors are also required to prepare the financial statements.

The directors consider that they have pursued the actions necessary to meet their responsibilities as set out in this statement.

By order of the Board



M E Gibbon  
Secretary  
18 March 2003

# **EAGLE STAR TRUST COMPANY LIMITED**

## **AUDITORS' REPORT**

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### **Independent auditors' report to the members of Eagle Star Trust Company Limited**

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We have audited the financial statements which comprise the profit and loss account, the balance sheet and the related notes which have been prepared in accordance with the accounting policies set out in note 1.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.


#### **Basis of audit opinion**

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the Company's affairs at 31 December 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
London  
18 March 2003

**EAGLE STAR TRUST COMPANY LIMITED****PROFIT AND LOSS ACCOUNT**  
**for the year ended 31 December 2002**

	Note	2002 £' 000	2001 £' 000
Turnover	2	118	207
Administrative Expenses	3 - 4	(383)	(379)
Operating loss		(265)	(172)
Investment income	5	11	37
Loss on ordinary activities before taxation		(254)	(135)
Tax on Loss on Ordinary Activities	6	76	41
<u>Retained Loss For The Financial Year</u>		(178)	(94)
<u>Retained Profit Brought Forward</u>		453	547
<u>Retained Profit Carried Forward</u>		275	453

All turnover and operating loss is derived from continuing operations.

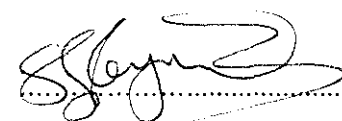
The Company has no recognised gains or losses in the period other than the loss for the period, therefore no statement of recognised gains or losses has been included.

**EAGLE STAR TRUST COMPANY LIMITED**

**BALANCE SHEET**  
**as at 31 December 2002**

	Note	2002 £' 000	2001 £' 000
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<u>Fixed Assets</u>			
Investments	7	302	302
<u>Current Assets</u>			
Debtors	8	2,038	723
Short term investments		292	280
Cash at bank		144	67
Creditors: Amounts falling due within one year	9	(2,251)	(669)
Net Current Assets		223	401
Net Assets		525	703
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<u>Share Capital and Reserves</u>			
Called Up Share Capital	10	250	250
Profit and loss account		275	453
Equity Shareholders' Funds	11	525	703
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The financial statements on pages 4 to 9 were approved by the Board of Directors on 18 March 2003 and were signed on its behalf by:

  
..... Director  
S G REYNOLDS

# **EAGLE STAR TRUST COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **1. Accounting Policies**

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#### **1.1 Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

#### **1.2 Consolidated Accounts**

In accordance with exemptions given in FRS 2, the Company has not prepared consolidated accounts since it is a wholly owned subsidiary undertaking of a parent company which prepares consolidated accounts.

#### **1.3 Investments in Subsidiaries**

All investments are stated at the lower of cost and net realisable value.

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### **2. Turnover**

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Turnover represents the total invoice value of trustee and related fees receivable for the year, net of value added tax.

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### **3. Administrative Expenses**

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Administrative expenses are initially paid by another group company and are recharged to the Company on an annual basis. This charge includes direct expenses and an allocation of corporate overheads. All audit fees are borne by the holding company.

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### **4. Directors' Emoluments**

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The emoluments of the directors during the year were £NIL (2001: £NIL)

No directors exercised options over shares in Zurich Financial Services during the period 1 January 2002 to 31 December 2002.

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### **5. Investment Income**

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	2002 £' 000	2001 £' 000
Bank Interest	11	37

**EAGLE STAR TRUST COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****6. Taxation**

	2002 £' 000	2001 £' 000
United Kingdom taxation:		
- UK corporation tax at an effective rate of 30% (2001: 30%) for the year	-	-
- Amount receivable from fellow group undertakings in respect of group relief surrendered	(76)	-
Current tax (credit)/charge for the year	(76)	-
Deferred tax charge/(credit) for the year	-	(41)
Tax on profit on ordinary activities	(76)	(41)

**Factors affecting the tax charge for the period**

The tax assessed for the year is at the standard rate of corporation tax in the UK (30%).

**7. Investments**

The following are wholly owned subsidiary undertakings of Eagle Star Trust Company Limited at 31 December 2002 and the particulars of the percentages of nominal value of issued shares then held:

<u>Company and country of registration</u>	<u>Principal activity</u>	<u>Class of Share capital</u>	<u>Percentage of nominal value held</u>
Zurich Trust Limited (incorporated in Jersey)	Trustee and management services	Ordinary	100
Eagle Star Nominees (Isle of Man) Limited (incorporated in the Isle of Man)	Trustee and nominee	Ordinary	100

**8. Debtors**

	2002 £' 000	2001 £' 000
Amounts due from subsidiary undertaking	1,915	656
Amounts due from other group undertaking	104	28
Prepayments and accrued income	19	39
	2,038	723

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.



**EAGLE STAR TRUST COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****9. Creditors: Amounts Falling Due Within One Year**

	2002 £' 000	2001 £' 000
Amounts owed to the holding company	558	638
Amounts owed to other group undertaking	1,671	-
Other tax and social security	5	10
Accruals and deferred income	17	21
	<u>2,251</u>	<u>669</u>

**10. Share Capital**

	2002 £' 000	2001 £' 000
Authorised, allotted, issued and fully paid 250,000 ordinary shares of £1 each	<u>250</u>	<u>250</u>

**11. Reconciliation of Movements in Shareholders' Funds**

	2002 £' 000	2001 £' 000
Opening shareholders' funds	703	797
Retained (loss) for the financial year	(178)	(94)
Closing shareholders' funds	<u>525</u>	<u>703</u>

**10. Cash Flow Statement**

The Company qualifies as exempt from the requirement to produce a cash flow statement under Financial Reporting Standard 1 (Revised). It is a subsidiary undertaking of Zurich Financial Services, which prepares a consolidated cash flow statement.

**11. Related Party Transactions**

The Company has taken advantage of an exemption from Financial Reporting Standard 8 not to disclose transactions with Zurich Financial Services' group undertakings.

Balances with Zurich Financial Services' group undertakings are shown in notes 8 and 9.

**EAGLE STAR TRUST COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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**12. Ultimate Holding Company**

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The Company's ultimate parent company is Zurich Financial Services, which is incorporated in Switzerland. Copies of the consolidated financial statements of Zurich Financial Services can be obtained from Mythenquai 2, 8022 Zurich, Switzerland.

Eagle Star Holdings Limited is the parent company of the smallest group of companies for which group accounts are drawn up. Copies of the consolidated financial statements of Eagle Star Holdings Limited can be obtained from:

The Secretary  
Eagle Star Holdings Limited  
22 Arlington Street  
London  
SW1A 1RW

In these accounts the term holding company refers to Eagle Star Life Assurance Company Limited.