

**BSI GENERALI UK LIMITED**  
**FINANCIAL STATEMENTS**  
**31 DECEMBER 2006**



# **BSI GENERALI UK LIMITED**

## **FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

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# **BSI GENERALI UK LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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### **The board of directors**

M G Carvill  
D A Palmer  
C Ferry  
U I M B Alonzo  
V Piantedosi

### **Company secretary**

M J Barlow

### **Registered office**

Windsor House  
39 King Street  
London  
EC2V 8DQ

### **Auditor**

Ernst and Young LLP  
Registered Auditor  
1 More London Place  
London  
SE1 2AF

### **Bankers**

The Royal Bank of Scotland PLC  
62 - 63 Threadneedle Street  
London  
EC2R 8LA

### **Solicitors**

Ashurst  
Broadwalk House  
5 Appold Street  
London  
EC2A 2HA

# **BSI GENERALI UK LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2006**

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The directors have pleasure in presenting their report and the financial statements of the Company for the year ended 31 December 2006

### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company's principal activities are the provision of discretionary portfolio management and advisory services to private clients resident in the United Kingdom. The Company is authorised and regulated by the Financial Services Authority.

During the year, the company changed its name from Generali Portfolio Management (UK) Limited to BSI Generali UK Limited.

The company's performance increased substantially during the course of 2006 due to the integration of BSI London Branch within the company. The company continued with stronger profits after tax rising from £243,314 in 2005 to £549,663 in 2006. The main area of income was derived from Asset management services (for both direct booked accounts in London and accounts referred to the BSI group worldwide). As a consequence of the integration of the BSI London Branch into the company as well as a change in back-office outsource provider a great deal of time was spent on these two migration projects, and hence, gross turnover was affected thereby reducing profits.

The company does not envisage a major increase in staff levels for the coming year, but anticipates a cost saving now that the integration of the two companies is complete. With this in mind the company is expecting a higher profit after tax figure for the coming year.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors.

Trade debtors comprise fees, commissions and interest margin accrued but not yet received by the company as at the balance sheet date, including earnings due in foreign currencies.

The accounting treatment adopted by the company in respect of bank balances and trade debtors denominated in foreign currencies is described under Accounting Policies in the Financial Statements. The company seeks to limit its risk to fluctuations in foreign exchange rates by limiting the amount and duration of foreign currency exposure where possible, including monitoring the timing of receipts with respect to trade debtors.

The company has credit exposure in respect of its bank deposits and trade debtors, while a portion of the fees due to the company may fluctuate with the net asset value of the underlying investments to which the fees relate. The interest received during a financial year will fluctuate with interest rates available for short-term bank deposits.

The company maintains a bank deposit balance, in addition to monitoring the duration of its trade debtor exposures, in order to provide sufficient liquidity to satisfy amounts due to its creditors.

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £549,663 (2005: £242,314). Particulars of dividends are detailed in note 9 to the financial statements.

# **BSI GENERALI UK LIMITED**

## **THE DIRECTORS' REPORT**

**YEAR ENDED 31 DECEMBER 2006**

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### **DIRECTORS**

The directors who served the company during the year were as follows

M G Carvill  
D A Palmer  
C Ferry  
U I M B Alonzo  
V Piantedosi

There are no directors' interests requiring disclosure under the Companies Act 1985

During the year, David Palmer resigned as Secretary and Martin Barlow was appointed on 10th March 2006

### **DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

In so far as the directors are aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **DONATIONS**

During the year the company made charitable contributions totalling £280 (2005 £350)

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# BSI GENERALI UK LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2006

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### AUDITORS

At a meeting of the Directors of the Company held on 13 November 2000 resolutions from the sole member of the Company were received to dispense with the requirements to hold annual general meetings of the Company and to reappoint auditors annually. Our auditors, Ernst & Young LLP, have indicated their willingness to continue in office.

Registered office  
Windsor House  
39 King Street  
London  
EC2V 8DQ

Signed by order of the directors



M J BARLOW  
Company Secretary

Approved by the directors on 13.3.07

**BSI GENERALI UK LIMITED****INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
BSI GENERALI UK LIMITED****YEAR ENDED 31 DECEMBER 2006**

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We have audited the financial statements of BSI Generali UK Limited for the year ended 31 December 2006 on pages 7 to 17 which have been prepared on the basis of the accounting policies set out on pages 9 to 11

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 applicable to small companies. 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 other transactions is not disclosed.

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

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

**BSI GENERALI UK LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
BSI GENERALI UK LIMITED**

**YEAR ENDED 31 DECEMBER 2006**

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**OPINION**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 December 2006

*Ernst & Young LLP*

Ernst & Young LLP  
Registered Auditor  
London

*27 April 2007*



**BSI GENERALI UK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 DECEMBER 2006**

	Note	2006 £	2005 £
<b>TURNOVER</b>	<b>2</b>	<b>5,232,844</b>	<b>2,046,166</b>
Cost of sales		<u>228,515</u>	<u>309,572</u>
<b>GROSS PROFIT</b>		<b>5,004,329</b>	<b>1,736,594</b>
Administrative expenses		<u>4,207,078</u>	<u>1,402,950</u>
<b>OPERATING PROFIT</b>	<b>3</b>	<b>797,251</b>	<b>333,644</b>
Interest receivable		<u>29,952</u>	<u>33,205</u>
Interest payable and similar charges	<b>7</b>	<u>(9,125)</u>	<u>(49)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>818,078</b>	<b>366,800</b>
Tax on profit on ordinary activities	<b>8</b>	<u>268,415</u>	<u>124,486</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b><u>549,663</u></b>	<b><u>242,314</u></b>

All of the activities of the company are classed as continuing

The company has no recognised gains or losses other than the results for the year as set out above

The notes on pages 9 to 17 form part of these financial statements.

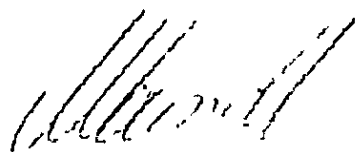
# BSI GENERALI UK LIMITED

## BALANCE SHEET

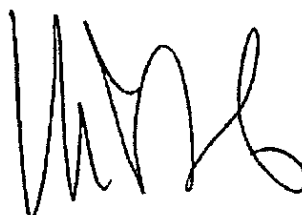
31 DECEMBER 2006

	Note	2006 £	2005 £
<b>FIXED ASSETS</b>			
Tangible assets	10	<u>5,613</u>	<u>31,296</u>
<b>CURRENT ASSETS</b>			
Debtors	11	2,171,631	480,907
Cash at bank		<u>—</u>	<u>469,552</u>
		2,171,631	950,459
<b>CREDITORS: Amounts falling due within one year</b>	12	<u>825,911</u>	<u>180,085</u>
<b>NET CURRENT ASSETS</b>		<u>1,345,720</u>	<u>770,374</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,351,333</u>	<u>801,670</u>
<b>CAPITAL AND RESERVES</b>			
Called-up equity share capital	14	250,000	250,000
Profit and loss account	15	<u>1,101,333</u>	<u>551,670</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	16	<u>1,351,333</u>	<u>801,670</u>

These financial statements were approved by the directors on the 13<sup>th</sup> March, 2007 and are signed on their behalf by



M G Carvill  
Chairman



U I M B Alonzo  
Director

The notes on pages 9 to 17 form part of these financial statements

# **BSI GENERALI UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

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### **1. ACCOUNTING POLICIES**

#### **Basis of accounting**

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

The accounts are prepared in accordance with accounting standards applicable in the United Kingdom

In preparing the financial statements for the current year, the company has adopted the following Financial Reporting Standards

#### **Cash flow statement**

A cash flow statement has not been included in the accounts as the Company has taken advantage of the exemption from the requirements of Financial Reporting Standard 1 on the grounds that it is a wholly owned subsidiary and that its cash flows are incorporated in the publicly available, consolidated accounts of its ultimate parent company (Note 17)

#### **Related parties transactions**

The Company has taken exemption from disclosure of intra-group transactions as permitted by FRS 8 on the grounds that it is a wholly owned subsidiary and that the accounts of its ultimate parent company in which such transactions are consolidated are publicly available

#### **Turnover**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax

# **BSI GENERALI UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

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### **1. ACCOUNTING POLICIES *(continued)***

#### **Fixed assets**

All fixed assets are initially recorded at cost

#### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold Property	-	straight line basis over the lease term
Equipment	-	straight line basis over 3 to 10 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable

#### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

#### **Pension costs**

The Company offers certain of its employees membership of a defined benefit, group pension scheme, which requires contributions to be made to a separately administered fund. Contributions to the fund are charged to the profit and loss account at the rate required of the scheme as a whole. No allowance is made for any difference between the funding of the scheme and the charge to the Company in the profit and loss account, as the Company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

The company also offers other employees membership of a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

#### **Deferred taxation**

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, except that deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

# BSI GENERALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 1. ACCOUNTING POLICIES *(continued)*

#### Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to profit and loss

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

### 2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company

An analysis of turnover is given below

	2006 £	2006 £	2006 £	2005 £	2005 £	2005 £
	Asset management	Advisory services	Total	Asset management	Advisory services	Total
United Kingdom	2,609,459	96,996	2,706,455	1,904,995	118,570	2,023,565
Other	2,444,299	-	2,444,299	-	22,601	22,601
European						
Worldwide	82,090	-	82,090	-	-	-
	<u>5,135,848</u>	<u>96,996</u>	<u>5,232,844</u>	<u>1,904,995</u>	<u>141,171</u>	<u>2,046,166</u>

### 3. OPERATING PROFIT

Operating profit is stated after charging

	2006 £	2005 £
Depreciation of owned fixed assets	51,428	12,627
Auditor's remuneration		
- as auditor	46,210	22,500
- for other services	-	6,000
Operating lease costs		
Plant and equipment	29,674	25,236
Other	<u>312,350</u>	<u>38,204</u>

# BSI GENERALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to

	2006	2005
	No	No
Administrative staff	7	3
Investment management staff	16	5
	<u>23</u>	<u>8</u>

The aggregate payroll costs of the above were

	2006	2005
	£	£
Wages and salaries	2,279,732	753,581
Social security costs	213,819	89,404
Other pension costs	303,688	106,701
	<u>2,797,239</u>	<u>949,686</u>

Executive Directors' costs are included in the above figures

Other pension costs include contributions to defined benefit and defined contribution schemes of £96,664 and £192,024 (2005 £91,351 and £1,600) A contribution of £15,000 (2005 £13,750) was also made to an employee's SIPP

### 5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were

	2006	2005
	£	£
Emoluments receivable	157,022	340,242
Value of company pension contributions to money purchase schemes	42,271	42,737
	<u>199,293</u>	<u>382,979</u>

Emoluments of highest paid director:

	2006	2005
	£	£
Total emoluments (excluding pension contributions)	<u>116,833</u>	<u>260,632</u>

In addition to the above, a director also received £200,000 (2005 £425,000) from a related company

# BSI GENERALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 6. PENSION COMMITMENTS

The Company makes contributions to a defined benefit, group pension scheme, the Assicurazioni Generali SpA UK Branch Pension Scheme, for a Director and some employees. The assets of the scheme are held separately from those of the Company and other participating entities in an independently administered fund. The contribution rate for the year was 24.2% up to October 2006 and 30% thereafter (2005: 24.2%).

The pension costs are determined with the advice of an independent, qualified actuary on the basis of triennial valuations using the projected unit credit method. The basis of calculation of the contribution rate considers all members of the scheme and does not identify separately contribution rates payable by different group entities. In accordance with FRS 17, the contributions to the scheme are therefore treated as being made to a defined contribution scheme. Any under or over-funding of the scheme as a whole will be accounted for in the consolidated accounts of the ultimate parent company, treated in accordance with Italian generally accepted accounting practice.

The results of the most recent valuation which was conducted as at 1 January 2006 were as follows:

Main assumptions	2006 & 2005
Rate of returns on investments	7.0% per annum before retirement 4.5% per annum after retirement
Rate of salary increases	4.81% per annum inclusive of allowance for promotional increases
Rate of pension increases	2.31% per annum
Rate of dividend growth	N/A
Market value of scheme's assets	£49,200,000 (2005: £31,863,000)
Level of funding being the actuarial value of assets expressed as a percentage of the benefits accrued to members, after allowing for future salary increases	83% (2005: 86%)

Contributions are paid to reduce the deficit over a period of 14 years, the average remaining service life of the active membership. The current contribution rate is an increase in the long-term cost of 18.8%. The scheme was closed to new members, other than life assurance only members, on 1 August 2003. Consequently, it is expected that the average age, and hence the contribution rate, will rise from valuation to valuation.

The most recent valuation of the scheme's liabilities used assumptions related directly to market conditions at the valuation date and took assets at their market value, whereas previous valuations used "long-term" assumptions and valued the assets by discounting the expected future investment income. The former method is more transparent, but is expected to lead to a more volatile funding position.

# BSI GENERALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2006	2005
	£	£
Other similar charges payable	<u>9,125</u>	<u>49</u>

### 8. TAXATION ON ORDINARY ACTIVITIES

#### (a) Analysis of charge in the year

	2006	2005
	£	£
Current tax		
UK Corporation tax based on the results for the year at 30% (2005 - 30%)	268,415	126,129
Over/under provision in prior year	-	(1,643)
Total current tax	<u>268,415</u>	<u>124,486</u>

#### (b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is the same as the standard rate of corporation tax in the UK of 30% (2005 - 30%)

	2006	2005
	£	£
Profit on ordinary activities before taxation	<u>818,078</u>	<u>366,800</u>
Profit on ordinary activities by rate of tax	245,423	110,040
Expenses not deductible for tax purposes	22,992	18,994
Depreciation in excess of capital allowances	-	(2,905)
Adjustment to tax charge in respect of previous years	-	(1,643)
Total current tax (note 8(a))	<u>268,415</u>	<u>124,486</u>

The tax losses transferred from BSI AG London Branch have not been quantified and therefore have not been recognised for deferred tax purposes



# BSI GENERALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 9. DIVIDENDS

#### Equity dividends

	2006 £	2005 £
Paid during the year		
Interim dividends	<u>—</u>	<u>200,000</u>

### 10. TANGIBLE FIXED ASSETS

	Equipment £
<b>COST</b>	
At 1 January 2006	100,671
Additions	<u>25,745</u>
At 31 December 2006	<u>126,416</u>
<b>DEPRECIATION</b>	
At 1 January 2006	69,375
Charge for the year	<u>51,428</u>
At 31 December 2006	<u>120,803</u>
<b>NET BOOK VALUE</b>	
At 31 December 2006	<u>5,613</u>
At 31 December 2005	<u>31,296</u>

### 11. DEBTORS

	2006 £	2005 £
Trade debtors	603,681	432,020
Trade debtors owed by group undertakings	867,904	3,733
Other debtors owed by group undertakings	637,316	-
VAT recoverable	12,850	777
Other debtors	10,496	11,229
Prepayments and accrued income	39,384	33,148
	<u>2,171,631</u>	<u>480,907</u>

# BSI GENERALI UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2006

### 12. CREDITORS: Amounts falling due within one year

	2006	2005
	£	£
Bank loans and overdrafts	102,054	-
Trade creditors	133,124	40,660
Other creditors owed to group undertakings	2,957	2,957
Corporation tax	168,359	35,879
Other creditors	15,604	929
Accruals and deferred income	403,813	99,660
	<u>825,911</u>	<u>180,085</u>

### 13. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2006 the company had annual commitments under non-cancellable operating leases as set out below

	2006		2005	
	Land & Buildings	Other Items	Land & Buildings	Other Items
	£	£	£	£
Operating leases which expire				
Within 1 year	-	29,674	-	23,526
Within 2 to 5 years	268,000	-	41,184	-
	<u>268,000</u>	<u>29,674</u>	<u>41,184</u>	<u>23,526</u>

### 14. SHARE CAPITAL

#### Authorised share capital:

	2006	2005
	£	£
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

#### Allotted, called up and fully paid:

	2006		2005	
	No	£	No	£
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>

# **BSI GENERALI UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2006**

### **15. PROFIT AND LOSS ACCOUNT**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Balance brought forward	<b>551,670</b>	509,356
Profit for the financial year	<b>549,663</b>	242,314
Equity dividends paid	<b>–</b>	(200,000)
Balance carried forward	<b><u>1,101,333</u></b>	<b><u>551,670</u></b>

### **16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	<b>2006</b>	<b>2005</b>
	<b>£</b>	<b>£</b>
Profit for the financial year	<b>549,663</b>	242,314
Equity dividends paid	<b>–</b>	(200,000)
Net addition to shareholders' funds	<b>549,663</b>	42,314
Opening shareholders' funds	<b>801,670</b>	759,356
Closing shareholders' funds	<b><u>1,351,333</u></b>	<b><u>801,670</u></b>

### **17. ULTIMATE PARENT COMPANY**

The Company's immediate parent undertaking is BSI AG, a company incorporated in Switzerland, which acquired all of the issued ordinary share capital from Generali Worldwide Insurance Company Limited during the year. The Company's ultimate parent undertaking and controlling party is Assicurazioni Generali SpA which is incorporated in Italy. Copies of its group accounts, which include the Company, are available from Piazza Duca degli Abruzzi, Trieste, Italy.