

**CANADA LIFE FINANCE (U.K.) LIMITED**

**REPORT AND FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2003**



Registered Number: 4493576

# **CANADA LIFE FINANCE (U.K.) LIMITED**

## **Report and financial statements for the period ended 31 December 2003**

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# **CANADA LIFE FINANCE (U.K.) LIMITED**

## **Report and financial statements for the period ended 31 December 2003**

### **Directors and Advisers**

#### **Directors**

I Gilmour  
H C Snow  
S G Thomas

#### **Company Secretary**

C W Muir

#### **Registered Office**

Canada Life Place  
Potters Bar  
Hertfordshire  
EN6 5BA

#### **Bankers**

JP Morgan Chase  
125 London Wall  
London  
EC2Y 5AJ

#### **Registered Number**

4493576

#### **Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

# **CANADA LIFE FINANCE (U.K.) LIMITED**

## **Report and financial statements for the period ended 31 December 2003**

### **Directors' Report for the period ended 31 December 2003**

The directors present their annual report and audited financial statements for the period ended 31 December 2003.

### **Principal Activity and Future Developments**

The company was incorporated on 24 July 2002 and its principal activity is financing arrangements with fellow group undertakings. This will continue to be the main activity for the foreseeable future.

The company changed its name on 16 September 2002 from Trushelfco (No. 2906) Limited to Canada Life Finance (U.K.) Limited.

### **Ownership**

On 10 July 2003 Great-West Lifeco Inc acquired 100% of the company's ultimate parent undertaking, Canada Life Financial Corporation (see note 13).

### **Directors**

The names of the persons who were directors during the period and up to the date of this report are set out below. None of the directors had any beneficial interests in the shares of the company or any UK group company at any time during the period.

I Gilmour	Appointed 17 September 2002
H C Snow	Appointed 17 September 2002
S G Thomas	Appointed 17 September 2002
E J Zuercher	Appointed 24 July 2002, resigned 13 September 2002
L J Stoker	Appointed 27 July 2002, resigned 13 September 2002
J R Triggs	Appointed 13 September 2002, resigned 17 September 2002
J Wheeler	Appointed 13 September 2002, resigned 17 September 2002

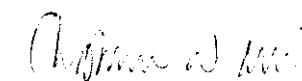
### **Results and Dividends**

The profit after tax for the period was £279,000. No dividend is proposed for the period.

### **Auditors**

The company has under Section 386 and in accordance with Section 379A of the Companies Act 1985 (as inserted by Section 116 of the Companies Act 1989) dispensed with the obligation to appoint auditors annually.

Approved by the Board of Directors  
and signed on behalf of the Board



C W Muir  
**Company Secretary**

**Date: 20 May 2004**

## **CANADA LIFE FINANCE (U.K.) LIMITED**

### **Report and financial statements for the period ended 31 December 2003**

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

The directors are required by the Companies Act 1985 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 year and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors have responsibility for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and which 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.

# **CANADA LIFE FINANCE (U.K.) LIMITED**

## **Report and financial statements for the period ended 31 December 2003**

### **Independent auditors report to the members of Canada Life Finance (U.K.) Limited**

We have audited the company's financial statements for the period ended 31 December 2003 which comprise Profit and Loss Account, Balance Sheet and the related notes 1 to 13. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditors' 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 members 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 United Kingdom law and accounting standards.

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

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

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

### **Basis of audit opinion**

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

**CANADA LIFE FINANCE (U.K.) LIMITED**

**Report and financial statements for the period ended 31 December 2003**

**Independent auditors' report to the members of Canada Life Finance (U.K.) Limited (continued)**

**Basis of audit opinion (continued)**

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 as at 31 December 2003 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young LLP*

Ernst & Young LLP

Registered Auditors

London

Date *24 May 2004*

**CANADA LIFE FINANCE (U.K.) LIMITED**

**Report and financial statements for the period ended 31 December 2003**

**Profit and Loss Account  
for the period ended 31 December 2003**

	Note	2003 £'000
Interest receivable and similar income	3	3,076
Interest payable	4	<u>(2,677)</u>
<b>Profit on ordinary activities before taxation</b>		399
Tax on profit on ordinary activities	5	(120)
<b>Profit on ordinary activities after taxation</b>		<u>279</u>
Profit and loss account brought forward		<u>-</u>
<b>Profit and loss account carried forward</b>		<u><u>279</u></u>

The results for the current period are from continuing operations. The profit and loss account is for the period from 24 July 2002 to 31 December 2003.

There are no recognised gains and losses other than as stated in the Profit and Loss Account.



**CANADA LIFE FINANCE (U.K.) LIMITED****Report and financial statements for the period ended 31 December 2003****Balance Sheet  
at 31 December 2003**

	<b>Note</b>	<b>2003 £'000</b>
<b>Current Assets</b>		
Cash at bank and in hand		<u>399</u>
<b>Creditors - amounts falling due within one year</b>	<b>8</b>	<u>120</u>
<b>Net Current Assets</b>		<u>279</u>
<b>Debtors - amounts falling due after more than one year</b>	<b>9</b>	<u>40,000</u>
<b>Total assets less current liabilities</b>		<u>40,279</u>
<b>Creditors – amounts falling due after more than one year</b>	<b>10</b>	<u>36,000</u>
<b>Net Assets</b>		<u><u>4,279</u></u>
<b>Capital and Reserves</b>		
Called up share capital	<b>11</b>	4,000
Profit and loss account		<u>279</u>
<b>Shareholder's funds - equity interests</b>	<b>12</b>	<u><u>4,279</u></u>

The financial statements were approved by the Board of Directors  
and signed on its behalf by :



**I Gilmour  
Director**

**Date: 20 May 2004**

## **CANADA LIFE FINANCE (U.K.) LIMITED**

### **Notes to the financial statements for the period ended 31 December 2003**

#### **1 Principal accounting policies**

##### **Basis of Presentation**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards as defined by section 256 of the Companies Act 1985. The particular accounting policies adopted by the directors are described below.

##### **Interest receivable / payable**

Interest receivable and interest payable is accounted for on the accrual basis.

##### **Cash Flow Statement**

Advantage has been taken of the exemption under the revised FRS1, Cash Flow Statements, not to present a cash flow statement as the subsidiary is 100% controlled within the Great-West Lifeco Inc group of companies. The consolidated financial statements in which the subsidiary undertakings are included are publicly available.

##### **Transactions with Related Parties**

Advantage has been taken under FRS8, Related Party Disclosures, not to disclose transactions between entities 100% of whose voting rights are controlled by Great-West Lifeco Inc group of companies.

# CANADA LIFE FINANCE (U.K.) LIMITED

## Notes to the financial statements for the period ended 31 December 2003

### 2 Operating profit

Audit costs are borne by another group company.

### 3 Interest receivable and similar income

	2003 £'000
Interest on loan to group undertaking	<u>3,076</u>
	<u>3,076</u>

### 4 Interest payable

	2003 £'000
Interest on loan from group undertaking	<u>2,677</u>
	<u>2,677</u>

### 5 Tax on profit on ordinary activities

	2003 £'000
UK corporation tax @ 30%	<u>120</u>

### 6 Employee information

There were no persons (including directors) employed by the company during the period.

### 7 Directors' emoluments

None of the directors received remuneration for their services as directors of the company.

### 8 Creditors - amounts falling due within one year

	2003 £'000
Corporation tax creditor	<u>120</u>
	<u>120</u>

# CANADA LIFE FINANCE (U.K.) LIMITED

## Notes to the financial statements for the period ended 31 December 2003

### 9 Debtors – amounts falling due after more than one year

	2003 £'000
Amounts owed by group undertakings	40,000
	<u>40,000</u>

A subordinated loan debt was issued to Canada Life Limited, a group undertaking, on the 25 September 2002. Interest is receivable in respect of the 30 year term loan at GBP LIBOR plus 2.25% for the first 10 years in two equal instalments each year. The repayment date has not been specified.

The loan may be repaid by Canada Life Limited on the 10<sup>th</sup> anniversary of the drawdown date. If the company does not make such repayment, interest will be charged for the remaining term until maturity at GBP LIBOR rate plus 2.90%.

### 10 Creditors – amounts falling due after more than one year

	2003 £'000
Amounts owed to group undertakings	36,000
	<u>36,000</u>

The loan was received from CLH International Capital Management Limited, a group undertaking, on the 25 September 2002. Interest is payable semi-annually in respect of the 30 year term loan on the 30<sup>th</sup> June and 31<sup>st</sup> December each year at the GBP LIBOR Rate plus 2.05% for the first 10 years. The repayment date has not been specified.

The loan may be repaid on the 10<sup>th</sup> anniversary of the drawdown date. If the company does not make such repayment, interest will be charged for the remaining term until maturity at GBP LIBOR rate plus 2.70%.

### 11 Called up share capital

	2003 £'000
<b>Authorised</b>	
10,000,000 Ordinary shares of £1 each	<u>10,000</u>
<b>Allotted, called up and fully paid</b>	
4,000,100 Ordinary share of £1 each	<u>4,000</u>

During the period 4,000,100 shares were allotted at par of £1 per share. A consideration of £4,000,100 was received.

## CANADA LIFE FINANCE (U.K.) LIMITED

### Notes to the financial statements for the period ended 31 December 2003

	2003 £'000
Shareholders' funds at incorporation	-
Profit for the period	279
Share capital issued	<u>4,000</u>
Shareholders' funds at 31 December 2003	<u><u>4,279</u></u>

### 13 Parent Undertaking and Controlling Party

In July 2003 the Canada Life Financial Corporation was acquired by Great-West Lifeco Inc, a company incorporated in Canada and listed on the Toronto and Montreal Stock Exchanges, which has as its ultimate parent company The Power Corporation of Canada.

At the balance sheet date the ultimate parent company, which is also the parent company of the largest group of companies for which group financial statements are drawn up and of which the company is a member was The Power Corporation of Canada. This company is, in the director's opinion, the controlling party.

Copies of the financial statements for The Power Corporation of Canada can be obtained from the company's registered office.