

**WELSH CALVINISTIC METHODIST
ASSURANCE TRUST LIMITED**

Report and Financial Statements

31 December 1994

**Touche Ross & Co.
Abbey House
PO Box 500
74 Mosley Street
Manchester
M60 2AT**



WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

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WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Pritchard
D K Hughes
R M Edwards
H V Thomas
A Jones
I Griffiths
A Davies

SECRETARY

A Yendle

REGISTERED OFFICE

Bryn Afon
Segontium Terrace
Caernarfon
Gwynedd
LL55 2PN

BANKERS

Midland Bank plc
24 Castle Square
Caernarfon
Gwynedd
LL55 2NB

AUDITORS

Touche Ross & Co.
Chartered Accountants
Abbey House
74 Mosley Street
Manchester
M60 2AT

WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

ACTIVITIES

The company has continued with its principal activity of insurers of properties belonging to the Presbyterian Church of Wales.

REVIEW OF DEVELOPMENTS

The directors consider the results for the year to be satisfactory.

DIVIDENDS AND TRANSFERS TO RESERVES

The directors do not recommend the payment of a dividend (1993 - Nil). The retained profit of £48,596 (1993 - £84,987) has been transferred to reserves.

FUTURE PROSPECTS

The directors consider the company to be satisfactorily placed for the future.

FIXED ASSETS

Movement in fixed assets is shown in note 6.

DIRECTORS AND THEIR INTERESTS

The interest of the directors holding office during the year were as follows:

	Ordinary shares of £10 each	
	1994	1993
G Pritchard	10	10
D K Hughes	10	10
R M Edwards	10	10
H V Thomas	10	10
A Jones	10	10
I Griffiths	10	10
A Davies	10	10

AUDITORS

Touche Ross & Co. who were appointed during the year have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

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

Secretary



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 as at the end of the financial year and of the profit or loss of the company for that period. 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act. 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.



Chartered Accountants

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74 Mosley Street
Manchester M60 2AT

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WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of 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 the company's affairs as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

27 July 1995

WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 December 1994

	Note	1994 £	1993 £
Underwriting profit	2	55,928	64,355
Administrative expenses		(42,523)	(30,489)
OPERATING PROFIT	4	<u>13,405</u>	<u>33,866</u>
Income from other investments		12,159	9,386
Interest receivable		<u>37,280</u>	<u>66,377</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		62,844	109,629
Tax on profit on ordinary activities	5	<u>(14,248)</u>	<u>(24,642)</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		48,596	84,987
Retained profit brought forward		<u>523,288</u>	<u>438,301</u>
Retained profit carried forward		<u>571,884</u>	<u>523,288</u>

The company has no recognised gains or losses other than the profit for the financial year and preceding year. Accordingly a Statement of Total Recognised Gains and Losses and has not been prepared.

There have been no movements in shareholders' funds other than the retained profit for both years, and accordingly, no reconciliation of movements in shareholders' funds this year and the preceding year is included in these financial statements.

WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

BALANCE SHEET 31 December 1994

	Note	£	1994 £	£	1993 £
FIXED ASSETS					
Tangible assets	6	1,333		752	
Investments	7	<u>78,193</u>	79,526	<u>71,326</u>	72,078
CURRENT ASSETS					
Stocks	8	25		25	
Debtors	9	40,054		60,000	
Investments	10	625,000		575,000	
Cash at bank and in hand		<u>116,647</u>		<u>92,824</u>	
		781,726		727,849	
CREDITORS: amounts falling due within one year	11	<u>(137,684)</u>		<u>(124,955)</u>	
NET CURRENT ASSETS			644,042		602,894
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>723,568</u>		<u>674,972</u>
CAPITAL AND RESERVES					
Called up share capital	12		503		503
Other reserves			151,181		151,181
Profit and loss account			<u>571,884</u>		<u>523,288</u>
Equity shareholders' funds			<u>723,568</u>		<u>674,972</u>

These financial statements were approved by the Board of Directors on
Signed on behalf of the Board of Directors

19 July 1995

- Director

Gwynfor Ieithard

NOTES TO THE ACCOUNTS
Year ended 31 December 1994

1. ACCOUNTING POLICIES

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

Premiums

General business premiums are accounted for in the year in which the risk commences. Those proportions of premiums written in a year, after deducting re-insurance costs, which relate to periods of risk extending beyond the end of the year, are carried forward as unearned premiums. The basis of calculating the unearned premiums was reassessed during the year to more accurately reflect the amounts relating to future periods, this resulted in an increase in the year end provision of £9,930 compared to the amount calculated under the previous basis.

Re-insurance

95% of all risks are re-insurance with Guardian Insurance and the appropriate premium is accounted for in the year in which the risk commenced.

Claims

Claims are accounted for in the year in which the company is notified of the claim. Amounts recoverable under the re-insurance policy are also accounted for in the year in which the claim arises.

Fixed assets

Depreciation of tangible fixed assets is calculated by the following methods from the beginning of the year in which the assets are first brought into use:

Equipment	25% straight line
Office furniture	20% straight line

Stock and work in progress

Stocks of stationery are valued at the lower of cost and net realisable value.

Taxation

Provision is made for deferred taxation except to the extent that such taxation is not expected to become payable within the foreseeable future.

Investment income

Investment income is accounted for in the year in which it is receivable.

Investments

Investments are stated in the balance sheet at cost. No provision is made for any potential capital gains liabilities if the shares are sold at market value.

WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 1994

2. UNDERWRITING PROFIT

	1994	1993
	£	£
Unearned premiums at 1 January	34,550	33,563
Premiums written in year	253,081	242,151
Less: reinsurance premiums	<u>(180,241)</u>	<u>(173,051)</u>
	107,390	102,663
Unearned premiums at 31 December	<u>(46,350)</u>	<u>(34,550)</u>
Premiums earned in year	61,040	68,113
Claims incurred	(101,859)	(77,749)
Less: recoveries from re-insurers	<u>96,747</u>	<u>73,991</u>
	(5,112)	(3,758)
Underwriting profit for the year	<u>55,928</u>	<u>64,355</u>

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No remuneration was paid to the directors.

	1994	1993
	No	No
Average number of persons employed		
Administration	<u>2</u>	<u>3</u>
	£	£
Staff costs during the year (including directors)		
Wages and salaries	7,075	11,638
Social security costs	<u>206</u>	<u>509</u>
	<u>7,281</u>	<u>12,147</u>

4. OPERATING PROFIT

	1994	1993
	£	£
Operating profit is after charging:		
Depreciation		
Owned assets	619	963
Auditors' remuneration - audit	<u>6,463</u>	<u>987</u>

WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 1994

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1994 £	1993 £
United Kingdom corporation tax at 25% (1993 - 25%) based on the profit for the year	14,248	24,679
Adjustments to prior years' tax provisions		
Corporation tax	-	(37)
	<u>14,248</u>	<u>24,642</u>

6. TANGIBLE FIXED ASSETS

	Equipment £	Office furniture £	Total
Cost			
At 1 January 1994	3,591	3,039	6,630
Additions	1,200	-	1,200
	<u>4,791</u>	<u>3,039</u>	<u>7,830</u>
At 31 December 1994			
Accumulated depreciation			
At 1 January 1994	2,845	3,033	5,878
Charge for the year	613	6	619
	<u>3,458</u>	<u>3,039</u>	<u>6,497</u>
At 31 December 1994			
Net book value			
At 31 December 1994	<u>1,333</u>	<u>-</u>	<u>1,333</u>
At 31 December 1993	<u>746</u>	<u>6</u>	<u>752</u>

7. INVESTMENTS HELD AS FIXED ASSETS

	Quoted securities	
	1994 £	1993 £
Cost		
At 1 January	71,326	64,885
Additions	6,867	6,441
	<u>78,193</u>	<u>71,326</u>
At 31 December		

Investments are stated at cost. The market value of the investments at 31 December 1994 was £208,156 (1993 - £219,129).

WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 1994

8. STOCKS

	1994 £	1993 £
Consumables	<u>25</u>	<u>25</u>

9. DEBTORS

	1994 £	1993 £
Trade debtors	16,530	34,484
Other debtors	9,055	14,295
Prepayments and accrued income	<u>14,469</u>	<u>11,221</u>
	<u>40,054</u>	<u>60,000</u>

10. INVESTMENTS HELD AS CURRENT ASSETS

	1994 £	1993 £
Investments	<u>625,000</u>	<u>575,000</u>

These represent amounts on deposit maturing not more than twelve months after the year end.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994 £	1993 £
Bank overdrafts	-	1,624
Trade creditors	70,223	61,233
Other creditors including taxation and social security	14,044	26,497
Accruals and deferred income	53,353	35,537
Proposed dividend	<u>64</u>	<u>64</u>
	<u>137,684</u>	<u>124,955</u>

WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

NOTES TO THE ACCOUNTS

Year ended 31 December 1994

12. CALLED UP SHARE CAPITAL

	1994 £	1993 £
Authorised		
998 ordinary shares of £10 each	9,980	9,980
2 deferred ordinary shares of £10 each	20	20
	<u>10,000</u>	<u>10,000</u>
 Called up, allotted and fully paid		
2 ordinary shares of £10 each	20	20
Allotted, called up and part paid		
965 ordinary shares of £10 each - 50p paid	482	482
Forfeited share account	1	1
	<u>503</u>	<u>503</u>

13. FINANCIAL COMMITMENTS

There were no capital commitments at the year end.