

ZURICH WHITELEY INVESTMENT TRUST LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2006

THURSDAY



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Company information

Directors

T J Grant (appointed 28 March 2007)
P F Worthington

Secretary

M A Porter (appointed 03 October 2006)
P F Worthington

Registered office

The Zurich Centre
3000 Parkway
Whiteley
Fareham
Hampshire
PO15 7JZ

Auditors

PricewaterhouseCoopers LLP
Hay's Galleria
1 Hays Lane
London
SE1 2RD

Directors' report

The directors present their report and audited financial statements for the year ended 31 December 2006

Principal activities and review of the business

The company was dormant throughout 2005. During 2006, the company became active, acting as a conduit for dividend payments from investment companies to Zurich Insurance Company.

As part of a portfolio transfer under Part VII of the Financial Services and Markets Act 2000, the entire share capital of the Company was transferred from Eagle Star Insurance Company Limited to Zurich Insurance Company on 1 April 2006.

Results

The results for the year are shown in the profit and loss account on page 7.

Dividends

Dividend payments for the year totalled £90 million, paid in the form of an interim dividend on 19 December 2006 (2005: £nil).

Directors

The names of the directors at the date on which the accounts were approved are shown on page 1.

The following director resigned during the year:

M C Chessher (03 October 2006)

The following director resigned after the end of the year:

P J James (appointed 03 October 2006, resigned 31 March 2007)

Directors' interests

The Company is a wholly owned subsidiary of Zurich Financial Services, a company incorporated in Switzerland. As such, no director had any interests in shares and debentures required to be disclosed under section 324 (1&2) of the United Kingdom Companies Act 1985.

No directors had material interests in contracts of significance with the Company or any subsidiary company of Zurich Financial Services during the year.

Directors' indemnity

Qualifying third party indemnity provisions (as defined in Section 309B(1) of the United Kingdom Companies Act 1985) are in force for the benefit of directors.

Statement of disclosure of information to auditors

Each of the persons who is a director at the date of this report confirms that:

- so far as each of them is aware, there is no information relative to the audit of the Company's financial statements for the year ended 31 December 2006 of which the auditors are unaware, and
- the directors have taken all steps that they ought to have taken in their duty as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

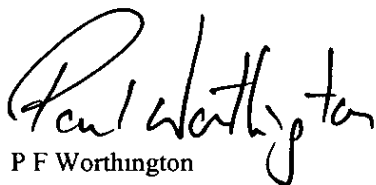
Directors' report

Auditors

During 2006 the Company became active and PricewaterhouseCoopers LLP were appointed as auditors to the Company on 30 March 2007

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

By order of the Board

A handwritten signature in black ink, appearing to read 'P F Worthington', is written over the printed name and title.

P F Worthington
Company Secretary
12 September 2007

Statement of directors' responsibilities

The following statement sets out the responsibilities of the directors in relation to the financial statements of the Company. The report of the auditors, shown on pages 5 and 6, sets out their responsibilities in relation to the financial statements.

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company and of the profit or loss for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently, with the exception of changes arising on the adoption of new accounting standards in the year,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going-concern basis, unless it is inappropriate to presume that the Company will continue in business.

The directors confirm they have complied with the above requirements in preparing the financial statements.

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.

Independent auditors' report to the shareholders of Zurich Whiteley Investment Trust Limited

We have audited the financial statements of Zurich Whiteley Investment Trust Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Reconciliation of movements in shareholders' funds, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland). 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 whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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.

Independent auditors' report to the shareholders of Zurich Whiteley Investment Trust Limited

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 result as at 31 December 2006, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
14 September 2007

**Profit and loss account
as at 31 December 2006**

£'000	Notes	2006	2005
Investment income	4	90,832	-
Profit on ordinary activities before tax		90,832	-
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after tax		90,832	-

All figures relate to continuing operations

The Company has no recognised gains or losses other than the profit for the above financial years

**Reconciliation of movements in shareholders' funds
for the year ended 31 December 2006**

£'000	Share capital	Share premium	Capital reserve	Profit and loss account	2006	2005
Opening shareholders' funds	10,198	326	1,226	67	11,817	11,817
Profit for the financial year	-	-	-	90,832	90,832	-
Dividend	-	-	-	(90,000)	(90,000)	-
Net increase in shareholders' funds	-	-	-	832	832	-
Closing shareholders' funds	10,198	326	1,226	899	12,649	11,817

Balance sheet
as at 31 December 2006

£'000	Notes	2006	2005
Fixed assets			
Investments	7	12,649	12,649
Creditors: amounts falling due within one year			
Amounts due to Group undertakings		-	(832)
Total assets less current liabilities		12,649	11,817
Capital and reserves			
Called up share capital	8	10,198	10,198
Share premium account		326	326
Capital reserve		1,226	1,226
Profit and loss account		899	67
Total capital and reserves		12,649	11,817
Shareholders' funds			
Equity shareholders' funds		8,618	7,786
Non-equity shareholders' funds		4,031	4,031
Total shareholders' funds		12,649	11,817

The financial statements on pages 7 to 12 were approved by the Board on 12 September 2007 and were signed on its behalf by



T J Grant
Director

Accounting policies for the year ended 31 December 2006

Basis of preparation

The Company's financial statements have been prepared in accordance with the provisions of Section 226 and Schedule 4 of the Companies Act 1985. The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom.

The Company has taken advantage of the exemption in FRS 1 (Revised) and has not prepared a cash flow statement as the Company is a wholly owned subsidiary of a parent company that prepares a cash flow statement.

Accounting convention

The accounts are prepared under the historical cost convention modified by the revaluation of investments.

Investments

In the balance sheet of the Company, all investments are investments in subsidiary undertakings which are unlisted and valued by the directors having prudent regard to their likely realisable value.

Dividends

Interim dividends are recognised when paid and final dividends are booked as a liability when they are approved by resolution of the members.

**Notes to the accounts
for the year ended 31 December 2006**

1 Employees

The Company has no employees (2005 £nil)

2 Directors remuneration

There were no directors emoluments paid by the Company (2005 £nil) The services of the directors of the Company are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the Company paying their emoluments

3 Auditors' remuneration

During the year the Company obtained the following services from the Company's auditor at costs as detailed below

£'000	2006	2005
Fees payable to the Company's auditor for the audit of the Company's annual accounts	2	-
	2	-

These expenses have been borne by a fellow group undertaking

4 Investment income

£'000	2006	2005
Dividend income from subsidiary	90,832	-
	90,832	-

5 Dividends

£'000	2006	2005
Interim paid	90,000	-
	90,000	-

6 Taxation

Taxation in the profit and loss account is as follows

£'000	2006	2005
United Kingdom taxation		
- UK corporation tax at 30% (2005 30%) for the year	-	-
Tax on profit on ordinary activities	-	-

**Notes to the accounts
for the year ended 31 December 2006**

6 Taxation (continued)

Factors affecting the tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK (30%) The differences are explained below

£'000	2006	2005
Profit / (loss) on ordinary activities before tax	90,832	-
Profit on ordinary activities at standard rate of corporate tax in the UK of 30% (2005 30%)	27,250	-
Income not taxable for tax purposes	(27,250)	-
Current tax charge / (credit) for the period	-	-

7 Fixed asset investments

The fixed asset investments represent the issued share capital of the Company's wholly owned direct subsidiary undertaking, Zurich Whiteley Trust Limited This company is incorporated and registered in the United Kingdom

The Company is a wholly owned subsidiary undertaking of another body corporate and, in accordance with Section 228 of the Companies Act 1985, group accounts have not been prepared The directors are of the opinion that the value of the Company's investment in its subsidiary undertaking is not less than the amount which is stated in these accounts

8 Share capital

£'000	2006	2005
The authorised share capital of the Company comprises		
24,024,000 Ordinary shares of 25p	6,006	6,006
86,337,500 Ordinary shares of 1p	863	863
16,122,500 Deferred shares of 25p	4,031	4,031
	10,900	10,900
Allotted, called up and fully paid		
24,024,000 Ordinary shares of 25p	6,006	6,006
16,122,500 Ordinary shares of 1p	161	161
16,122,500 Deferred shares of 25p	4,031	4,031
	10,198	10,198

The Deferred shares carry no voting rights nor rights to dividends nor any further right to participate in profits or assets or a winding-up On a winding-up, shareholders are entitled to a return on capital after payment of all amounts due to the Ordinary shareholders The Ordinary shares carry voting rights and rights to dividends

**Notes to the accounts
for the year ended 31 December 2006**

9 Ultimate parent company

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 The Secretary, Zurich Financial Services, Mythenquai 2, 8002 Zurich, Switzerland.

Zurich Insurance Company is the parent company of the smallest group of companies of which the company is a wholly owned subsidiary for which consolidated accounts are prepared. Copies of the financial statements for this company can be obtained from The Secretary, Zurich Insurance Company, Mythenquai 2, 8002 Zurich, Switzerland.

10 Related party transactions

The Company is a wholly owned subsidiary of Zurich Insurance Company. The Company has taken advantage of an exemption from FRS 8 not to disclose transactions with other group undertakings.

There were no material transactions with any other related party.

The directors of the Company and its key management had no material transactions with any related parties of the Zurich Financial Services Group. The terms 'director' and 'key management' include members of their families.