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**ALLCHURCHES TRUST LIMITED  
REPORT AND ACCOUNTS  
YEAR ENDED 28 FEBRUARY 1985**



ALLCHURCHES TRUST LIMITED

REPORT AND ACCOUNTS  
YEAR ENDED 28 FEBRUARY 1985

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ALLCHURCHES TRUST LIMITED

Fulham Palace, Bishops Avenue,  
London SW6 6EA

Directors:

A W Grant OBE, MC, LLB, FCII Chairman  
The Venerable A C Smith VRD  
C Alan McLintock CA  
D M M Carey CBE DCL  
The Venerable the Archdeacon of Cheltenham  
M R Cornwall-Jones ACIS  
The Right Reverend R F Cartwright

Secretary:

D H Haydon FCA FCIS

A company formed to promote the Christian  
Religion and to contribute to the funds of  
Charitable Institutions.

Auditors:

Dearden Farrow  
Chartered Accountants  
1 Serjeants' Inn  
London EC4Y 1JD

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ALLCHURCHES TRUST LIMITED

CHAIRMAN'S STATEMENT

Members will see from the Directors' Report that I am not seeking re-election to the Board of the Company.

It was in 1972 when I was Managing Director of EIO that Sir James Brown, then Chairman, and I considered that in the climate of those days it was important to secure, as far as might be possible, the continuing independence of EIO.

With the professional skill and wisdom of the late Walter Wigglesworth steps were taken to set up a holding company for EIO, and thus there came into being a company limited by guarantee and registered as a charity, Allchurches Trust Limited, having as its members distinguished Churchmen, both ordained and lay. The new company "took over" EIO and over the years has become the channel for the distribution to Church and charity of the ever increasing sums put aside for that purpose by EIO.

From the outset I have been a Director of what I believe has turned out to be a successful venture. I retired from the chairmanship of EIO when I reached the age of seventy and I am now approaching my seventy-fifth birthday and it is undoubtedly time for me to step down from the chairmanship (to which I succeeded in 1975 on the death of Sir William Mullens). My friend of many years' standing, Mr Alan McLintock (who is of course Chairman of EIO) will, I trust, be elected in my place.

It has been a privilege to have been Chairman for all these years, and I am very glad that I shall remain, as a member of the Company, keenly interested in its further progress.

Allan Grant

ALLCHURCHES TRUST LIMITED  
DIRECTORS' REPORT AND REVIEW

The directors present the thirteenth annual report and the accounts for the year ended 28 February 1985.

Principal Activities and Review

Allchurches Trust Limited is a company limited by guarantee not having a share capital. It is a registered charity and has not traded.

The principal activity of the group throughout and at the end of the year remains the transaction of all major forms of insurance business except certain classes of marine and transport and aviation.

Particulars of the company's subsidiary companies and their activities is given in note 1 on page 14.

Turnover

Total gross written premiums amounted to £54,960,000 of which £44,068,000 was general business and £10,892,000 long term business.

Profit and Loss Account

The consolidated profit for the year before charitable grants and taxation amounted to £1,565,000. Charitable grants of £752,000 were paid or provided leaving profit before taxation of £813,000. The taxation credit amounted to £57,000 and the minority interests absorbed £307,000 leaving an amount of £563,000 profit retained as follows:-

	£000
Allchurches Trust Limited	120
Subsidiary Companies	388
Associated Company	55
	<u>563</u>

## Donations

The amount paid or provided by the group for charitable purposes has been increased from £690,877 to £752,025. Of this £569,000 was paid under covenant by Ecclesiastical Insurance Office plc to Allchurches Trust Limited.

Amounts paid or provided for by the company and its subsidiaries are:

Allchurches Trust Limited:	703,025
English Dioceses, the Episcopal Church in Scotland and the Church of Ireland	674,500
Educational Foundations	10,000
Other charitable distributions: 50 individual amounts totalling	18,525
	<u>703,025</u>
Subsidiary companies:	49,000
The Representative Body of the Church in Wales	15,000
The Church of England Pensions Board	22,000
The City of London Endowment Trust for St Paul's Cathedral	1,000
The Westminster Abbey Trust	1,000
Beaufort House Trust	10,000
	<u>49,000</u>
	<u>752,025</u>

In the past five years over £3 million has been provided for Church and other charitable purposes.

Nothing was given for political purposes.

## Employees and Remuneration

The parent company has no employees. The average number of persons employed in the United Kingdom by its subsidiaries was 431 and their aggregate remuneration was £3,781,326.

The group's policy on employment of disabled persons is to give full and fair consideration to applications from disabled persons for employment having regard to their particular aptitudes and abilities. Where possible, employment is continued and appropriate training arranged for the employees who become disabled. Training and career development is encouraged for all staff including those who are disabled.

It is the group's aim to keep employees informed about its affairs and in particular about those matters which affect them directly. The most effective means of communication has proved to be through regular meetings or briefing groups which afford a two-way dialogue. These meetings are reinforced, when appropriate by written information and for matters of a complex nature by the publication of a newsletter.

## Board of Directors

The directors are shown on page 1. In accordance with the Articles of Association Mr A W Grant and Mr C A McLintock retire by rotation. Mr C A McLintock, being eligible, offers himself for re-election. Mr A W Grant does not seek re-election. The Right Reverend R F Cartwright was appointed to the board on 5 September 1985. In accordance with the Articles of Association he retires at the forthcoming Annual General Meeting at which his re-election will be proposed.

According to the Register of Directors' Share Interests kept by the company, the following persons who were directors of the company at 28 February 1985 had 'interests' within the meaning of the Companies Act 1985 in the subsidiary company, Ecclesiastical Insurance Office plc as undernoted. There was no change in the interest of any director since the end of the financial year to the date of this report.

### Holding of 2.8% First Cumulative Preference share of each fully paid

	<u>1 March 1984</u>	<u>28 February 1985</u>
A W Grant	3,100	3,100
C A McLintock	500	500
The Venerable A C Smith	1,000	1,000
Dr D M M Carey	500	500
The Venerable the Archdeacon of Cheltenham	2,600	2,600
M R Cornwall-Jones	500	500

## Auditors

A resolution proposing the re-appointment of the company's auditors, Dearden Farrow in accordance with the Companies Act 1985 will be put to the forthcoming Annual General Meeting.

By Order of the Board

D H HAYDON  
Secretary  
5 September 1985



ALLCHURCHES TRUST LIMITED

PROFIT AND LOSS ACCOUNT  
YEAR ENDED 28 FEBRUARY 1985

1984

	£	£	£	£
<u>Income</u>				
From Subsidiary companies:				
Covenants	569,000		613,000	
Dividends	<u>192,857</u>		<u>57,143</u>	
		761,857		670,143
Deposit Interest		<u>61,588</u>		<u>56,962</u>
		823,445		727,105
 <u>Expenditure</u>				
Charitable Distributions and Expenses		<u>703,312</u>		<u>653,416</u>
Surplus for the year		<u>120,133</u>		<u>73,689</u>

ALLCHURCHES TRUST LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
YEAR ENDED 28 FEBRUARY 1985

	Notes	£000	£000	1984 £000	£000
Investment Income	3		4,115		3,889
Interest in Associated Company			390		189
Transfer from Non Mutual Long Term Fund			-		105
Realised Investment Profits			<u>1,719</u>		<u>843</u>
			6,224		5,026
Less:					
Debenture Interest		780		534	
Insurance Subsidiary: Underwriting Loss	14	3,879		2,661	
Exceptional Item	17	-		<u>46</u>	
			4,659		3,241
Profit before Charitable Grants and Taxation			<u>1,565</u>		<u>1,785</u>
Charitable Grants			752		691
Profit before Taxation			<u>813</u>		<u>1,094</u>
Taxation	13		<u>(57)</u>		<u>93</u>
			870		1,001
Extraordinary Items	17		-		177
Profit after Taxation			<u>870</u>		<u>824</u>
Extraordinary Items					
Minority Interests (Subsidiary Company Preference Dividends)			307		307
Retained Profit			<u>563</u>		<u>517</u>
Parent Company			120		73
Subsidiary Companies			388		325
Associated Company			<u>55</u>		<u>119</u>
			<u>563</u>		<u>517</u>

ALLCHURCHES TRUST LIMITED

BALANCE SHEET 28 FEBRUARY 1985

	Notes	£	£	1984 £	1984 £
Fixed Assets					
Investments:					
Shares in group companies	10		3,050,000		3,050,000
Current Assets	9	939,851		783,003	
Creditors: amounts falling due within one year	9	<u>690,387</u>		<u>653,672</u>	
Net Current Assets			<u>249,464</u>		<u>129,331</u>
Total Assets less Current Liabilities			<u>3,299,464</u>		<u>3,179,331</u>
Represented by:					
Reserves	11		<u>3,299,464</u>		<u>3,179,331</u>

*Alan Grant*  
\_\_\_\_\_  
Director

*Chris Luck*  
\_\_\_\_\_  
Director

ALLCHURCHES TRUST LIMITED

CONSOLIDATED BALANCE SHEET 28 FEBRUARY 1985

	Notes	£000	£000	1984 £000	£000
<b>Fixed Assets</b>					
Investments	8		38,848		38,185
Associated Company			13,702		10,035
Tangible Assets			<u>1,191</u>		<u>1,302</u>
			53,741		49,522
<b>Current Assets</b>	9		<u>44,261</u>		<u>21,917</u>
<b>Total General Business and Shareholders' Assets</b>			98,002		71,439
<b>Less: Creditors</b>					
Amounts falling due within one year	9	14,800		12,529	
Amounts falling due in more than one year	9	<u>6,261</u>		<u>6,332</u>	
			21,061		18,861
			<u>76,941</u>		<u>52,578</u>
<b>Net Assets per Group Long Term Balance Sheet</b>			66,854		54,410
			<u>143,795</u>		<u>106,988</u>
<b>Less: Insurance Funds</b>	15				
Long Term		66,854		54,410	
General Business		<u>52,929</u>		<u>30,911</u>	
			119,783		85,321
<b>Net Assets</b>			<u>24,012</u>		<u>21,667</u>
<b>Represented by:</b>					
Reserves	11		20,762		18,417
Minority Interests	16		<u>3,250</u>		<u>3,250</u>
			<u>24,012</u>		<u>21,667</u>

*Alan Grant*  
\_\_\_\_\_  
Director

*Secretary*  
\_\_\_\_\_  
Director

ALLCHURCHES TRUST LIMITED

GROUP LONG TERM REVENUE ACCOUNTS  
YEAR ENDED 28 FEBRUARY 1985

	Notes	Mutual	Non Mutual	Total	1984 Mutual	1984 Non Mutual	1984 Total
		£000	£000	£000	£000	£000	£000
<u>INCOME</u>							
Life Assurance and Endowment Certain premiums less reassurances		2,953	97	3,050	2,470	94	2,564
Consideration for annuities granted		1,941	4,083	6,024	1,698	2,327	4,025
Pension Fund premiums		1,693	-	1,693	1,355	-	1,355
		<u>6,587</u>	<u>4,180</u>	<u>10,767</u>	<u>5,523</u>	<u>2,421</u>	<u>7,944</u>
Investment Income	3	2,918	870	3,788	2,199	641	2,840
Realised Investment Profits		402	241	643	1,945	324	2,269
		<u>9,907</u>	<u>5,291</u>	<u>15,198</u>	<u>9,667</u>	<u>3,386</u>	<u>13,053</u>
<u>EXPENDITURE</u>							
Claims incurred		1,557	12	1,569	1,123	30	1,153
Surrenders		356	71	427	517	85	602
Annuities		1,752	795	2,547	1,455	391	1,846
		<u>3,665</u>	<u>878</u>	<u>4,543</u>	<u>3,095</u>	<u>506</u>	<u>3,601</u>
Expenses		865	325	1,190	776	207	983
Taxation	13	337	(10)	327	164	24	188
		<u>4,867</u>	<u>1,193</u>	<u>6,060</u>	<u>4,035</u>	<u>737</u>	<u>4,772</u>
Net increase in funds		5,040	4,098	9,138	5,632	2,649	8,281
<u>FUNDS AT BEGINNING OF YEAR</u>		<u>34,656</u>	<u>7,899</u>	<u>42,555</u>	<u>29,024</u>	<u>5,355</u>	<u>34,379</u>
		<u>39,696</u>	<u>11,997</u>	<u>51,693</u>	<u>34,656</u>	<u>8,004</u>	<u>42,660</u>
Transfer to Profit and Loss Account		-	-	-	-	105	105
<u>FUNDS AT END OF YEAR</u>		<u>39,696</u>	<u>11,997</u>	<u>51,693</u>	<u>34,656</u>	<u>7,899</u>	<u>42,555</u>

ALLCHURCHES TRUST LIMITED

GROUP LONG TERM BALANCE SHEET  
YEAR ENDED 28 FEBRUARY 1985

	Notes	£000	£000	1984 £000	1984 £000
Fixed Assets					
Investments	8		63,805		51,751
Tangible Assets			844		862
			<u>64,649</u>		<u>52,613</u>
Current Assets	9	2,815		2,230	
Creditors: amounts falling due within one year	9	<u>£10</u>		<u>433</u>	
Net Current Assets			2,205		1,797
Net Long Term Fund Assets			<u>66,854</u>		<u>54,410</u>
Represented by:					
Long Term Funds	15		<u>66,854</u>		<u>54,410</u>

## ALLCHURCHES TRUST LIMITED

### Accounting Policies

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The principal accounting policies are:-

**a Basis of accounting**

The accounts have been prepared under the historical cost convention as modified by the revaluation of investments.

**b Disclosure Requirements**

The consolidated accounts are prepared under the provisions of Chapter II of the Companies Act 1985 relating to special category accounts and utilise certain of the exemptions from the disclosure requirements that are available to a group with insurance subsidiaries. The balance sheet of the company is prepared under the provisions of Part VII Chapter I of the Companies Act 1985.

**c Subsidiary Companies and Overseas Branches**

The consolidated results include Ecclesiastical Holdings plc, Ecclesiastical Insurance Office plc, The Pendle Insurance Company Limited, Blaisdon Properties Limited, Rei Investments Limited (a Dublin registered property company) and four minor subsidiaries. Subsidiary companies have a year end of the last day of February.

Overseas branch trading results for the year ended 31 December are incorporated into the United Kingdom results for the financial year ending on the last day of February of the following year.

**d Associated Company**

The appropriate proportion of the latest published results of the associated company are included in the consolidated profit and loss account. In the consolidated balance sheet it is included at net asset value as shown by the previous 31 December balance sheet, the surplus of net assets over cost being added to group reserves.

**e Exchange Rates**

Assets and liabilities in overseas currencies relating to overseas branches or reinsurance are translated at the rate ruling on the previous 31 December. Revenue in overseas currencies is stated at the rate ruling on 31 December in the year in which each revenue transaction was recorded or, where appropriate, at the actual rate obtained on exchange each currency remittance for sterling. Assets and liabilities of the overseas subsidiary and revenue for the year are translated at the rate ruling on the last day of February. Surpluses and deficits arising from the translation at those rates of exchange of the branch current account are taken directly to reserves as being outside the company's normal trading activities. Exchange profits or losses which arise from normal trading activities are included in the consolidated profit and loss account.

**f Unearned Premiums**

This represents the proportion of general business premiums written in the year which relate to cover provided thereafter. An allowance is made for deferred acquisition costs according to the class of business.

**g Investment Income**

Investment income and net rents are after charging investment expenses and are credited in the year in which received.

**h Pensions**

United Kingdom and Eire pension liabilities are dealt with by payment to the Ecclesiastical Insurance Office plc Staff Retirement Benefit Fund in accordance with actuarial recommendations. Canadian pensions liabilities are dealt with by payment to a Canadian trustee fund. Liabilities which relate to past service are being dealt with over a period of years.

**i Outstanding Claims**

The provision includes outstanding claims calculated by reference to individual cases and includes amounts for claims incurred but not reported.

Outstanding claims on reinsurance accepted contracts are included with amounts due to other insurance companies. Outstanding claims recoverable on reinsurance ceded contracts are included with amounts due from other insurance companies.

**j Premiums Written**

Net written premiums comprise gross direct business and reinsurance accepted (on determined years) after taking into account reinsurance ceded and portfolio transfers.

**k Reinsurance Accepted**

The results of treaty inwards reinsurance business are determined as at 31 December and incorporated into the accounts for the financial year ending on the last day of February of the following year.

Some treaty reinsurance which, due to the nature of the business, is subject to delayed receipt of accounts from ceding companies, is carried forward in an 'open year' fund until fully reported.

**l Capital Expenditure**

Expenditure on fixtures and fittings, office equipment, computer ancillary equipment and motor cars is written off in the year of acquisition. Major items of computer expenditure are written off over two years.

No depreciation is charged on investment properties. Beaufort House, the head office at Gloucester, and a small residential property are being amortised over a period of fifty years. The amortised properties and computer equipment are included under the heading tangible assets in the balance sheet.

**m Deferred Taxation**

Deferred taxation is provided on timing differences. No provision is made for deferred taxation on unrealised surplus on investments.

**n Investment Reserve**

This is comprised of surplus on revaluation of investments and gains on movements in exchange.



ALLCHURCHES TRUST LIMITED

NOTES ON THE ACCOUNTS

1. Group and Associated Companies

Allchurches Trust Limited is a company incorporated in England, limited by guarantee and is a registered charity.

Subsidiary companies, the proportion of each class of shares held, directly and indirectly, and their activities are as under:-

(i) Registered and operating in England :-

- Ecclesiastical Holdings plc
  - Ordinary shares of £1 each-100%
- Investment holding
- Ecclesiastical Insurance Office plc
  - Deferred shares of £1 each-100%
  - Ordinary shares of £1 each-100%
  - 9.5% Redeemable Third Cumulative Preference shares of £1 each-100%
- Composite insurance office
- Blaisdon Properties Limited
  - Ordinary shares of £1 each-100%
  - Deferred shares of £1 each-100%
- Property investment
- Aldwych Management Services Limited
  - Ordinary shares of £1 each-100%
- Secretarial and management services
- Churchmen's Insurance Company Limited
  - Ordinary shares of £1 each-100%
- Non trading
- E I O Trustees Limited
  - Ordinary shares of £1 each-100%
- Trustee services
- Everyman's Insurance Company Limited
  - 100 Ordinary shares of £1 each
- Non trading
- The Pendle Insurance Company Limited
  - Ordinary shares of £1 each-100%
  - Deferred shares of £1 each-100%
- Life assurance
- Group Support Services Limited
  - Ordinary shares of £1 each-80%
- Catalogue publishing and distribution

(ii) Incorporated and operating in the Republic of Ireland:-

- Rei Investments Limited
  - Ordinary shares of IR £1 each-100%
- Property company

Ecclesiastical Insurance Office plc has an interest of 33.4% in the issued ordinary share capital and a minimal holding of preference shares in St Andrew Trust plc, an investment trust company, incorporated and operating in Scotland.

## 2 Directors' Emoluments

The directors received no emoluments from Allchurches Trust Limited in respect of their office in this company.

The directors who are also directors of Ecclesiastical Insurance Office plc received emoluments from that subsidiary as follows:-

Total emoluments (fees) £20,990 (1984: £20,277)  
The chairman received no emoluments (1984: Nil)  
The highest paid director received emoluments of £8,100 (1984: £8,100)

Other Directors were paid in the following bands:-

		1984
Emoluments up to £5,000	2	2
£5,001 to £10,000	1	1

## 3 Investment Income

Investment income £4,115,000 (1984: £3,889,000) credited to the consolidated profit and loss account is after charging £54,000 (1984: £42,000), interest paid.

Investment income £2,918,000 (1984: £2,199,000) credited to the mutual long term fund is after charging £2,000 (1984: £2,000), interest paid.

Investment income credited to the non mutual long term fund £870,000 (1984: £641,000) is after charging £1,000 (1984: £1,000), interest paid.

## 4 Group Turnover

Gross written premiums for long term and general business were:-

	£000	1984 £000
Long Term	10,892	8,033
General	44,068	39,967
	<u>54,960</u>	<u>48,000</u>

## 5 Capital Commitments

At 28 February 1985 there were no outstanding contracts for capital expenditure (1984: Nil).

Capital expenditure authorised but not contracted for amounted to £450,000 (1984: Nil).

## 6 Auditors Remuneration

The remuneration of the auditors of the group amounted to £48,749 (1984: £48,764).

## 7 Bank Loan

The loan is to a subsidiary company, in Canadian dollars, with repayment by instalments to 1987 and provision for earlier repayment at the company's option.

## 8 Investments

Investments have been valued in accordance with the Insurance Companies Regulations 1981. Listed investments are at mid-market value, properties are valued at net realisable value by independent chartered surveyors and other investments (mortgages and loans) are at valuation reflecting year end interest rates.

In the company's own balance sheet shares in Ecclesiastical Holdings plc are included at cost. No provision for deferred taxation is made on revaluation surpluses.

	Parent Company £000	Group £000	Long Term £000	1984 Parent Company £000	1984 Group £000	1984 Long Term £000
British Government securities	-	13,871	19,578	-	13,414	16,458
United Kingdom Municipal, County and Public Board securities	-	45	1,016	-	-	197
Foreign Government securities	-	4,206	1,877	-	3,159	2,613
Debenture and Loan stock	-	3,249	6,784	-	3,039	5,300
Preference shares	-	3,145	164	-	4,012	201
Ordinary shares	-	12,662	25,821	-	12,749	19,795
Mortgages and Loans	-	436	908	-	1,337	6,164
Property	-	1,234	7,657	-	475	1,023
	-	38,848	63,805	-	38,185	51,751

## 9 Current Assets and Creditors

### Current Assets

Sums due from policyholders, agents and insurance companies	-	39,203	16	-	18,692	73
Other debtors	-	330	423	-	361	7
Dividend from subsidiary	135	-	-	40	-	-
Taxation	57	1,119	-	17	686	382
Cash and short term deposits	747	3,609	2,376	726	2,178	1,768
	939	44,261	2,815	783	21,917	2,230

### Creditors: amounts falling due within one year

Due from other insurance companies	-	13,035	6	-	10,721	8
Other creditors	690	1,752	604	654	1,664	425
Taxation	-	6	-	-	137	-
Dividends	-	7	-	-	7	-
	690	14,800	610	654	12,529	433

### Creditors: amounts falling due in more than one year

Debenture Stock (Note 12)	-	6,000	-	-	6,000	-
Bank Loan (Note 7)	-	261	-	-	332	-
	-	6,261	-	-	6,332	-

10 Shares in group companies

The parent company's investment in Ecclesiastical Holdings plc is included at cost and is comprised of 3,050,000 ordinary shares of £1 each.

11 Reserves

			1984	
	Group £000	Parent £000	Group £000	Parent £000
Investment Reserve				
Balance 29 February 1984	12,136	3,000	8,338	-
Surplus arising from revaluation of investments	1,195	-	6,632	3,000
Surplus arising from realignment of exchange rates	587	-	166	-
Capitalisation of reserves	-	-	(3,000)	-
Balance 28 February 1985	<u>13,918</u>	<u>3,000</u>	<u>12,136</u>	<u>3,000</u>
General Reserve				
Balance 28 February 1985	<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
Profit and Loss Account				
Balance 29 February 1984	1,781	179	1,264	106
Retained profit added this year	563	120	517	73
Balance 28 February 1985	<u>2,344</u>	<u>299</u>	<u>1,781</u>	<u>179</u>
Total Reserves	<u>20,762</u>	<u>3,299</u>	<u>18,417</u>	<u>3,179</u>

12 Debenture Stock

£6,000,000 13% Debenture Stock 2018 is secured on the assets of a subsidiary company. Except insofar as previously repaid, or purchased by the company or any of its subsidiaries and cancelled, the stock will be repaid at par on 31 August 2018.

### 13 Taxation

The present company is a registered charity and has borne no charge for taxation.

Taxation charged in the consolidated profit and loss account is based on the profit for the year and tax credit attributable to United Kingdom franked investment income received. The long term funds are charged to tax on the bases applicable to life assurance and annuity business. The charges for the year and any adjustments for prior years are:-

	£000	1984 £000
<b>General Business</b>		
Charge for the year:		
UK Corporation Tax (1984:50%)	-	195
Overseas taxation	<u>22</u>	<u>158</u>
	22	353
Less relief for overseas taxation	<u>6</u>	<u>105</u>
	16	248
Tax credit on franked investment income	(103)	63
Deferred taxation	(46)	10
Share of Associated Company's taxation	<u>122</u>	<u>71</u>
	(11)	392
	(46)	(299)
Prior years adjustments	<u>(57)</u>	<u>93</u>
<b>Mutual Long Term Fund</b>		
Charge for the year:		
UK Corporation Tax	27	22
Overseas taxation	<u>7</u>	<u>7</u>
	34	29
Less relief for overseas taxation	<u>-</u>	<u>1</u>
	34	28
Tax credit on franked investment income	<u>201</u>	<u>136</u>
	235	164
Prior years adjustments	<u>102</u>	<u>-</u>
	337	164
<b>Non Mutual Long Term Fund</b>		
Charge for the year:		
UK Corporation Tax	5	11
Tax credit on franked investment income	<u>-</u>	<u>13</u>
	5	24
Prior years adjustments	<u>(15)</u>	<u>-</u>
	(10)	24

14 Insurance Subsidiary: Underwriting Result

	£000	1984 £000
INCOME		
Gross written premiums	44,068	39,967
Less: reinsurance	14,560	13,218
Net written premiums	29,508	26,749
Less: Increase in provision for Unearned premiums	998	1,108
Net earned premiums	28,510	25,641
EXPENDITURE		
Claims paid and outstanding less reinsurance recoveries	21,969	18,759
Agency commission and expenses of management	10,420	9,543
	32,389	28,302
UNDERWRITING LOSS	(3,879)	(2,661)

Geographic Distribution of General Business

The geographic distribution of general insurance premiums written is as follows:-

United Kingdom (including reinsurance accepted)	38,212	35,116
Eire	590	413
Canada	5,266	4,438
	44,068	39,967

15 Insurance Funds

Insurance Funds of the subsidiary companies are as follows:-

Long Term		
Mutual Fund	39,696	34,656
Non Mutual Fund	11,997	7,899
	51,693	42,555
Outstanding Claims	256	313
	51,949	42,868
Investment Reserves		
Mutual Funds	14,430	10,800
Non Mutual Funds	475	742
	66,854	54,410
General Business		
Unearned Premiums	8,519	7,406
Outstanding Claims	42,215	20,742
Treaty 'open years'	2,195	2,763
	52,929	30,911
TOTAL	119,783	85,321

16 Minority Interests

Minority interest is comprised of Preference share capital in a subsidiary company.

	£000	1984 £000
250,000 2.8% First Preference shares of £1 each	250	250
3,000,000 10% Redeemable Second Cumulative Preference shares of £1 each	3,000	3,000
	<u>3,250</u>	<u>3,250</u>

That subsidiary has the right to redeem all or any of the Redeemable Second Cumulative Preference shares at par together with a premium, as follows:-

Year of redemption	Premium
Up to 1992	10 per cent
1993 to 1997	7½ per cent
1998 to 2002	5 per cent
2003 to 2007	2½ per cent
2008 to 2012	NIL

Any of these preference shares not previously redeemed will be redeemed at par on 31st December 2012.

17 Exceptional and Extraordinary Expenditure

The amounts of £46,000 charged to the profit and loss account and £4,000 in the group long term revenue account are additional payments into the Staff Retirement Benefit Fund.

The amount of £177,000 extraordinary expenditure is the cost of a debenture issue and a preference share issue by subsidiary companies.

18 Loans to Directors and Officers

No loans or quasi loans were made to directors or connected persons during the year.

Seven persons who were officers of a subsidiary company during the year ended 28 February 1985 had loans from that company outstanding at that date amounting in aggregate to £18,912.

19 Approval of Accounts

These accounts were approved by the directors on 5 September 1985.

ALLCHURCHES TRUST LIMITED

GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
(excluding long term business)  
YEAR ENDED 28 FEBRUARY 1985

	1984	
	£000	£000
<b>SOURCE OF FUNDS</b>		
Profit before taxation	1,565	1,784
Profit retained in associated company	(84)	(189)
Depreciation	178	229
Canadian Dollar loan	(72)	(69)
Adjustments for movements (excluding taxation) in:		
Exchange rates	551	229
Insurance funds and outstanding claims	22,019	5,409
Creditors	2,366	2,508
Debtors	(20,426)	(3,326)
Debenture Issue	-	6,000
Total generated from operations	<u>6,097</u>	<u>12,575</u>
 <b>APPLICATION OF FUNDS</b>		
Charitable Grants	715	691
Capital Duty on Share and Debenture Issues	-	177
Dividends paid	307	307
Tax paid	479	659
	<u>1,501</u>	<u>1,834</u>
 <b>FUNDS AVAILABLE FOR INVESTMENT</b>	 <u>4,596</u>	 <u>10,741</u>
 <b>CHANGE IN INVESTMENTS AND LIQUID FUNDS</b>		
Fixed interest securities	2,345	2,032
Ordinary stocks and shares	(593)	(928)
Properties	13	262
Other investments	47	63
Fixed assets	66	1,116
Acquisition of interest in associated company	1,289	8,011
Cash at bank and in hand	<u>1,429</u>	<u>185</u>
	<u>4,596</u>	<u>10,741</u>



REPORT OF THE AUDITORS TO THE MEMBERS OF ALLCHURCHES TRUST LIMITED

We have audited the accounts set out on pages 6 to 21 in accordance with approved Auditing Standards.

In our opinion the accounts of Allchurches Trust Limited set out on pages 6 and 8 which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 28 February 1985 and of its surplus for the year ended on that date and comply with the Companies Act 1985. In our opinion the consolidated accounts of the group set out on pages 7 and 9 to 21 comply with the provisions of the Companies Act 1985 applicable to insurance companies.

London  
5 September 1985

*Dearden Farrow.*  
Dearden Farrow  
Chartered Accountants