1718196

ECCLESIASTICAL INSURANCE GROUP PLC

REPORT AND ACCOUNTS 31 DECEMBER 1990

Report and Accounts 31 December 1990

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Notice of Meeting

NOTICE is hereby given that the Annual General Meeting of the company will be held at Beaufort House, Brunswick Road, Gloucester GL1 1JZ on Thursday, 6 June 1991 at 11.15 a.m. to transact the following ordinary business of the company:-

1. To consider the accounts and the reports of the directors and auditors for the ten month period ended 31 December 1990 and declare a dividend.

2. To re-elect directors.

3. To re-appoint the auditors and to authorise the directors to fix their remuneration.

By order of the board

J. F. WILLISCROFT

Secretary

Gloucester
2 May 1991

A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not also be a member.

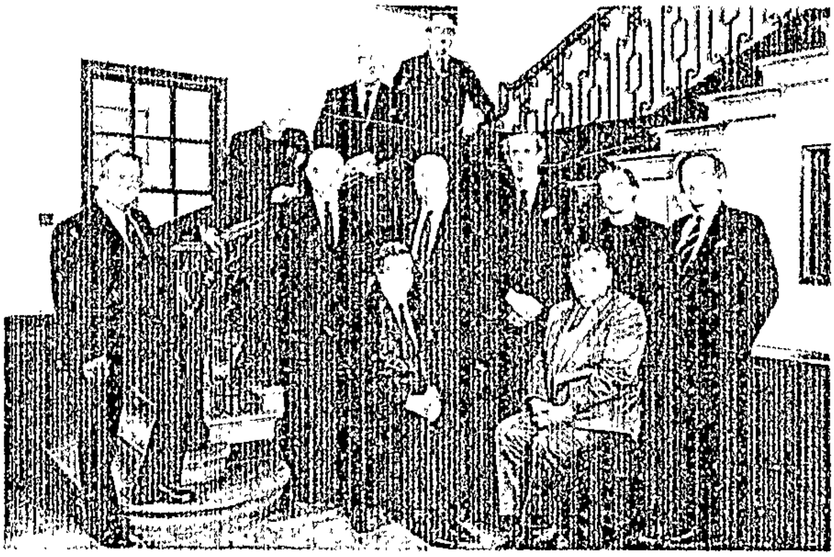
There are no service contracts with the directors.

This notice is sent for information to the holders of the 13% Debenture Stock 2018.

Directors and General Management

Directors	C. Alan McLintock CA *Chairman*
	M.R. Cornwall-Jones MA, ACIS *Deputy Chairman*
	J.C. Bracher FCA, FCT
	M.J. Burns MA, FIA
	B.V. Day BA, LLB, FCII
	The Very Revd. T.E. Evans MA *the Dean of St. Paul's*
	J.D. McArdell ACII
	D.R.W. Silk JP, MA
	The Very Revd. J.A. Simpson MA *the Dean of Canterbury*
	The Rt. Revd. D.G. Snelgrove TD, MA *the Lord Bishop of Hull*
	W.H. Yates FRICS
General Management	B.V. Day BA, LLB, FCII *Managing Director*
	J.D. McArdell ACII *Deputy Managing Director*
	G.V. Doswell FCII
	G.A. Prescott BA, FCA
	D.W. Stapleton FCII
	C.B. Thomson JP
Actuary	P.C. Sparkhall FIA
Company Secretary	J.E. Williscroft MBA, BA, ACIS
Registered and Head Office	Beaufort House, Brunswick Road, Gloucester GL1 1JZ Tel: 0452 28533
Company Registration Number	1718196
Principal London and Investment Office	19/21 Billiter Street, London EC3M 2RY Tel: 071 528 7364
Auditors	BDO Binder Hamlyn, 20 Old Bailey, London EC4M 7BH
Registrar	National Westminster Bank PLC, Caxton House, PO Box 82, Redcliffe Way, Bristol BS99 7NH
Trustee for the Debenture Stock	The Law Debenture Trust Corporation p.l.c. Estates House, 66 Gresham Street, London EC2N 7HX

Directors



Left to right J.C. Bracher, T.E. Evans, M.R. Cornwall-Jones, D.R.W. Silk, B.V. Day, M.J. Burns, W.H. Yates, C.A. McLintock, D.G. Snelgrove, J.A. Simpson and J.D. McArdell

C.A. McLintock Chairman

Appointed to the Board in 1972, becoming Chairman in 1981. He is Chairman of the Woolwich Building Society and a number of Investment Trusts. He also serves on the Board of M&G Group PLC and is a Trustee of the Church Urban Fund.

M.R. Cornwall-Jones Deputy Chairman

Appointed to the Board in 1979, becoming Deputy Chairman in 1983. He is Chairman of Govett Oriental Investment Trust plc and Deputy Chairman of the Association of Investment Trust Companies. He also serves on the Boards of the Halifax Building Society, Century Oils plc and other companies.

B.V. Day Managing Director

Joined the Group in 1975 and became Chief Executive in 1977. A past President of the Chartered Insurance Institute. His other directorships include St. Andrew Trust PLC and URC Insurance Co. Ltd.

J.C. Bracher

Appointed to the Board in 1985. Formerly Finance Director and Deputy Chairman of the Dowty Group PLC. A past President of the Association of Corporate Treasurers.

M.J. Burns

Appointed to the Board in 1987. Formerly General Manager of Equity & Law Life Ass[illegible]ance Society plc, he recently retired as a [illegible]or of National Home Loans Holdings plc.

T.E. Evans the Dean of St. Paul's

Appointed to the Board in 1979 when he was the Archdeacon of Cheltenham. The Dean is a Gov[illegible]r of Cheltenham Ladies College. He is a member of the Board of Governors of the Church Commissioners and a former Chairman of the Council of the Care of Churches.

J.D. McArdell

Appointed to the Board in 1988. Mr McArdell's whole career has been with the Ecclesiastical Group becoming General Manager in 1985 and Deputy Managing Director in 1988. He is a director of Westonbirt School Ltd.

D.R.W. Silk

Appointed to the Board in 1988. Mr Silk has been Warden of Radley College since 1968.

J.A. Simpson the Dean of Canterbury

Appointed to the Board in 1983 when he was Archdeacon of Canterbury. The Dean is also a director of Merlin International Green Investment Trust plc.

D.G. Snelgrove the Bishop of Hull

Appointed to the Board in 1978 when he was Archdeacon of the East Riding. A member of the Central Board of Finance of the Church of England and director of The Church Schools Company Limited, York Diocesan Board of Finance Ltd and T.V. Telethon Trust Ltd.

W.H. Yates

Appointed to the Board in 1985. A Senior Partner in Knight Frank & Rutley. A director of K. F. & R. Ltd and Knight Frank & Rutley (Nominees) Ltd. A director of the Woolwich Building Society. Honorary Treasurer of Save the Children Fund.

Chairman's Statement

Shareholders already know, from press comments and the annual statements by company Chairmen, that 1990 was a cruel year for British insurers. General insurance underwriters point to ferocious winter storms followed by summer drought and a recession-driven surge in crimes against property as the causes of their worst-ever year. Yet the damage to profits is, in part, self-inflicted. The struggle for market share between the UK market leaders over the last few years has led to progessively weaker and less adequate rating levels.

The poor underwriting results were compounded by a slide in share values, weak property prices and adverse currency movements. Free reserves fell dramatically, in some cases by as much as forty per cent, and solvency ratios reduced sharply. It is, however, a tribute to the inherent strength of British insurers that despite all these problems solvency margins remain at remarkably secure levels.

How has Ecclesiastical fared in this hostile environment? The group could not, of course, hope to escape the general trend. Our change in accounting reference date, which we announced last year, to close all our reporting periods on 31 December, curtailed premium income but lessened the impact of winter weather on these accounts. These special factors notwithstanding, the combination of consistently over-competitive markets and extreme physical hazard, has reduced the group's profits to an unacceptably low level.

In these circumstances we are relieved rather than pleased to find that Ecclesiastical, with a small pre-tax profit, has performed less badly than the market average. Similarly, although adverse stock markets have diminished the group's free reserves, the solvency ratio of the EIO at the year-end remained strong at 54% of annualised net premiums. This figure takes no account of the element of "embedded value" in EIO's subsidiary company, Allchurches Life, (provisionally valued at some six million pounds) nor of the rise in share values since the year-end which has somewhat enhanced our strength.

Our more immediate concern, however, is to answer two questions. How may profitability be restored? What dividend should be paid by the group? This latter question is readily answered. Most major insurers have taken the view that, despite severe operating losses and heavy reductions in net worth in 1990 and the poor trading outlook for 1991, dividends should be maintained – and even increased – from reserves. We do not share that view. In hard times, and with the outlook at best obscure, it is more prudent and more appropriate for dividends to reflect actual results; this approach emphasizes the need to trade profitably and conserves the underlying strength so necessary in a risk business. The board therefore does not recommend payment of a final dividend.

This decision will, of course, prompt dioceses and other church bodies who benefit from charitable distributions by Allchurches Trust to wonder how much help they can expect to receive this year. In the short term the Trust has the capacity (created from earlier profits) to make donations on a similar scale as in previous years, albeit adjusted to allow for the fact that 1990 was a 'short' accounting year. Distributions will take place in the usual way after the members of Allchurches Trust have held their annual meeting in the autumn.

In the long term, Allchurches Trust can only give what Ecclesiastical can spare from the profits it earns. The directors and management of the group will continue their most strenuous efforts to achieve the requisite level of profits. Each year we expect to achieve a reduction in the expense ratio so that we spend a smaller proportion of our premiums on internal expenses. Our surveyors carry out extensive programmes of risk improvement and we promote educational videos to make policyholders more alert to hazards which may cause loss. Yet, in the end, risk can never be completely eliminated and claims continue to run at a level at which premium increases are essential if we are to give the kind of service and security our policyholders rightly expect. We have, therefore, commenced a series of rate increases throughout our general insurance business in the United Kingdom. We fully realise that in over-competitive markets some policyholders will find even these moderate price increases unacceptable; we hope, however, that most will recognise that high quality service cannot also be the cheapest.

Even in a most difficult year, our general insurance underwriters were not entirely without success.

Chairman's Statement

Our Canadian branch again showed an excellent result and our London market operations closed their 1988 years of account with very satisfactory profits.

We also made fair progress in the development of our long term business. After the surge in single premiums in 1989/90, notably for Home Owners' Income plans, business volumes reverted to more normal levels. Nevertheless, we were pleased with the response to our free-standing AVC contracts in the pensions field. The diversification of our product range and the addition of non-insurance services, such as mortgages, for clergy and other church people now enables us to respond more fully to the group of clients to whom we owe a special responsibility.

As we informed 'with profits' life policyholders last year, no formal bonus declaration is being made in respect of this ten month period but policies which come to maturity prior to the end of 1991 will receive reversionary bonuses at an unchanged rate. Capital bonuses, which vary according to stock market performance were, however, reduced early in 1991 and will be reviewed from time to time in the light of the performance of investment markets.

I must here enter a word of caution about the longer term prospects for life policy bonuses. These depend on a number of factors, several of which have in recent years been tilted against insurers. Since then, the bureaucratic apparatus of compliance legislation and the government's clear decision to raise more tax from life assurers have further diminished prospects. Some commentators also predict a less rewarding investment scenario. It will become ever more difficult to keep investment returns to policyholders at the high levels of the past and we believe that actuaries who have begun to recommend reduced bonuses are being realistic as well as prudent.

No new appointments were made to the Group's main board during the year, but we welcomed Mr D W Stapleton FCII and Mr C B Thomson, both general managers with many years experience of the group's business, to the board of our principal operating company – the EIO.

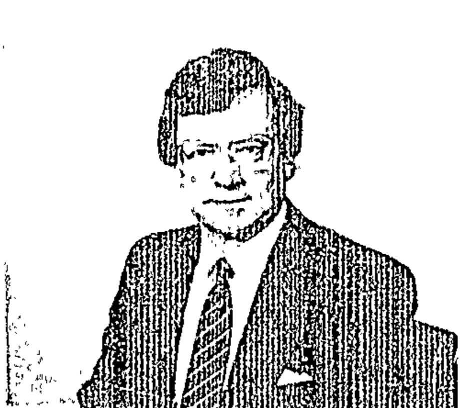
At the end of this calendar year we made some important organisational changes which represent a further step in the transition between different generations of management. Mr D H Haydon FCA, FCIS, retired as Deputy General Manager, a post in which he performed a key role in managing our accounting, taxation and corporate legal functions. I would like to place on record our gratitude for his immense contribution to the corporate development of the group over many years. Fortunately, he has agreed to continue as a consultant for a further period so his skills in certain specialist areas will remain available. Two additional general managers were appointed, Mr G V Doswell FCII, with responsibility for Management Services and Mr G A Prescott BA, FCA, to take charge of the newly formed Finance Division. We congratulate them both and wish them well in their new responsibilities.

The uncertainties of insurance markets pose challenges to management at all times. The exceptionally difficult conditions we have experienced this last year or so have aggravated the problems of maintaining a positive but cautious stance in our underwriting policy, whilst simultaneously providing the high standard of service we seek to maintain for our customers. I cannot speak too highly of the wise leadership exercised by Mr Bernard Day over the affairs of our group, ably supported by Mr John McArdell and a very loyal and hard working team of managers and staff. The directors wish to congratulate them on having steered us successfully through an anxious period of adverse conditions and to thank them for all their efforts in the protection and promotion of our business.

These are very difficult times for risk-takers, whether as insurers or investors. 1991 is most unlikely to produce satisfactory results for general insurers while life assurers continue to be beset by a variety of problems. The directors' intention is to run the business as prudently and economically as possible in the belief that this strategy will best serve the interests of policyholders and the company in the longer term.

ALAN McLINTOCK
Chairman

Review of Group Operations



Introduction

This review and its accompanying accounts cover a period which, by common consent, has been one of unprecedented difficulty for general insurers. Two factors dominate – a series of natural catastrophes and the sharp reduction in stock market values.

Domestically, only ten months results are included for some of our businesses as we implemented our plan to adopt 31 December as the accounting reference date throughout our operations.

Gross turnover during the period was £116 million compared with £136 million in the previous year. Further analysis shows a genuine reduction in life single premium business but a steady underlying growth in general insurance and annual life premiums.

Despite the adverse trading environment a small pre-tax profit was achieved. Nevertheless, we regard this result as unsatisfactory. Our immediate task is clear; our business, particularly in United Kingdom general insurance, must be underwritten on terms which give a reasonable expectation of profit.

The parallel setback in stock markets and property valuations had an adverse effect on the group's balance sheet. Nevertheless, our year-end solvency ratios, though lower, remained comfortable.

Since the year-end, share values have quickly recovered and there are some signs of improvement in insurance underwriting conditions, but this improvement will take much longer to show through in trading results.

General Insurance – Great Britain

On an annualised basis premiums grew by 12% in a market which remained very competitive. We might have expected some respite from adverse results in this ten month period with the storms of January and February fully reserved into the prior year.

In the event, winter storm was followed by severe summer drought, accompanied by several major fires. As the year progressed, a surge in theft claims – attributed by some to economic recession – took further toll. Nevertheless, the single factor which most adversely affected our claims ratios was subsidence. Snow storms in December rounded off a miserable period for a predominantly property account, with an operating ratio of 110.6% and a substantial loss, even after crediting investment income on technical funds.

There are some signs that the appalling underwriting losses sustained by the market have changed the attitudes of some insurers to pricing. Be that as it may, a smaller insurance company like Ecclesiastical cannot lead a market upwards. We can and will, however, ensure that no risk comes or remains on our books at inadequate rates. This may well reduce our turnover but we believe many of our customers may think sufficiently well of Ecclesiastical's continued commitment to service to pay a fair and reasonable premium.

General Insurance – International

The International Division is responsible for Ecclesiastical's reinsurance and "London Market" portfolios, as well as general insurance operations outside Great Britain. Turnover amounted to £22.86 million, compared with £27 million the previous year, being depressed by currency movements and the deferral of some inwards treaty closings following the alteration to the group's financial year. After including investment income on technical funds, a profit of £135,000 was achieved, compared with £1.27 million in the previous period. While some units within the division performed excellently, others did much less well. In particular, some open year funds needed strengthening mainly, but not solely, due to extreme weather claims.

Our portfolios in Canada, Ireland and Malta are written on the traditional one year basis. In Canada the continuing soft market conditions did not prevent our branch from once again showing an excellent profit. Our small account in Malta, managed by our agents, S Mifsud & Sons Limited, again yielded a very satisfactory result. By contrast, results from Ireland were very poor with a substantial bottom line loss. The branch's results were, of course, severely impacted by exceptional weather in the early part of the year as well as the unfavourable run off of some discontinued business. Nevertheless, we are determined to apply in Ireland the techniques used so successfully in Canada, for defensive underwriting in an over-soft market.

The remainder of our International Division business is written under the deferred accounting convention which enables the results to be included when sufficient time has elapsed to form a reliable view.

Review of Group Operations

The main inwards reinsurance account, much of which is written in reciprocity for EIG's direct business, sustained a bottom line loss on a reduced premium volume.

Our non-proportional reinsurance account, underwritten through the NWRe organisation, closed the 1988 year of account with an excellent underwriting profit, outweighing the need to provide substantial strengthening for open years due to the impact of extreme weather. We also provided substantial fund strengthening for the opening year of the account underwritten by Ecclesiastical Underwriting Management Limited.

We closed the 1988 year of account in the Admiral Professional Indemnity syndicate. Once again, a satisfactory overall profit was achieved, after assessing very carefully the technical reserves for this medium to long-tail business, where claims development continues well beyond the opening three year period.

Just at the end of the period under review we entered into a commitment to join a consortium, led and managed by the English and American Insurance Group, to acquire the New Zealand Reinsurance Company of America from the General Accident Group. This is in the nature of a trade investment, enabling us to diversify our insurance business away from its over-dependence on United Kingdom property insurance, without incurring disproportionate risk for a group of our size.

Long Term Business
Turnover in these funds is dominated by single premiums, mainly for annuities, and volumes reduced to more normal levels after a spectacular rise in the previous year. Regular premiums, on an annualised basis, rose by 8.1%.

In some previous years Allchurches Life has required additional transfers to support its rapidly growing business but no transfer was required this year. By contrast, the small Endowment Certain Fund has accrued over the years more capital than is required to support the modest scale of its business and we decided to release £400,000 of its reserves for use elsewhere. The main EIO Life fund continues to devote all its profits for policyholders' bonuses.

The next general distribution of bonuses in Allchurches Life takes place on 31 December 1992. Following a report by the Appointed Actuary the directors have resolved to maintain interim bonuses at their present levels.

The next reversionary bonus declaration for EIO Life policyholders will occur on 31 December 1991. Again, directors have adopted the Appointed Actuary's recommendation to maintain reversionary bonuses. In addition, EIO Life policies earn substantial capital bonuses, which accrue only when the policy matures. Capital bonuses vary in some measure to meet investment trends and it has been felt appropriate to make some reductions in the level of these bonuses. Notwithstanding these changes, EIO 'with profits' policies still provide an excellent compound net return to policyholders, over and above the security provided for dependants in the event of premature death.

Despite the difficulties in stock markets and highly competitive conditions the Life Division has made good progress during this ten month period. A wider product range, a small but good quality direct sales force and more economical administration are all helping to match the needs of existing and potential policyholders more effectively.

Investment and Financial Services
The group's strategy for investment is directed towards long-term capital growth, with moneys directed into equities and property rather than fixed interest securities, except where the matching of technical liabilities otherwise requires. Inevitably, some of our funds have sustained short-term setbacks in these circumstances but the recovery in values is now well under way. On the other hand, income progressed well, because we maintained higher than average levels of liquidity in most funds.

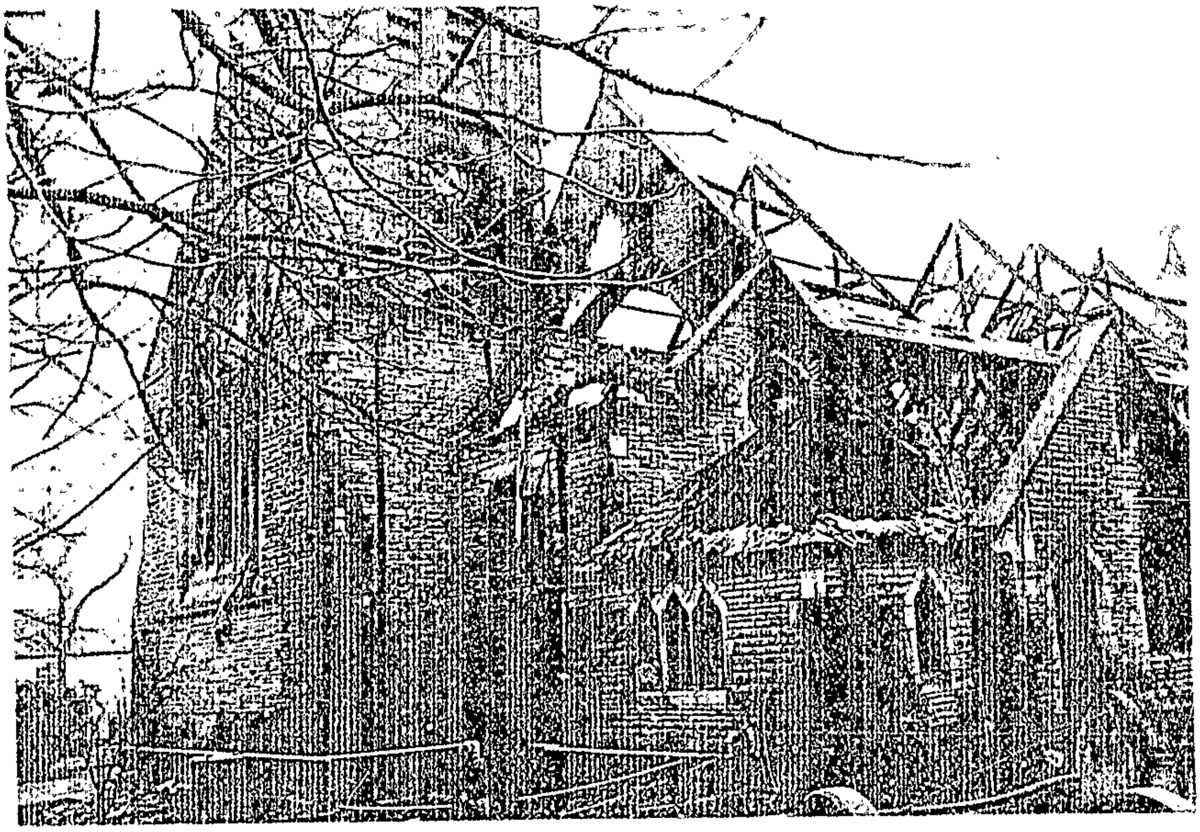
These two contrasting characteristics, falling capital values but rising income, were particularly evident in our associated company, St Andrew Trust, where we now have a 40% shareholding. The investment trust has a strong commitment to smaller company shares and was therefore particularly vulnerable during 1990 but is showing a correspondingly strong recovery in net asset value this year.

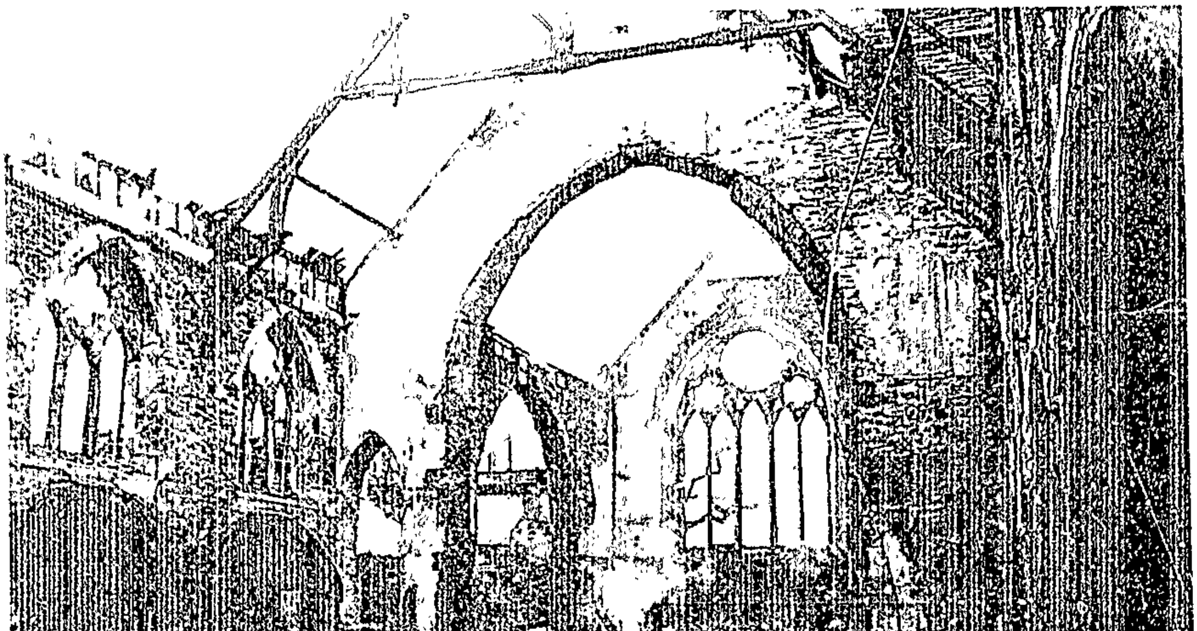
Our small unit trust operation made further progress with a steady net inflow of money both indirectly from sales of equity-linked pension plans and directly from private individuals and some church organisations. The Amity Fund, our ethical unit trust, again performed well both against other trusts in its specialist class and by comparison with the general category of United Kingdom growth funds.

We made further steady progress in developing mortgage business, both as a direct supplier of mortgage finance through funds available from Dresdner Bank and in connection with Home Income Plans. The book is very carefully underwritten and there are no non-performing mortgages in a portfolio valued at some £44 million.

B.V.DAY
Managing Director

St. Bartholomew's Church, West Houghton, Lancs.

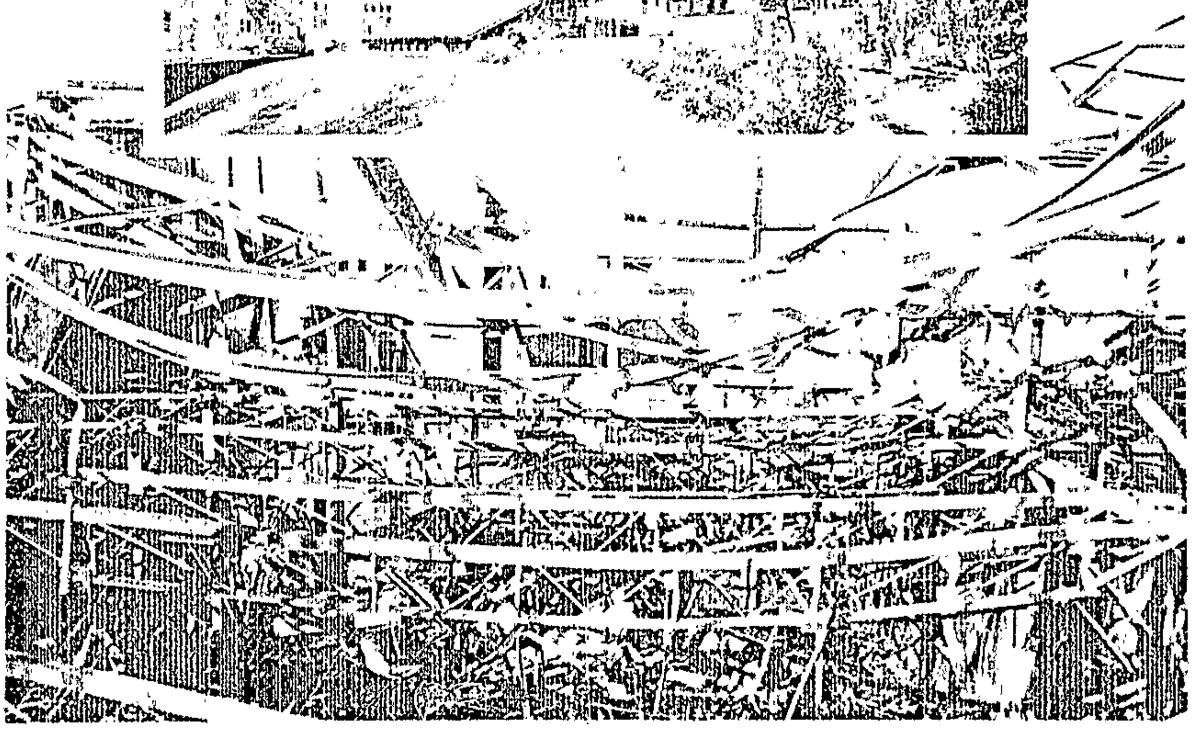




Ravaged by fire on 29 November 1990. Under Ecclesiastical's Manchester Group Scheme an interim payment was made within days enabling emergency work to commence without delay.

The Royal Wolverhampton School

A typical example of a quality property covered by
Ecclesiastical's Schools Combined Policy



The science block is completely unrecognisable
after a severe fire

Directors' Report

The directors present their report together with the audited accounts for the 10 month period ended 31 December 1990.

Reference date
The accounting reference date has been changed to 31 December.

Principal activities
The principal activity of the company is that of an investment holding company. Its principal subsidiary is Ecclesiastical Insurance Office plc. That company and its insurance subsidiary transact most forms of general and long term insurance.

A list of the company's subsidiary and associated undertakings is given on page 27.

Results
The results of the group for the period and the appropriations are shown in the consolidated profit and loss account on page 16.

Ownership
The entire equity capital of the company is owned by Allchurches Trust Ltd.

Distributions

Dividends are as follows:	£
Preference dividends of subsidiary undertaking	306,000
Ordinary shares	450,000
	£756,000

The gross equivalent of the ordinary dividends to the parent company available for charitable purposes amounts to £600,000.

In the past five years over £6.2 million has been provided for church and charitable purposes.

It is the company's policy not to make donations for political purposes.

Directors
Mr J. C. Bracher, the Very Revd. J. A. Simpson, the Dean of Canterbury and the Rt. Revd. D. G. Snelgrove, the Lord Bishop of Hull retire by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

Directors' and Officers' Liability Insurance Policy
During the period the company has maintained cover for its directors and certain officers, and those of its subsidiary undertakings, as permitted under Section 137 of the Companies Act 1989.

Status
The close company provisions of the Income and Corporation Taxes Act 1970 do not apply to the company.

Employees
The average number of persons employed in the United Kingdom each week by the company and its subsidiaries was 732 *(708)* and their aggregate remuneration was £8,216,042 *(£8,663,124)*.

It is the company's policy to employ disabled persons on its standard terms of employment having regard to their particular aptitudes and abilities. Where possible, employment of persons who become disabled is continued and the necessary retraining provided to allow continuing service with the company. Opportunities for training and career development are available to all staff.

The company recognises the importance of employee communication and aims to keep employees informed about its affairs. Regular meetings are held and discussion encouraged.

Under the procedural agreement with the recognised trade union, meetings are held on topics raised by either party.

Auditors
A resolution will be proposed at the annual general meeting to re-appoint BDO Binder Hamlyn as auditors of the company.

By order of the board.

J. E. Williscroft

J. E. WILLISCROFT
Secretary
2 May 1991.

Auditors' Report

Auditors' Report to the Members of Ecclesiastical Insurance Group plc

We have audited the financial statements on pages 13 to 27 in accordance with Auditing Standards.

In our opinion, the balance sheet of the parent company gives a true and fair view of the state of affairs of the company at 31 December 1990 and has been properly prepared in accordance with the Companies Act 1985, and the financial statements of the group have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to insurance companies.

BDO BINDER HAMLYN
Chartered Accountants

BDO Binder Hamlyn

London
2 May 1991

Accounting Policies

a Accounting and disclosure requirements
The accounts of the group are drawn up in accordance with Section 255A and Schedule 9 of the Companies Act 1985. The balance sheet of the parent company is drawn up in accordance with Section 226 and Schedule 4 of the Companies Act 1985. As permitted by Section 230 of the Act, a separate profit and loss account for the company is not presented. The accounting policies continue to reflect United Kingdom statements of standard accounting practice appropriate to an insurance company. Certain supplementary information is provided in the notes on the accounts in accordance with the statement of recommended practice on accounting issued by the Association of British Insurers.

b Basis of consolidation
The assets, liabilities and results of subsidiaries and the share of results of the associated undertaking are included in the consolidated accounts on the basis of accounts made up to 31 December.

c Subsidiary and associated undertakings
Investments in subsidiary and associated undertakings are stated at net asset value.

d Exchange rates
Foreign currency revenue transactions and assets, liabilities and reserves are translated at rates of exchange ruling at the balance sheet date except for certain revenue transactions which are translated at the actual rate obtained on exchanging each currency transaction for sterling. Surpluses and deficits arising from the translation at those rates of exchange of the branch current accounts are taken directly to non-distributable reserves as being outside the company's normal trading activities. Exchange profits or losses which arise from normal trading activities are taken to distributable reserves.

e Insurance funds
Unearned premiums represent the proportion of general business premiums written in the period which relate to cover provided thereafter. An allowance is made for deferred acquisition costs according to the class of business.
In addition to unearned premiums, amounts are set aside for unexpired risks to meet future claims on business in force at the end of the year. Outstanding claims are calculated by reference to individual cases and include amounts for claims incurred but not reported, and the balances of the 'open years' accounts for London market and inwards reinsurance business.

f Investment income and return
In the general insurance revenue account and consolidated profit and loss account investment income, comprising dividends, interest and rent, is stated after charging investment expenses and is credited in the period in which received.
In the long term insurance revenue account investment return comprising net realised gains, dividends, interest and rent is stated after charging investment expenses and is credited in the period in which received.

g Pensions
United Kingdom and Eire pension liabilities are dealt with by payments to the Ecclesiastical Insurance Office plc Staff Retirement Benefit Fund in accordance with actuarial recommendations. Canadian pension liabilities are dealt with by payment to a Canadian Trustee Fund.

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

i Reinsurance accepted and London market operations
London market and certain other reinsurance which, due to the nature of the business, is subject to delayed receipt of accounts is carried forward in an 'open year' fund until fully reported. It is included in outstanding claims in the balance sheet. Where appropriate this is closed at the end of the second or third year of account following the year of account to which that business relates.

j Depreciation
Capital expenditure on premises, computer equipment, vehicles, furniture and office equipment is capitalised and depreciated over the estimated useful lives of the assets. The rates of depreciation are periodically reviewed and amounts capitalised are currently written off over the following periods:

Freehold buildings	:	100 years
Leases of less than 50 years	:	Unexpired period
Plant and machinery, computers and office equipment	:	5 years
Motor vehicles	:	2 years

Land is not depreciated.

Accounting Policies

k **Revaluation reserve**
This comprises surplus on revaluation of investments and gains less losses on movements in exchange.

l **Taxation**
UK and overseas taxation charged in the profit and loss and long term insurance revenue accounts is based on profits and income of the period as determined in accordance with the relevant tax legislation. Provision is not made on unrealised appreciation of investments at the balance sheet date.
Deferred tax is calculated on the liability method and consists of the estimated relief which is expected to arise in the foreseeable future from material timing differences.

Consolidated Revenue Accounts

for the 10 month period ended 31 December 1990

General Insurance Revenue Account	Notes	10 months 31.12.1990 £000	*12 months 28.2.1990 £000*
Gross written premiums	5a	90,644	*99,098*
Less: Reinsurance		34,512	*36,651*
Net written premiums		56,132	*62,447*
Increase in unearned premiums and unexpired risk reserve		2,809	*2,793*
Net earned premiums	5b	53,323	*59,654*
Claims incurred	5c	41,133	*43,403*
Expenses and commission		18,722	*21,240*
		59,855	*64,643*
Underwriting result		(6,532)	*(4,989)*
Investment income on general insurance funds	7	4,352	*4,837*
Insurance result		(2,180)	*(152)*

Long Term Insurance Revenue Account	Notes	10 months 31.12.1990 £000	*12 months 28.2.1990 £000*
Premiums less reassurance	6a	23,628	*36,769*
Investment return on long term funds		11,254	*11,829*
	6	34,882	*48,598*
Claims and surrenders		4,421	*5,173*
Annuities		10,838	*9,499*
Expenses and commission		2,562	*3,481*
Taxation	8	803	*694*
	6	18,624	*18,847*
Excess of income over expenditure		16,258	*29,751*
Transfer from investment reserve		300	*2,750*
Transfer to consolidated profit and loss account		(400)	*(4)*
Increase in funds		16,158	*32,497*

Consolidated Profit and Loss Account

for the 10 month period ended 31 December 1990	Notes	10 months 31.12.1990 £000	*12 months* *28.2.1990* *£000*
Investment income on shareholders' funds	7	2,174	*2,268*
Realised investment gains	7	472	*3,063*
General insurance result		(2,180)	*(152)*
Other operations	4	(101)	*(410)*
Transfer from policyholders' funds of subsidiary undertakings		400	*6*
		765	*4,775*
Debenture interest		650	*780*
Profit before taxation		115	*3,995*
Taxation	8	(8)	*1,423*
Profit after taxation		123	*2,572*
Minority interests		8	*(90)*
		115	*2,662*
Preference dividends of a subsidiary undertaking		306	*306*
Dividends to parent company		450	*1,350*
Charitable covenants net of tax relief		–	*122*
		756	*1,778*
Retained (loss)/profit	3	(641)	*884*

Movements in Reserves

	31.12.1990 Group £000	 Parent £000	*28.2.1990* *Group* *£000*	 *Parent* *£000*
Retained profits				
Balance 1 March 1990	1,576	1,425	*1,207*	*917*
Foreign exchange losses	(398)	–	*(115)*	–
Transfer to open year funds	–	–	*(400)*	–
Retained (loss)/profit for the year	(641)	178	*884*	*508*
Balance 31 December 1990	537	1,603	*1,576*	*1,425*
General reserve				
Balance 31 December 1990	1,500	–	*1,500*	–
Revaluation reserve				
Balance 1 March 1990	18,154	19,805	*29,752*	*31,542*
Foreign exchange (losses)/gains	(1,104)	–	*826*	–
(Deficit)/surplus arising from revaluation of investments	(12,661)	(14,982)	*4,526*	*5,213*
Amount capitalised	–	–	*(16,950)*	*(16,950)*
Balance 31 December 1990	4,389	4,823	*18,154*	*19,805*
Total reserves	6,426	6,426	*21,230*	*21,230*

Consolidated Balance Sheet

at 31 December 1990	Notes	31.12.1990	28.2.1990
		£000	£000
Share capital		20,000	20,000
Reserves			
Revaluation reserve		4,389	18,154
General reserve		1,500	1,500
Retained profits		537	1,576
	10	26,426	41,230
Minority interests	11	3,328	3,331
Insurance funds	5d, e	77,483	68,485
Other liabilities			
due within one year	14	30,279	25,724
due after more than one year	16	6,000	6,000
		36,279	31,724
Long term insurance accounts (see separate balance sheet page 18)		166,750	164,421
		310,266	309,191
Investments	13	53,028	62,802
Associated undertaking	15	25,472	33,439
Fixed assets		7,254	4,414
Other assets	14	57,762	44,115
Long term insurance accounts (see separate balance sheet page 18)		166,750	164,421
		310,266	309,191

C. A. Tosell

B. V. Day

Parent Company Balance Sheet

at 31 December 1990	Notes	31.12.1990	*28.2.1990*
		£000	*£000*
Fixed assets			
Investments:			
Shares in group undertakings	15	31,863	*46,842*
Current assets	14	859	*1,410*
Creditors			
Amounts falling due within one year	14	296	*1,022*
Net current assets		563	*388*
Total assets less current liabilities		32,426	*47,230*
Creditors			
Amount falling due after more than one year	16	6,000	*6,000*
Net assets		26,426	*41,230*
Represented by:			
Capital and reserves	10	26,426	*41,230*

C.A. McLINTOCK
B.V. DAY
Directors

Long Term Business Balance Sheet

at 31 December 1990	Notes	31.12.1990	*28.2.1990*
		£000	*£000*
Life fund	12	165,118	*163,239*
Other liabilities	14	1,632	*1,182*
		166,750	*164,421*
Investments	13	159,820	*157,593*
Fixed assets		902	*855*
Other assets	14	6,028	*5,973*
		166,750	*164,421*

Group Statement of Source and Application of Funds

for the 10 month period ended 31 December 1990 (excluding long term insurance business)

	10 months 31.12.1990	*12 months 28.2.1990*
	£000	*£000*
Source of funds		
Profit before taxation	115	*3,995*
Transfer to 'open year' funds	–	*(400)*
Profit retained in associated undertaking	(15)	*(60)*
Depreciation	765	*814*
Minorities	(3)	*200*
Adjustments for movements in:		
Exchange rates	(1,502)	*711*
Insurance funds and outstanding claims	8,998	*13,987*
Creditors	3,373	*(812)*
Debtors	(9,740)	*(1,666)*
Total generated from operations	1,991	*16,769*
Application of funds		
Charitable grants	–	*188*
Preference dividends paid by subsidiary undertaking	306	*306*
Dividends paid	1,350	*1,550*
Tax paid	1,405	*2,434*
	3,061	*4,478*
Funds available for investment	(1,070)	*12,291*
Change in investments and liquid funds		
Fixed interest securities	(1,593)	*3,008*
Ordinary stocks and shares	(1,944)	*3,004*
Properties	(646)	*278*
Other investments	(1,395)	*1,196*
Fixed assets	3,605	*2,218*
Acquisition of interest in associated undertaking	490	*1,065*
Cash at bank and in hand	413	*1,522*
	(1,070)	*12,291*

Notes on the Accounts

1 Reference date
The accounting reference date has been changed to 31 December. UK operating companies financial statements have therefore been prepared for the ten month period ended 31 December 1990. The financial statements for overseas branches and reinsurance accepted operations continue to be prepared for twelve months ended 31 December.

2 Exchange rates

The principal rates of exchange used for translation are:	31.12.1990	*28.2.1990*
United States of America	US$1.93	*US$1.61*
Canada	C$2.24	*C$1.87*
Republic of Ireland	IR£1.09	*IR£1.04*

3 Retained profits/(losses)	£000	*£000*
Retained profits/(losses) have been dealt with in the following accounts:		
Parent company	178	*508*
Subsidiary undertakings	(834)	*316*
Associated undertaking	15	*60*
	(641)	*884*

4 Other operations	£000	*£000*
Unit trust management	(102)	*(120)*
Underwriting management	37	*(224)*
Churches purchasing scheme	(36)	*(66)*
	(101)	*(410)*

5 General insurance business

In the consolidated revenue account premiums and claims are made up as follows:	£000	*£000*
(a) Gross written premiums		
Property damage	60,178	*65,010*
Other classes	30,466	*34,088*
	90,644	*99,098*
(b) Premiums earned		
Premiums written less reinsurance	56,132	*62,447*
Increase in unearned premiums	(2,157)	*(3,454)*
Increase in deferred acquisition costs	361	*661*
Increase in unexpired risk reserve	(1,013)	–
	53,323	*59,654*
(c) Claims incurred		
Gross incurred	53,534	*96,560*
Reinsurance recoveries	(12,401)	*(53,157)*
Net incurred	41,133	*43,403*
In the consolidated balance sheet insurance funds are made up as follows:		
(d) Unearned premiums		
Gross of reinsurance	42,968	*40,098*
Reinsurance ceded	(15,332)	*(13,812)*
Deferred acquisition costs	(5,215)	*(4,928)*
Unexpired risk reserve	1,013	–
	23,434	*21,358*
(e) Outstanding claims		
Gross of reinsurance	92,580	*103,145*
Reinsurance recoverable	(38,531)	*(56,018)*
	54,049	*47,127*
Total insurance funds	77,483	*68,485*

Notes on the Accounts

6 Long term insurance business
In the consolidated revenue account the increase in funds is made up as follows:

	Mutual		Non Mutual		Total	
	31.12.90	*28.2.90*	31.12.90	*28.2.90*	31.12.90	*28.2.90*
Income	£000	*£000*	£000	*£000*	£000	*£000*
Life assurance and endowment certain premiums	4,743	*5,236*	196	*149*	4,939	*5,385*
Consideration for annuities granted	1,678	*1,905*	14,402	*27,073*	16,080	*28,978*
Pension fund premiums	1,900	*1,776*	709	*630*	2,609	*2,406*
	8,321	*8,917*	15,307	*27,852*	23,628	*36,769*
Investment return	5,632	*6,268*	5,622	*5,561*	11,254	*11,829*
	13,953	*15,185*	20,929	*33,413*	34,882	*48,598*
Expenditure						
Claims incurred	3,510	*3,998*	89	*176*	3,599	*4,174*
Surrenders	688	*826*	134	*173*	822	*999*
Annuities	2,652	*2,971*	8,186	*6,528*	10,838	*9,499*
	6,850	*7,795*	8,409	*6,877*	15,259	*14,672*
Expenses	1,404	*1,907*	1,158	*1,574*	2,562	*3,481*
Taxation	699	*654*	104	*40*	803	*694*
	8,953	*10,356*	9,671	*8,491*	18,624	*18,847*
Excess of income over expenditure	5,000	*4,829*	11,258	*24,922*	16,258	*29,751*
Transfer from investment reserve	300	*2,750*	–	*–*	300	*2,750*
Transfer to shareholders' funds	–	*–*	(400)	*(4)*	(400)	*(4)*
Funds at beginning of period	77,422	*69,843*	68,448	*43,530*	145,870	*113,373*
Funds at end of period (see note 12)	82,722	*77,422*	79,306	*68,448*	162,028	*145,870*

		31.12.90	*28.2.90*
(a) Premiums written			
Gross written premiums		25,806	*36,990*
Reassurance ceded		(2,178)	*(221)*
		23,628	*36,769*
(b) Class analysis			
Life policies	– Single	2,129	*–*
	– Regular	4,854	*5,433*
Annuities	– Single	16,086	*28,979*
Pensions	– Single	834	*1,006*
	– Regular	1,816	*1,448*
Endowment certain		87	*124*
		25,806	*36,990*
(c) Claims and surrenders			
Gross of reassurance		4,422	*5,173*
Reassurance recoveries		(1)	*–*
		4,421	*5,173*

7 Investment income and return

	Long Term Business Mutual 31.12.90 £000	Long Term Business Mutual *28.2.90 £000*	Long Term Business Non Mutual 31.12.90 £000	Long Term Business Non Mutual *28.2.90 £000*	General Business 31.12.90 £000	General Business *28.2.90 £000*
Investment income	5,543	*6,183*	5,610	*5,445*	5,552	*6,301*
Associated undertaking	–	–	–	–	1,217	*1,089*
Realised investment gains	284	*338*	44	*146*	472	*3,063*
	5,827	*6,521*	5,654	*5,591*	7,241	*10,453*
Less expenses	195	*253*	32	*30*	243	*285*
	5,632	*6,268*	5,622	*5,561*	6,998	*10,168*
Allocated to:						
Consolidated revenue accounts	5,632	*6,268*	5,622	*5,561*	4,352	*4,837*
Consolidated profit and loss account						
Investment income	–	–	–	–	2,174	*2,268*
Realised investment gains	–	–	–	–	472	*3,063*
	5,632	*6,268*	5,622	*5,561*	6,998	*10,168*

8 Taxation

The charges for the period and any adjustments for prior years are:

	Long Term Business Mutual 31.12.90 £000	Long Term Business Mutual *28.2.90 £000*	Long Term Business Non Mutual 31.12.90 £000	Long Term Business Non Mutual *28.2.90 £000*	General Business 31.12.90 £000	General Business *28.2.90 £000*
UK corporation tax	693	*208*	65	–	(36)	*744*
Overseas taxation	17	*12*	–	–	283	*330*
	710	*220*	65	–	247	*1,074*
Less relief for overseas taxation	11	*12*	–	–	–	*330*
	699	*208*	65	–	247	*744*
Tax credit on franked investment income and share of associated undertaking's taxation	–	*481*	39	*41*	95	*688*
Deferred taxation	–	–	–	–	(350)	–
	699	*689*	104	*41*	(8)	*1,432*
Prior year adjustment	–	*(35)*	–	*(1)*	–	*(9)*
	699	*654*	104	*40*	(8)	*1,423*

The long term funds are charged to tax on the bases applicable to life assurance and annuity business.
The general business corporation tax credit is a charge of £224,000 at 34.1% *(35%)* for subsidiary undertakings and an estimated recovery of £260,000 in respect of a carry back of trading losses in the group.
The charge to tax for tax credit on franked investment income and share of associated undertaking's tax is after making a deduction for the balance of the period's trading loss.
The deferred tax credit of £350,000 is carried forward as an asset.

Capital gains

If the investments of the group were realised at the amounts at which they are included in the accounts a liability to corporation tax of approximately £8.3m *(£14m)* would arise. Of this £6.9m *(£9.1 m)* would relate to the shareholders' funds, £1.4m *(£4.9m)* to the long term funds.

Notes on the Accounts

9 Lease commitments
Annual commitments under non-cancellable operating leases were as follows:

	31.12.1990 Premises £000	31.12.1990 Equipment £000	*28.2.1990 Premises £000*	*28.2.1990 Equipment £000*
Expiring within 1 year	11	52	*–*	*52*
Between 1 and 5 years	771	–	*780*	*–*
	782	52	*780*	*52*

10 Share capital and reserves	31.12.1990 Group £000	31.12.1990 Parent £000	*28.2.1990 Group £000*	*28.2.1990 Parent £000*
Share capital				
Authorised, allotted, issued and fully paid				
Ordinary share capital				
20,000,000 shares of £1 each	20,000	20,000	*20,000*	*20,000*
Reserves				
Revaluation reserve	4,389	4,823	*18,154*	*19,805*
General reserve	1,500	–	*1,500*	*–*
Retained profits	537	1,603	*1,576*	*1,425*
	26,426	26,426	*41,230*	*41,230*

11 Minority interests
Minority interests comprise preference and ordinary share capital in subsidiary undertakings less attributable losses.

	31.12.1990 £000	*28.2.1990 £000*
Ecclesiastical Insurance Office plc		
2.8% First Cumulative Preference shares of £1 each	210	*221*
10% Redeemable Second Cumulative Preference shares of £1 each	3,000	*3,000*
Ecclesiastical Underwriting Management Limited		
Ordinary shares of £1 each	118	*110*
	3,328	*3,331*

The 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 31 December 2012.

12 Long term insurance funds

Insurance funds shown in the long term business balance sheet are as follows:

	31.12.1990 £000	*28.2.1990 £000*
Mutual funds	82,722	*77,422*
Non mutual funds	79,306	*68,448*
	162,028	*145,870*
Investment reserves	3,090	*17,369*
	165,118	*163,239*

13 Investments

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 period end interest rates.

	31.12.1990			*28.2.1990*		
	Long Term £000	General £000	Total £000	*Long Term £000*	*General £000*	*Total £000*
British Government and British Government guaranteed securities	20,436	11,578	32,014	*20,671*	*12,461*	*33,132*
United Kingdom municipal, county and public boards securities	890	272	1,162	*905*	*262*	*1.167*
Government, provincial and municipal securities other than United Kingdom	2,630	4,841	7,471	*2,492*	*5,564*	*8,056*
Debentures and loan stocks	20,808	8,312	29,120	*20,430*	*9,351*	*29,781*
Preference shares	1,815	1,905	3,720	*2,091*	*2,218*	*4,309*
Ordinary stocks and shares	60,952	24,057	85,009	*64,197*	*28,660*	*92,857*
Other investments, including mortgages and loans	41,813	796	42,609	*34,066*	*1,828*	*35,894*
Freehold and leasehold properties	10,476	1,267	11,743	*12,741*	*2,458*	*15,199*
	159,820	53,028	212,848	*157,593*	*62,802*	*220,395*

14 Other assets and liabilities

	31.12.1990			*28.2.1990*		
	Long Term £000	Consolidated £000	Parent Company £000	*Long Term £000*	*Consolidated £000*	*Parent Company £000*
Current assets						
Agents and other insurance debts	302	38,044	–	*502*	*28,655*	–
Other debtors, including taxation	2,549	3,647	94	*1,866*	*2,394*	–
Dividends from subsidiary	–	–	–	–	–	*1,050*
Group balances	64	446	–	*27*	*644*	–
Cash at bank and in hand	3,113	15,625	765	*3,578*	*12,422*	*360*
	6,028	57,762	859	*5,973*	*44,115*	*1,410*

In the consolidated balance sheet other debtors include deferred taxation of £350,000 *(£nil)* due after more than one year.

Creditors: amounts falling due within one year						
Outstanding claims	718	–	–	*540*	–	–
Due to other insurance companies	33	24,766	–	*6*	*21,963*	–
Other creditors, including taxation	128	2,716	265	*636*	*2,854*	*113*
Group balances	–	–	31	–	–	*9*
Proposed dividend	–	7	–	–	*907*	*900*
Bank overdraft	753	2,790	–	–	–	–
	1,632	30,279	296	*1,182*	*25,724*	*1,022*

Notes on the Accounts

15 Subsidiary and associated undertakings
Shares in subsidiary undertakings are shown at net asset value in the parent company balance sheet. Shares in the associated undertaking are shown at net asset value in the consolidated balance sheet.

16 Debenture stock
The £6,000,000 13% Debenture stock 2018 is secured on the assets of the 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.

17 Capital commitments
At 31 December 1990 outstanding contracts for capital expenditure amounted to £2.1m *(£nil)*. Capital expenditure authorised by the directors but not contracted for was £3.1m *(£3.5m)*.

18 Directors' emoluments
The aggregate emoluments of the directors of the group were:

	31.12.1990 £	*28.2.1990 £*
In respect of services as directors	67,491	*74,654*
Other emoluments including pension contributions and retirement gratuities of £nil (£25,000)	208,525	*230,020*
	276,016	*304,674*

Individual emoluments (excluding pension contributions) were:

Chairman	13,409	*14,450*
Highest paid director	100,103	*96,272*
Other directors, by scale:	No.	*No.*
Up to £5,000	–	*1*
£5,001 to £10,000	7	*7*
£10,001 to £15,000	1	*1*
£75,001 to £80,000	1	*1*

19 Pensions
The group's main scheme is a defined benefit scheme for UK and Eire employees. The assets of the scheme are held separately from those of the group by the Ecclesiastical Insurance Office plc Staff Retirement Benefit Fund.
Pension costs for this scheme are determined, on the basis of triennial valuations, by a qualified actuary who is an employee of the group, using the aggregate method. The most recent valuation was at 31 August 1989. The assumptions which have the greatest effect on the valuation results are those related to the rate of return on investment and the rate of increase in salaries. It is assumed that there will be a margin of 2% between investment return and salary growth. Other than in respect of statutory pension increases no allowance was made for pension increases as these are separately funded.

The most recent actuarial valuation showed that the market value of the scheme's assets was £19,881,000, representing 101.9% of the benefits that had accrued to members, after allowing for expected future increases in earnings. The contribution of the group to the fund is 20% of pensionable salary.

Canadian pension liabilities are dealt with by payment to a Canadian Trustee Fund.

The total funding cost for the period was £1,378,000 *(£1,394,000)*. Of this £1,350,000 *(£1,367,000)* related to the main UK scheme.

20 Loans to directors and officers
No loans or quasi loans were made to directors or connected persons during the period. One person who was an officer of the group during the period ended 31 December 1990 had a loan outstanding at that date amounting to £3,552.

21 Auditors' remuneration
The remuneration of the auditors of the group amounted to £89,739 *(£87,145)*.

22 Directors' interests

The interest of the directors, all of which are beneficial, in the 2.8% First Cumulative Preference shares of Ecclesiastical Insurance Office plc appearing in the register maintained under the provisions of the Companies Act 1985 are as follows:

Directors	Interest at 31.12.1990	*Interest at 1.3.1990*
C. Alan McLintock	500	*500*
M.R. Cornwall-Jones	500	*500*
J.C. Bracher	500	*500*
M.J. Burns	500	*500*
B.V. Day	3,220	*2,970*
The Very Revd. T.E. Evans the Dean of St. Paul's	2,900	*2,900*
J.D. McArdell	1,000	*1,000*
D.R.W. Silk	500	*500*
The Very Revd. J.A. Simpson the Dean of Canterbury	500	*500*
The Rt. Revd. D.G. Snelgrove the Lord Bishop of Hull	700	*700*
W.H. Yates	500	*500*

No director was interested in any other shares or debentures of the group. There has been no change in these interests since the end of the financial period to the date of this report.

No contract subsisted during or at the end of the financial period in which a director was or is materially interested.

23 Approval of accounts

The accounts on pages 13 to 27 were approved by the directors and signed on 2 May 1991.

Parent Company, Subsidiaries and Associated Undertaking

Parent Company
The company's ultimate parent company is Allchurches Trust Limited incorporated in Great Britain and registered in England.

Subsidiary Undertakings	Share Capital	Holding of shares by: Parent	Subsidiary
(i) Incorporated and operating in England:			
Ecclesiastical Insurance Office plc	Ordinary shares	100%	
	2.8% First Cumulative Preference shares	11.6%	
	9.5% Redeemable Third Cumulative Preference shares	100%	
Ecclesiastical Group Asset Management Limited	Ordinary shares	100%	
The Churches Purchasing Scheme Limited	Ordinary shares	100%	
Ecclesiastical Underwriting Management Limited	Ordinary shares	60%	
Allchurches Investment Management Services Limited	Ordinary shares		100%
Allchurches Life Assurance Limited	Ordinary shares		100%
Blaisdon Properties Limited	Deferred shares		100%
	Ordinary shares		100%
Eccint Limited	Ordinary shares		100%

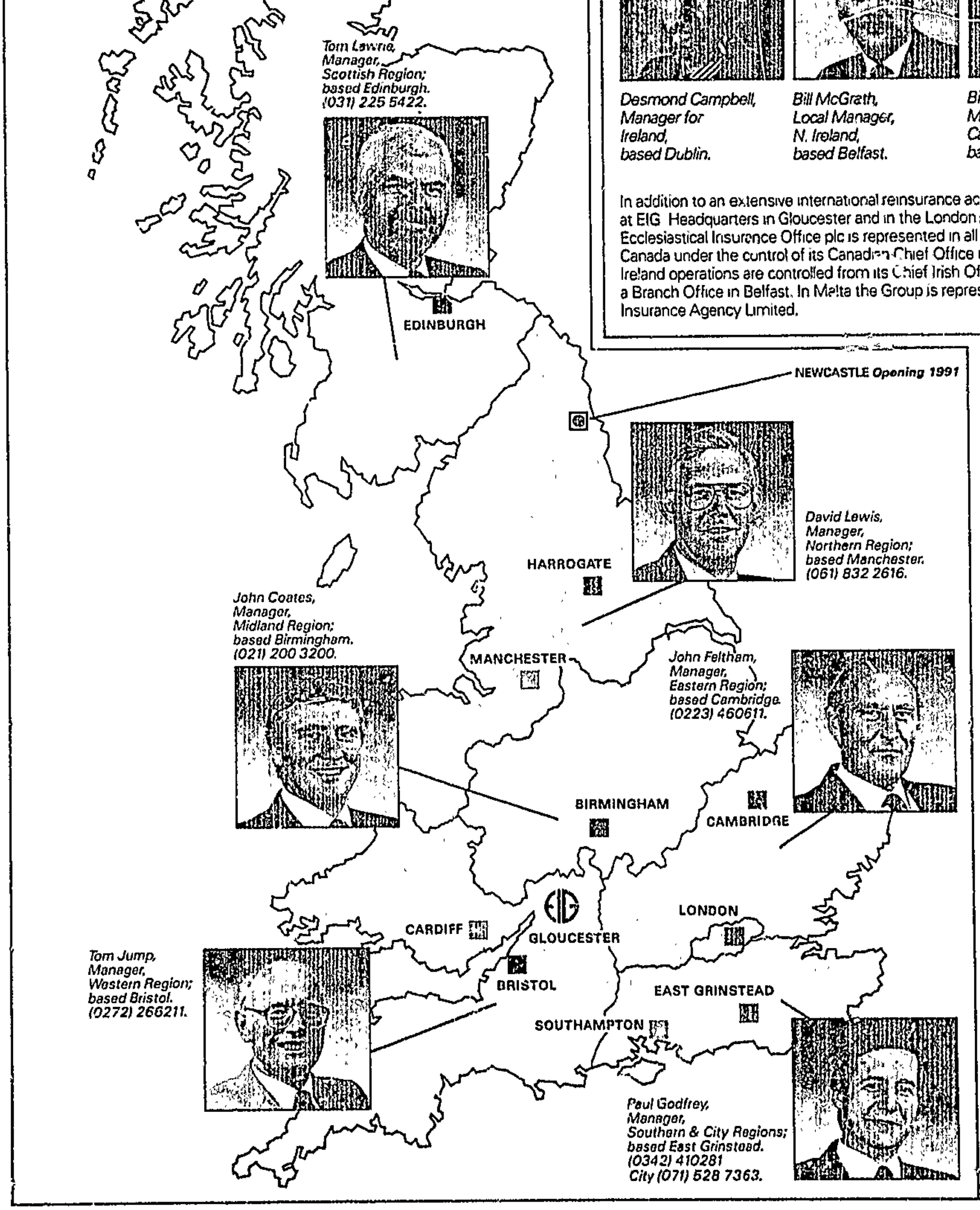
In addition there are five other wholly-owned subsidiary undertakings whose assets and contribution to group income are not significant.

(ii) Incorporated and operating in the Republic of Ireland:			
Rei Investments Limited	Ordinary shares		100%

Associated Undertaking

Incorporated in Scotland:

St. Andrew Trust plc	Ordinary shares		40.3%
	5.25% (now 3.675% plus tax credit) Cumulative Preference stock		15.5%



Desmond Campbell, Manager for Ireland, based Dublin.

Bill McGrath, Local Manager, N. Ireland, based Belfast.

Bill Breckles, Manager for Canada, based Toronto.

In addition to an extensive international reinsurance account written at EIG Headquarters in Gloucester and in the London Market. Ecclesiastical Insurance Office plc is represented in all provinces of Canada under the control of its Canadian Chief Office in Toronto. In Ireland operations are controlled from its Chief Irish Office in Dublin with a Branch Office in Belfast. In Malta the Group is represented by SMS Insurance Agency Limited.

Branches and Agencies

England and Wales

London

Regional Manager: T.P.H. Godfrey ACII MIAS
Manager of City Office: D.S. Bullock ACII

Regional Office: 19/21 Billiter Street, London EC3M 2RY
Tel. 071 528 7363

Eastern

Regional Manager: J.M. Feltham ACII
Assistant Regional Manager: J.N. Farrow

Regional Office: Abbeygate House, 164-167 East Road, Cambridge CB1 1DB
Tel. 0223 460611

Midland

Regional Manager: J.M. Coates ACII
Assistant Regional Manager: P.T. Bloxham ACII

Regional Office: Berwick House, 35 Livery Street, Birmingham B3 2PB
Tel. 021 200 3200

Northern (including Isle of Man)

Regional Manager: D.J. Lewis ACII
Deputy Regional Manager: R.W.Marshall FCII
Branch Manager (Manchester): J.M. Lindsey

7 Cambridge Road, Harrogate,
North Yorkshire HG1 1PB
Tel. 0423 524221

Lincoln House, 1 Brazennose Street,
Manchester M2 5FJ
Tel. 061 832 2616

Southern (including Channel Islands)

Regional Manager: T.P.H. Godfrey ACII MIAS
Deputy Regional Manager: S.F. Cakebread
Branch Manager (East Grinstead): D.M.F. Byrne FCII

Kings House, 13/21 Cantelupe Road,
East Grinstead, Sussex RH19 3BE
Tel. 0342 410281

Adyar House, 32 Carlton Crescent,
Southampton SO1 2ZB
Tel. 0703 634488

Western (including Isles of Scilly)

Regional Manager: T.B. Jump FCII
Deputy Regional Manager: C.J. Langton
Branch Manager (Cardiff): P. March

Kings Court, King Street,
Bristol BS1 4HW
Tel. 0272 266211

Riverside House, 31 Cathedral Road,
Cardiff CF1 9HB
Tel. 0222 223983

Scotland

Regional Manager: T.G. Lawrie ACII
Assistant Regional Manager: A.M.M. Fraser
Regional Office: 55 North Castle Street, Edinburgh EH2 3QA
Tel. 031 225 5422

Branches and Agencies

Ireland

65 Fitzwilliam Square, Dublin 2
Tel. Dublin 687033

Manager for Ireland: D.E. Campbell

Friends Provident Building, 58 Howard Street, Belfast BT1 6PH
Tel. Belfast 233130

Local Manager: W.C.McGrath ACII

Canada

Chief Office: 2300 Yonge Street, Toronto, Ontario M4P 1E4

Advisory Board: C. Alan McLintock, B.V. Day, D.W. Stapleton, P.C. Mangin, W.T. Breckles, M.E.T. Payne, Prof. W. Waters, D. Stovel

Manager for Canada: W.T. Breckles, BSc (HONS), MBA

Maritimes Office: 255 Lacewood Drive, Halifax, Nova Scotia B3M 4G2

Manager: H. Meek

British Columbia Office: 545 Clyde Avenue, West Vancouver, British Columbia V7T 1C5

Manager: Miss D. Burcham

Newfoundland: c/o R.C. Anthony Insurance Agency Inc., P.O. Box 8130, Kenmount Road, St. John's, Newfoundland A1B 3N2

Provincial General Agent: R.C. Anthony

Quebec: c/o Société de Courtage Meloche Limitée, 500 Réné Levesque Blvd West, Montreal, Quebec H2Z 1Y4

Provincial General Agent: Robert Di Marco

Malta

Underwriting Agents: SMS Insurance Agency Ltd., 33 Tower Road, Sliema, Malta

Financial Summary

	10 months 31.12.1990 £000	*1990** *£000*	*1989** *£000*	*1988** *£000*	*1987** *£000*
Premium income					
Gross written premiums					
General business	90,644	*99,098*	*83,518*	*68,737*	*58,800*
Long term business	25,806	*36,990*	*24,567*	*15,288*	*13,254*
Total	116,450	*136,088*	*108,085*	*84,025*	*72,054*
Net written premiums					
General business	56,132	*62,447*	*55,100*	*47,816*	*41,336*
Long term business	23,628	*36,769*	*24,387*	*15,107*	*13,113*
Total	79,760	*99,216*	*79,487*	*62,923*	*54,449*
Summary of results					
Profit/(loss) before taxation	115	*3,995*	*8,163*	*(318)*	*3,399*
Taxation	(8)	*1,423*	*3,855*	*(21)*	*1,274*
Profit/(loss) after taxation	123	*2,572*	*4,308*	*(297)*	*2,125*
Minority interests	8	*(90)*	–	–	–
	115	*2,662*	*4,308*	*(297)*	*2,125*
Transfer to general reserve	–	–	*1,500*	–	–
Preference dividends of a subsidiary	306	*306*	*307*	*307*	*307*
Dividends to parent company	450	*1,350*	*1,460*	*300*	*170*
Charitable covenants net of tax relief	–	*122*	*122*	*41*	*512*
	756	*1,778*	*3,389*	*648*	*989*
Retained profit/(loss)	(641)	*884*	*919*	*(945)*	*1,136*
Capital and reserves	26,426	*41,230*	*35,509*	*27,665*	*35,714*
Insurance funds					
General business	77,483	*68,485*	*54,498*	*52,067*	*41,107*
Long term (mutual) business	100,895	*104,587*	*97,939*	*86,043*	*82,494*
Long term (non mutual) business	64,223	*58,652*	*41,600*	*29,479*	*21,794*
	242,601	*231,724*	*194,037*	*167,589*	*145,395*

* Years to end of February

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