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**Ecclesiastical Underwriting Management Limited  
Report and Accounts  
31 December 1999**



## Report and Accounts 31 December 1999

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## **Directors and Officers**

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<b>Directors</b>	G. V. Doswell (Chairman)  K. P. Cannon  G. A. Prescott
<b>Company Secretary</b>	R. W. Clayton
<b>Auditors</b>	Deloitte & Touche, Stonecutter Court, 1 Stonecutter Street, London, EC4A 4TR
<b>Registered Office</b>	Beaufort House, Brunswick Road, Gloucester, GL1 1JZ
<b>Company Registration Number</b>	2368571

## Directors' Report

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The directors present their report and financial statements for the year ended 31 December 1999.

### Principal activity

The principal activity of the company is the provision of underwriting management and ancillary services.

### Results and Review

The results for the year are shown on page 6 and the position at the year end is shown on the balance sheet on page 7.

The level of business and the year end financial position were satisfactory and the directors expect that the present level of activity will be sustained for the foreseeable future.

### Dividend

The directors do not recommend the payment of a dividend for the year ended 31 December 1999 (Nil).

### Future Prospects

The directors consider that the company is well placed to perform satisfactorily in the future.

### Directors

The directors of the company at the date of this report are stated on page 2.

### Directors' interests

The interests of the directors, all of which are beneficial, in the 2.8% First Cumulative Preference shares of £1 each in Ecclesiastical Insurance Office plc, a subsidiary of the company's ultimate parent company are as follows:-

Directors	Interest at 31.12.1999	Interest at 1.1.1999
G. V. Doswell	500	500
K. P. Cannon	-	-
G. A. Prescott	1,000	1,000

No director had an interest in any other shares or debentures of the group. There has been no change in these interests since the end of the financial year to the date of this report. No contract of any significance subsisted during or at the end of the financial year in which a director was or is materially interested.

### Year 2000

Following their initial review, the directors continue to be alert to the potential risks and uncertainties surrounding the year 2000 issue. As at the date of this report, the directors are not aware of any significant factors which have arisen, or that might arise, which will affect the activities of the business; however the situation is still being monitored. Any future costs associated with this issue cannot be quantified but are not expected to be significant.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements which give a true and fair view of the state of affairs of the company and of its profit or loss for the financial year and which comply with the provisions of the Companies Act 1985.

In preparing those financial statements, the directors confirm that suitable accounting policies have been used and applied consistently, and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 December 1999. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for ensuring that the company keeps proper accounting records which disclose with reasonable accuracy, at all times, the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent fraud and other irregularities.

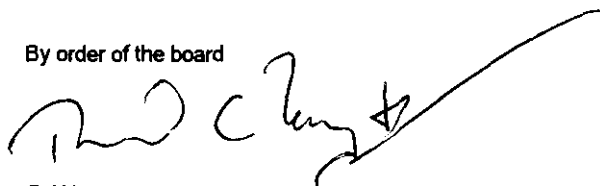
## Directors' Report

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### Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Deloitte & Touche be re-appointed as auditors of the company will be put to the annual general meeting.

By order of the board

A handwritten signature in dark ink, appearing to read 'R. W. Clayton', with a long, sweeping horizontal stroke extending to the right.

R. W. Clayton

*Secretary*

4 May 2000

## Auditors' Report

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To the members of Ecclesiastical Underwriting Management Limited.

We have audited the financial statements on pages 6 to 10 which have been prepared in accordance with the accounting policies set out on page 8.

### Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

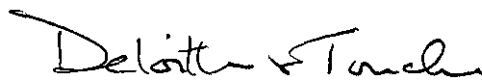
### Basis of opinion

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

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 31 December 1999 and of the company's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and Registered Auditors

Stonecutter Court  
1 Stonecutter Street  
London  
EC4A 4TR

4 H. May 2000

# Ecclesiastical Underwriting Management Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1999

	Notes	1999 £	1998 £
<b>Continuing operations</b>			
Turnover	2	688,695	715,469
Administrative expenses	3	703,187	715,451
<b>Operating (loss)/profit</b>		<b>(14,492)</b>	<b>18</b>
 Other interest receivable		 <b>12,411</b>	 <b>43,336</b>
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(2,081)</b>	<b>43,354</b>
 Tax on profit on ordinary activities	7	 <b>391</b>	 <b>17,710</b>
<b>Retained (loss)/profit for the financial year</b>	9	<b>(2,472)</b>	<b>25,644</b>

The company had no recognised gains or losses during the current financial year and preceding financial year other than those included in the profit and loss account.

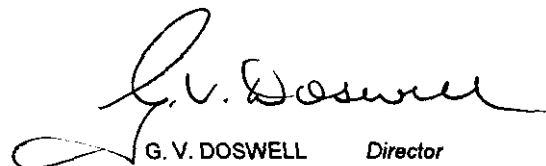
# Ecclesiastical Underwriting Management Limited

## BALANCE SHEET

at 31 December 1999

	Notes	1999 £	1998 £
<b>Fixed assets</b>			
Tangible assets	8	5,180	14,701
<b>Current assets</b>			
Trade debtors		1,219,570	1,170,713
Other debtors		-	45,532
Pre-payments and accrued income		43,408	56,210
Cash at bank and in hand		307,815	79,229
		<b>1,570,593</b>	<b>1,351,684</b>
<b>Creditors</b>			
Amounts falling due within one year :			
Trade creditors		-	217,574
Amounts owed to parent and fellow subsidiary undertakings		918,130	430,848
Other creditors		9,050	52,078
Corporation tax		3,037	17,857
		<b>930,217</b>	<b>718,357</b>
<b>Net current assets</b>		<b>640,376</b>	<b>633,327</b>
<b>Net assets</b>		<b>645,556</b>	<b>648,028</b>
<b>Capital and reserves</b>			
Called up share capital	9	500,000	500,000
Profit and loss account	9	145,556	148,028
<b>Total equity shareholders' funds</b>	10	<b>645,556</b>	<b>648,028</b>

The financial statements on pages 6 to 10 were approved by the board of directors on 4 May 2000 and signed on their behalf by

  
G. V. DOSWELL Director



## Notes to the Accounts

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### 1 Accounting policies

- (a) The accounts of the company are prepared under the historical cost convention and in accordance with applicable accounting standards.
- (b) Assets and liabilities in overseas currencies are translated at the rate of exchange ruling at the balance sheet date.

Revenue in overseas currencies is stated at the rate ruling on the balance sheet date or, where appropriate, at the actual rate obtained on exchanging each currency remittance for sterling. Resultant gains or losses are included in balances owed to parent and fellow subsidiary undertakings.

- (c) Expenditure on office equipment and motor vehicles is capitalised and depreciated on a straight line basis over their estimated useful lives of two and five years respectively.
- (d) Pension costs are charged so as to spread the long term cost over the expected service lives of employees.

### 2 Turnover

Turnover represents the UK revenue receivable by the company for underwriting and administrative services.

### 3 Administrative expenses

Administrative expenses include depreciation of £9,521 (£14,853).

### 4 Employee Information

	1999	1998
	No.	No.
Average number of employees	5	7
	£	£
Wages and salaries	250,737	282,254
Social security costs	23,999	19,742
Pension costs	30,128	32,554
	<u>304,864</u>	<u>334,550</u>

Pension liabilities are dealt with by payment to the Ecclesiastical Insurance Office plc Staff Retirement Benefit Fund in accordance with group policy. The group operates a defined benefit scheme the details of which are disclosed in the accounts of Ecclesiastical Insurance Office plc.

### 5 Directors' emoluments

One director, who was not the chairman, received emoluments from the company amounting to £164,430 (£154,962) including pension contributions of £14,304 (£14,160). The other directors, who were also directors of the company's fellow subsidiary company, Ecclesiastical Insurance Office plc, received emoluments from that company.

Three executive directors were members of the group's defined benefit pension scheme during the year (3).

### 6 Auditors' remuneration

The remuneration of the auditors amounted to £3,000 (£2,996) in respect of audit work.

### 7 Taxation

The charge for tax in the profit and loss account is in respect of corporation tax at 20.25% (31%).

The tax charge is high due to permanent differences.

## Notes to the Accounts

### 8 Tangible fixed assets

	Office Equipment £	Motor Vehicles £	Total £
Cost			
At 1 January 1999 and at 31 December 1999	189,742	24,850	214,592
Depreciation			
At 1 January 1999	175,041	24,850	199,891
Charge in year	9,521	-	9,521
At 31 December 1999	184,562	24,850	209,412
Net book value			
At 1 January 1999	14,701	-	14,701
At 31 December 1999	5,180	-	5,180

### 9 Share capital and reserves

	1999 £	1998 £
<i>Share capital</i>		
Authorised, allotted, issued and fully paid 500,000 Ordinary shares of £1 each	500,000	500,000
<i>Profit and loss account</i>		
Balance 1 January 1999	148,028	122,384
Retained (loss)/profit for the financial year	(2,472)	25,644
Balance 31 December 1999	145,556	148,028

### 10 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
(Loss)/profit for the financial year	(2,472)	25,644
Opening shareholders' funds	648,028	622,384
Closing shareholders' funds	645,556	648,028

### 11 Capital commitments

The company had no capital commitments at 31 December 1999 (Nil).

## Notes to the Accounts

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### 12 Parent company

The company is a wholly owned subsidiary of Ecclesiastical Insurance Group plc. Its ultimate parent company and controlling party is Allchurches Trust Limited. Both companies are incorporated and operate in Great Britain.

Copies of the group accounts for both companies are available from the registered office of the company as shown on page 2.

In accordance with the exemption available under Financial Reporting Standard 8 'Related Party Disclosures', no disclosure is given of transactions with group companies.