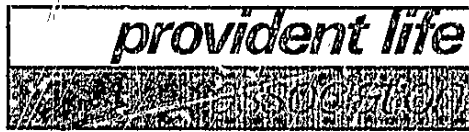


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Provident Life

Association of London Limited

Report and Accounts 1982

PROVIDENT LIFE Association of London Limited

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PROVIDENT LIFE Association of London Limited

PRESIDENT

Reginald J. W. Crabbe, F.I.A.

BOARD OF DIRECTORS

David H. Radley, F.I.A. (*Chairman*)

Dr. Silvio B. Caflisch

Sir John Colville, C.B., C.V.O.

Reginald J. W. Crabbe, F.I.A.

R. Anthony F. Ostime, F.I.A.

Bruce E. Radley, F.I.A., A.S.A.

Dr. Hans R. Studer

The Rt. Hon. Lord Trend, P.C., G.C.B., C.V.O.

UNITED STANDARD Insurance Company Limited

BOARD OF DIRECTORS

David H. Radley, F.I.A. (*Chairman*)

J. Donall Fox, F.C.A.

Eric E. Holland

R. Anthony F. Ostime, F.I.A.

Bruce E. Radley, F.I.A., A.S.A.

PROVIDENT GROUP

STATEMENT BY THE CHAIRMAN

Long-term business

Long-term new business started slowly in 1982 but improved during the year to end with a record final quarter. New annual premiums for life assurance increased from £2.5 million to £2.7 million, and for pensions business from £0.6 million to £0.8 million, giving an increase of 11 per cent. on the total of the previous year. Single premiums increased from £0.56 million to £1.09 million.

During the year we have introduced several product variations which have enabled us to maintain our mortgage-related sources of business, and to increase both our unit-linked and individual pension business. In December we extended our special bonus concept to all with profits policies in the compound series, and increased the special bonus rates on those declared in the previous year.

At the end of the year the long-term funds stood at £122.2 million and the investment reserve at £20.3 million compared with the 1981 figures of £112.4 million and £7.6 million. Mortgage investments were reduced by £5 million, and this and the other cash flow was invested as to 55 per cent. in government securities and 45 per cent. in ordinary shares and property. The gross rate of interest earned on the long-term funds rose to 9.80 per cent. compared with 9.43 per cent. in 1981.

The expenses during the year were £6.8 million compared with £6.1 million in the previous year, an increase of 11 per cent. Commission was little altered at £1.3 million.

The annual valuation was carried out by the actuary on bases similar to the previous year except that the rate of interest assumed in the valuation of life assurance policies and with profits pure endowment policies in the pensions business fund was raised by 0.25 per cent. The surplus emerging in 1982, including a transfer of £1.5 million from investment reserve totalled £7.3 million. This provided £6.8 million for the cost of the ordinary and special reversionary bonuses at the annual declaration at the end of 1982 and an increase to the valuation surplus carried forward of £0.5 million. At the end of the year the life assurance contingency fund of £2 million, the valuation surplus carried forward of £1.6 million and the investment reserve of £20.3 million provided valuable additional protection to policyholders.

General insurance business

The premium income of United Standard Insurance Company Limited, which transacts the general business of the group, was virtually unchanged at £4.7 million.

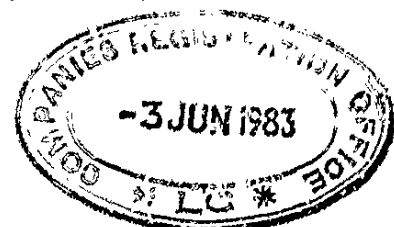
Underwriting losses in the property and accident account in respect of business currently being written were £332,000. This was due to the bad weather of early 1982 and in respect of the commercial and industrial business, to competitive pressures and an increase in large fire claims. The effect of low volume was again experienced in the motor account on which the underwriting loss was £357,000. Also, in respect of liability policies written some 20-30 years ago on risks outside the United Kingdom, an increase of £264,000 was made in our reserves, and in addition a special provision of £1.3 million has been set up in order to cover the possibility of an adverse outcome of litigation in the United States. This latter provision was covered by a transfer from Investment Reserve.

Investment income was slightly increased at £760,000, and the overall loss resulting was £214,000 compared with a profit in the previous year of £355,000.

Profit and loss account

The transfers from the long term funds were £710,000 compared with £623,000 in the previous year. Profits of the parent Company's shareholders' fund (after charging Advance Corporation Tax) were unchanged at £52,000 and the loss from the general business was £214,000 compared with a profit of £355,000.

The group profits after tax were therefore £548,000 compared with £1,030,000 in the previous year.



1983

The long-term new business in the first quarter of 1983 has set a new record with new annual premiums of £1.26 million, an increase of 70 per cent. on the corresponding figure of the previous year. Single premiums were £1.63 million compared with £0.22 million in the previous year. A large part of this improvement is due to sales of mortgage-related business and reflects the improvement in the house market and the recent introduction of mortgage interest relief at source.

The Life Offices' Association commission agreement, to which the company adhered throughout, came to an end at 31st December, 1982, and in consequence the initial commission rates have been increased for full-time intermediaries and for registered brokers. This has been necessary to maintain our business, but is unwelcome in that any increase in costs must eventually fall on the policyholders either by way of increased premiums or by way of a reduction in bonus prospects.

Our main computer equipment is being replaced during the year and this will enable us to handle increased volumes of business and continue the excellent progress of recent years in making economies and improving our service.


Directors

It is with great pleasure that I record the appointment to the Board from July, 1982 of Dr. Silvio B. Caffisch, a Manager of Winterthur Swiss Insurance Company, whose links with the Company date back to 1967 when Winterthur first acquired an interest in it.

Staff

In December we announced to the staff our intention to move the Head Office from our London and Ascot premises to a new building in Basingstoke in 1985. The relocation is to enable us to expand efficiently and economically and we have given the earliest possible notice of this move so that the disruption to the staff and the company may be minimised.

In conclusion I should like to express on behalf of my fellow directors and myself my thanks to all the staff for their efforts in 1982, and to wish them every success in 1983.

 Chairman

PROVIDENT LIFE Association of London Limited

DIRECTORS' REPORT

for the year ended 31st December, 1982

The Directors have pleasure in presenting their Report for the One Hundred and Fifth Year of the Company's business.

PRINCIPAL ACTIVITIES

The principal activities of the Company and of its wholly-owned subsidiary, the United Standard Insurance Company Limited, are respectively the transaction of Long-Term Insurance Business and General Insurance Business in the United Kingdom.

LONG-TERM INSURANCE

New Long-Term Insurance Business written during the year (after deduction of reinsurance) was as follows:—

	1982	1981
Number of policies	13,575	12,429
	£000	£000
Annual premiums	3,499	3,138
Single premiums	1,098	565
Sums assured	212,698	182,742
Annuities per annum	518	426

Premiums for the year amounted to £18,289,836 (1981—£17,210,282).

Investment income totalled £10,990,866 (1981—£9,773,800) and the gross rate of interest earned on the Long-Term Insurance Funds was 9.80 per cent. (1981—9.43 per cent.).

Mortgage advances on house property outstanding at the end of the year amounted to £47.3 million. The average amount of each advance outstanding was £3,940.

Bonus declarations—Reversionary bonuses upon with-profits policies in the participating fund were declared for the year 1982 at the following rates:—

Life Assurance Policies:—

(i) Compound Bonus series—£4.40 ordinary and £0.50 special for each £100 of policy and existing bonuses.

(ii) Simple Bonus series—£5.25 for each £100 of policy and a final bonus on policies becoming claims by maturity or death in 1983. For normal whole life or endowment assurance policies the final bonus will be 15 per cent. of all previous bonus additions.

Policies in the Pensions Business Fund:—

(i) £3.65 ordinary and £1.85 special for each £100 of policy and existing bonuses on individual pure endowment and term assurances and the Selective Pension Plan.

(ii) £3.65 ordinary and £1.00 special for each £100 of policy and existing bonuses on all other pure endowment assurances.

The annual valuation of the liabilities of the Long-Term Insurance Business as at 31st December, 1982 has been made by the Actuary. Life assurances were valued by the net premium method using the A. 1967-70 mortality table adjusted in certain cases for female lives and interest rates of 3¼ per cent. per annum for with-profits assurances, 4¼ per cent. for simple bonus additions thereon, 3¼ per cent. for compound bonus additions thereon, and 5 per cent. for without-profits assurances, with additional reserves for some of our policies. For life assurances the premiums were modified in order to reduce new business strain. Annuities were valued on the a(55) mortality table using interest of 5 per cent. for without-profits policies, 3½ per cent. for with-profits policies and 5 per cent. for bonus additions

PROVIDENT LIFE Association of London Limited

thereon. Pure endowment assurances in the Pensions Business Fund were valued by the net premium method at 5½ per cent. for with-profits policies and 7½ per cent. for without-profits policies. Credit was taken for the Long-Term Insurance Funds at the value shown in the balance sheet.

The valuation showed a surplus at the end of the year as follows:—

	1982 £	1981 £
Balance of surplus brought forward from previous year:		
Life Assurance Contingency Fund	2,000,000	2,000,000
Valuation surplus	1,117,598	1,104,881
Transferred from Investment Reserve	1,450,000	800,000
Increase in value of linked assets	54,168	50,000
Surplus arising in year	5,804,481	4,743,812
Surplus at the end of the year	<u>£10,426,247</u>	<u>£8,698,693</u>

Acting on the advice of the Actuary, the Directors have allocated the surplus as follows:—

	1982 £	1981 £
To policyholders	6,085,947	4,958,316
To Profit and Loss Account:		
Shareholders' share of divisible profits	480,143	392,779
Non-divisible profits	230,000	230,000
Balance of surplus carried forward unappropriated:		
Life Assurance Contingency Fund	2,000,000	2,000,000
Valuation surplus	1,630,157	1,117,598
	<u>£10,426,247</u>	<u>£8,698,693</u>

GENERAL INSURANCE

The accounts of the subsidiary show:—

	1982 £000	1981 £000
Premiums written	4,689	4,775
Investment income	760	728
Underwriting results	(958)	(343)
Expenses	(16)	(30)
Profit/(Loss) after taxation	<u>(214)</u>	<u>355</u>

PROFIT AND LOSS ACCOUNT

The consolidated profit for the year after taxation was £548,000 (1981—£1,030,000).

	1982 £000	1981 £000
Parent company	762	675
Subsidiary	(214)	355
Profit after taxation	548	1,030
Transferred from Investment Reserve	250	(200)
Preference dividend	(2)	(3)
Profit attributable to ordinary shareholders	796	827
Ordinary dividends (payable and proposed)	672	618
Added to Retained Profits and Reserves	<u>124</u>	<u>209</u>

PROVIDENT LIFE Association of London Limited

SHARE CAPITAL

At an Extraordinary General Meeting of the company held on 22nd July, 1982 a special resolution was passed (previously sanctioned by the Ordinary, Deferred and Preference Shareholders) which (a) converted every 100 Ordinary shares of 1p each into 1 Ordinary share of £1 (b) converted every 4 Deferred shares of 25p each into 1 Ordinary share of £1 (c) converted every Preference share of £5 each into 5 Ordinary shares of £1 each, and (d) created 63,700 new Ordinary shares of £1 each. The sum of £63,700 was transferred from unappropriated profits in respect of this capitalisation issue. This resulted in the share capital of the Company being 1,400,000 Ordinary shares of £1 each ranking *pari passu* in all respects.

DIVIDENDS

The Directors have recommended the payment of a final dividend of 26p per Ordinary share on 16th May, 1983. This together with the interim dividend paid on 4th January, 1983 of 22p per Ordinary share makes a total of 48p for the year 1982 costing £672,000 (1981—£618,000).

BOARD

The Board of Directors of the Company is as set out on page 2. Mr. John D. Profumo retired in April, 1982. Since the last Annual General Meeting Dr. S. B. Caffisch was appointed to the Board in July, 1982 and in accordance with the Articles of Association retires and being eligible offers himself for re-election. Sir John Colville and Mr. R. J. W. Crabbe retire by rotation and being eligible also offer themselves for re-election.

INTERESTS OF DIRECTORS

According to the Register of Directors' Share Interests none of the Directors had any interest in the shares of the Company at 31st December, 1982.

EMPLOYMENT OF DISABLED PERSONS

It is the Company's policy to:—

- (a) give full and fair consideration to all applications for employment, regard to disability only being given where such disablement could affect their competence to perform a task or where health and safety factors are a consideration,
- (b) retain whenever possible any member of staff who may have become disabled and to provide such training or re-training as may be appropriate,
- (c) provide the same training, career development and promotion opportunities to disabled employees as is offered to other employees, having regard to any disability outlined in (a) above.

OTHER MATTERS

The average number of persons employed during the year by the Group under contracts of service in each week was 568 (1981—568) and the aggregate remuneration for the year was £4,397,900 (1981—£3,956,847).

Charitable donations amounting to £1,829 (1981—£1,778) were made by the Group during the year. A resolution will be put to the members of the Company at the Annual General Meeting proposing the re-appointment of Deloitte Haskins & Sells as auditors for the ensuing year.

By Order of the Board,


Secretary

266 Bishopsgate, London EC2M 4QP
28th April, 1983.

PROVIDENT LIFE Association of London Limited

Revenue Accounts for the year ended 31st December, 1982

	Note	£000	1982 £000	1981 £000
Long Term Insurance				
Funds at beginning of year:				
Long-Term Insurance Funds			110,414	101,703
Life Assurance Contingency Fund			2,000	2,000
			<u>112,414</u>	<u>103,703</u>
Premiums			18,290	17,210
Investment income	1 (e)		10,991	9,774
			<u>141,695</u>	<u>130,687</u>
Claims incurred:				
Death		1,872		1,739
Maturity		3,303		4,283
Surrenders		5,015		2,932
Annuities		1,169		1,173
Commission		1,383		1,344
Expenses		6,814		6,117
Taxation	2	709		912
		<u>20,265</u>		<u>18,500</u>
Transferred to Consolidated Profit and Loss Account:				
Life Assurance Fund—				
Shareholders' share of divisible profits		480		333
Non-divisible profits		230		230
			<u>20,975</u>	<u>19,123</u>
Transferred from Investment Reserve	3		1,450	800
Change in value of investments of Unit Fund (after adjustment for taxation)			54	50
Funds at end of year			<u><u>122,224</u></u>	<u><u>112,414</u></u>

PROVIDENT LIFE Association of London Limited

	Note	1982 £000	1981 £000
Property and Accident			
Premiums			2,810
Increase in unearned premiums			(82)
Premiums earned			<u>2,728</u>
Claims incurred		2,031	1,660
Commission		451	421
Expenses		838	829
Exchange deficit	1 (f) (i)	(121)	(92)
			<u>2,818</u>
Transferred to Consolidated Profit and Loss Account		(Loss) 3,199	(Loss) (90)
Motor			
Premiums			1,959
Decrease in unearned premiums			13
Premiums earned			<u>1,972</u>
Claims incurred		1,362	1,261
Commission		348	349
Expenses		718	621
			<u>2,231</u>
Transferred to Consolidated Profit and Loss Account		(Loss) 2,428	(Loss) (259)
Marine			
Fund at beginning of year			28
Premiums			6
			<u>34</u>
Claims paid		10	7
Expenses		5	5
Exchange deficit	1 (f) (i)	(1)	(3)
Fund at end of year		<u>10</u>	<u>19</u>
			<u>28</u>
Transferred to Consolidated Profit and Loss Account		(Loss) 24	(Profit) 6

PROVIDENT LIFE Association of London Limited

Consolidated Profit and Loss Account for the year ended 31st December, 1982

	Note	1982 £000	1981 £000
Transferred from Revenue Accounts:			
Life Assurance Fund (after taxation)			393
Shareholders' share of divisible profits		480	230
Non-divisible profits		230	(90)
Property and Accident		(596)	(259)
Motor		(357)	6
Marine		(5)	
		<u>(248)</u>	<u>280</u>
Special Provision	11	(1,300)	—
Transferred from Investment Reserve		<u>1,300</u>	—
		—	—
Investment income			899
Miscellaneous profits			29
			<u>912</u>
			<u>30</u>
			<u>694</u>
			<u>1,208</u>
Expenses			46
Taxation	2		132
			<u>178</u>
Profit after taxation			1,030
(dealt with in accounts of parent company £762,000 (1981—£675,000))			
Transferred from/(to) Investment Reserve			(200)
			<u>798</u>
			<u>830</u>
Dividends:			
Preference			3
Ordinary (see Directors' Report)			333
Interim, paid 4th January, 1983			285
Proposed final			
			<u>674</u>
			<u>621</u>
Retained profit			<u>124</u>
			<u>209</u>

PROVIDENT LIFE Association of London Limited

Balance Sheets as at 31st December, 1982

	Note	1982		1981	
		Group £000	Company £000	Group £000	Company £000
Capital and Reserves					
Share Capital	9	1,400	1,400	1,336	1,336
Retained profits and reserves		1,689	1,689	1,628	1,628
Investment Reserve	1 (d)	489	353	507	127
		<u>3,578</u>	<u>3,442</u>	<u>3,471</u>	<u>3,091</u>
Insurance Funds and Liabilities					
Property and Accident—Unearned premiums		1,019	—	985	—
Outstanding claims	10	2,035	—	1,766	—
Special provision	11	1,300	—	—	—
Motor—Unearned premiums		794	—	813	—
Outstanding claims	10	1,708	—	1,449	—
Marine Fund		10	—	19	—
		<u>6,866</u>	<u>—</u>	<u>5,037</u>	<u>—</u>
Other Liabilities					
Sundry Creditors		252	26	196	—
Taxation		105	105	104	104
Dividends payable and proposed		672	672	287	287
		<u>11,473</u>	<u>4,245</u>	<u>9,090</u>	<u>3,492</u>
Long-Term Insurance per separate Balance Sheet		<u>145,040</u>	<u>145,040</u>	<u>122,074</u>	<u>122,074</u>
		<u>156,513</u>	<u>149,285</u>	<u>131,164</u>	<u>125,556</u>
Investments					
	1 (c)				
British Government Securities		5,364	462	3,882	—
Other Fixed Interest Securities		1,231	13	907	10
Preference Shares		526	519	441	435
Ordinary Shares		750	699	815	776
		<u>7,871</u>	<u>1,693</u>	<u>6,045</u>	<u>1,221</u>
Market Value					
Freehold property including Company's offices		1,029	—	926	—
Mortgages on house property		20	—	32	—
		<u>8,920</u>	<u>1,693</u>	<u>7,003</u>	<u>1,221</u>
Investment in subsidiary	13	—	1,587	—	1,551
		<u>8,920</u>	<u>3,280</u>	<u>7,003</u>	<u>2,772</u>
Current Assets					
Sundry Debtors		1,141	67	1,123	53
Taxation		190	—	130	—
Due from Long-Term Fund		714	714	612	612
Due from Subsidiary Company		—	3	—	2
Deposits		353	105	167	30
Balance at Bankers		155	76	55	13
		<u>11,473</u>	<u>4,245</u>	<u>2,090</u>	<u>3,482</u>
Long-Term Insurance per separate Balance Sheet		<u>145,040</u>	<u>145,040</u>	<u>122,074</u>	<u>122,074</u>
		<u>156,513</u>	<u>149,285</u>	<u>131,164</u>	<u>125,556</u>

The notes and signatures on pages 14 to 17 are an integral part of these Accounts.

PROVIDENT LIFE Association of London Limited

Balance Sheet—Long-Term Insurance as at 31st December, 1982

	Note	1982 £000	1981 £000
Funds			
Long-Term Insurance Funds		120,224	110,414
Life Assurance Contingency Fund		2,000	2,000
Investment Reserve	1 (d)	20,332	7,663
		<u>142,556</u>	<u>120,077</u>
Current Liabilities			
Outstanding claims and annuities		455	342
Depositors		102	119
Due to Shareholders' Fund		714	612
Creditors		1,213	924
		<u>2,484</u>	<u>1,997</u>
		<u>145,040</u>	<u>122,074</u>
Investments			
	1 (c)		
British Government Securities		41,049	23,500
Other Fixed Interest Securities		959	1,584
Ordinary Shares		30,269	20,948
		<u>72,277</u>	<u>46,032</u>
Market Value			
Mortgages on house property and other loans within the United Kingdom		48,299	53,213
Freehold and leasehold property, including Company's offices		19,989	19,452
		<u>140,565</u>	<u>118,697</u>
Current Assets			
Debtors and Prepayments		336	223
Taxation		989	465
Outstanding premiums		323	380
Investment income accrued and outstanding		1,660	1,407
Deposits		945	500
Balances at Bankers		222	402
		<u>4,475</u>	<u>3,377</u>
		<u>145,040</u>	<u>122,074</u>

PROVIDENT LIFE Association of London Limited

Consolidated Statement of Source and Application of Funds

for the year ended 31st December, 1982

(Excluding Long-Term Insurance)

	1982 £000	1981 £000
Source of Funds		
Profit before taxation	667	1,162
Movement on Investment Reserve	1,532	(469)
Adjustments for:—		
Special Provision	(1,300)	—
Increase in General Insurance Funds and Liabilities	1,934	587
Increase/(Decrease) in Creditors	56	(35)
Increase in Debtors	(120)	(349)
	<u>2,669</u>	<u>896</u>
Application of Funds		
Dividends paid	288	877
Tax paid	178	125
	<u>466</u>	<u>1,002</u>
Changes in Investments and Net Liquid Funds		
Increase/(Decrease) in:—		
Investments and Deposits	2,103	(45)
Balances at Bankers	100	(61)
	<u>2,203</u>	<u>(106)</u>
	<u>2,669</u>	<u>896</u>

PROVIDENT LIFE Association of London Limited

Notes on the Accounts

1. Accounting Policies

(a) Disclosure Requirements

The group is not required to comply with the accounting and disclosure provisions of Part I of the Companies Act 1981; the financial statements are drawn up in accordance with Sections 149A and 152A of, and Schedule 8A to, the Companies Act 1948. The Group avails itself of certain of the exemptions from the disclosure requirements of the Companies Acts that are applicable to insurance companies.

(b) Basis of Consolidation

The consolidated accounts consist of the accounts of the parent company and its subsidiary made up to 31st December.

(c) Investments

(i) Listed securities have been valued at middle market value less accrued interest at 31st December, 1982. The market value of unlisted securities has been estimated by the Directors.

(ii) Mortgages and other loans are included at the amounts advanced.

(iii) Properties are shown at open market value less estimated selling costs. All valuations have been carried out within the last three years by external valuers who are all chartered surveyors. Where properties were not valued by them at 31st December, 1982, the directors consider the value at which they are included in the accounts to be fair.

(d) Investment Reserve

The following items are dealt with through the Investment Reserve.

(i) The net unrealised appreciation of the value of investments, as defined in (c) above, over cost at the year end and the profits and losses realised on the sale of investments (adjusted where appropriate for taxation thereon).

(ii) Expenditure on office furniture and additional motor cars is initially charged to this Reserve and written off in the year of purchase. Expenditure on computer equipment is also charged but amortised over its estimated useful life.

(e) Investment Income

Investment income comprises dividends due and receivable in the year (including related tax credits), and in the case of rents, interest from mortgages and fixed interest and preference securities, the income accruing on a day-to-day basis.

(i) General Insurance

(i) Exchange Rates

Assets and liabilities in foreign currencies have been translated at the rates ruling on 31st December, 1982. The revenue transactions have been translated at average rates prevailing during the year. The resultant exchange differences have been transferred to Investment Reserve.

(ii) Unearned Premiums

The provisions carried forward have been calculated on the 24ths basis with due allowance for commission.

(iii) Outstanding Claims

Full provision is made for the estimated cost, less reinsurance recoverable, of all claims notified but not settled at the date of the Balance Sheet, using the best information available at that time. Provision is also made for the cost of claims incurred but not reported until after the Balance Sheet date. Significant delays are experienced in both the notification and settlement of liability claims. Accordingly, a substantial measure of experience and judgement is required in assessing such outstanding claims, the ultimate cost of which cannot be known with certainty at the Balance Sheet date. Differences between the provisions for outstanding claims at a Balance Sheet date and subsequent revisions and settlements are included in the Revenue Account in later years.

(iv) Marine

The fund is considered to be sufficient to provide for all outstanding claims including those still to be reported.

PROVIDENT LIFE Association of London Limited

2. Taxation

The charge for taxation includes Income Tax at the basic rate and Corporation Tax at 52 per cent. for the year, subject to the statutory reliefs which reduce the effective rate of such tax to 37.5 per cent. on amounts reserved for long-term policyholders. The charge for taxation in the Long-Term Revenue Account and Consolidated Profit and Loss Account is made up as follows:—

	<i>Long-Term Revenue Account</i>		<i>Consolidated Profit and Loss Account</i>	
	1982	1981	1982	1981
Income Tax	£572,570	£786,140	£36,703	£34,921
Corporation Tax	136,071	126,131	25,638	36,283
Advance Corporation Tax	—	—	57,000	61,049
	<u>£708,641</u>	<u>£912,271</u>	<u>£119,341</u>	<u>£132,253</u>

Corporation tax losses carried forward by the subsidiary company amounted to approximately £1,377,000 (1981—£310,000).

3. Investment Reserve (Long-Term Insurance)

The sum of £1,450,000 transferred to the Long-Term Insurance Fund is made up of £1,675,000 less £225,000 in respect of the expenditure and amortisation referred to in note 1(d) (ii).

4. Directors' Remuneration

Directors' remuneration for the year was:—

	1982	1981
Fees	£30,992	£27,881
Other emoluments	137,721	47,176
Pensions paid to former Directors or their widows	15,659	12,778
	<u>£184,372</u>	<u>£87,835</u>
Chairman	£48,923	£9,788
Highest paid Director	—	£37,493

Number of Directors

<i>Other Directors by scale:</i>	1982	1981
Up to £5,000	5	6
Exceeding £5,000 up to £10,000	—	1
Exceeding £10,000 up to £15,000	1	—
Exceeding £15,000 up to £20,000	1	—
Exceeding £20,000 up to £25,000	1	—

5. Employees' Remuneration

The number of employees in the Group in receipt of emoluments in excess of £30,000 was as follows:

	1982	1981
Exceeding £30,000 up to £35,000	2	2

PROVIDENT LIFE Association of London Limited

Notes on the Accounts (continued)

6. Loans to Directors and Officers

(i) Directors (or connected persons)

Details of such loans are shown below. Policy loans, which are secured on life assurance policies, were made on the terms and conditions appertaining to all borrowers at the time the loans were made. Mortgage advances are loans made for the purpose of staff house purchase and are secured on the main residence of the borrower and life assurance policies. All due interest has been paid.

		Loan at 1.1.82	Maximum Loan during 1982	Loan at 31.12.82	Average rate of interest
Mrs. Valerie Profumo (Wife of Mr. J. Profumo)	Policy loan	£41,000	£41,000	—	7.76%
Mr. D. H. Radley	Mortgage advance	£7,500	£7,500	£7,500	2.9%
Mr. B. E. Radley	Mortgage advance	£35,500	£35,500	£32,500	6.7%
Mr. R. A. F. Ostime	Mortgage advance	£17,950	£17,950	£17,950	4.9%

(ii) Officers

Staff loans for the purposes of house purchase and loans in respect of season tickets existed as follows:—

Aggregate amount outstanding £128,456 Number of Officers 3.

7. Auditors' Remuneration

The remuneration of the auditors for the year amounted to £40,500 (1981—£40,500).

8. Staff Pension Fund

The Group's liabilities under the Staff Pension Fund are funded from the Revenue Accounts by normal contributions based on pensionable earnings (14 per cent. for males and 16 per cent. for females) with additional special contributions of £178,865 made up as follows:—

Parent company	£175,000 p.a. for 23 years from 1st January, 1983
Subsidiary company	£3,865 p.a. for 7 years from 1st January, 1983

9. Share Capital

The authorised, issued and fully paid-up share capital of the Company is made up as follows:—

	1982	1981
1,400,000 Ordinary Shares of £1 each	£1,400,000	—
20,000 3.5% (formerly 5% gross) Cumulative Preference Shares of £5 each	—	£100,000
4,755,000 Deferred shares of 25p each	—	1,188,750
4,755,000 Ordinary Shares of 1p each	—	47,550
	<u>£1,400,000</u>	<u>£1,335,300</u>

10. Outstanding claims

Outstanding claims in the Balance Sheet of the Group are made up as follows:—

	Property and Accident		Motor	
	1982	1981	1982	1981
Gross liabilities	£3,090,783	£2,134,636	£1,808,020	£1,558,110
Reinsurance recoverable	1,055,617	268,803	191,050	109,000
Net liabilities	<u>£2,035,166</u>	<u>£1,765,833</u>	<u>£1,707,970</u>	<u>£1,449,110</u>

PROVIDENT LIFE Association of London Limited

11. Special Provision

The subsidiary company is potentially liable on claims, arising from industrial diseases, under liability insurances effected approximately 25 years ago. There exist considerable uncertainties concerning the manner in which the company could be held liable. In the circumstances the company has set up a specific provision of £1,300,000 based on a prudent view of the loss which may have been incurred at 31st December, 1982.

12. Investments

(i) If the assets had been realised at the values referred to in note 1 (c) it is estimated that the additional liability to corporation tax would have been:—

	1982	1981
Long-Term Fund	—	—
Group (excluding Long-Term)	19,000	75,000
Company	19,000	3,000

(ii) Uncalled capital on investments held by the Company in the Long-Term Fund amounted to £314,490 (1981—£100,000) at the year end.


(iii) The Company has in the Long-Term Fund contracted for capital expenditure not provided for in these accounts of approximately £1,950,000 (1981—nil).

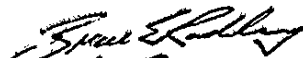
13. Investment in Subsidiary

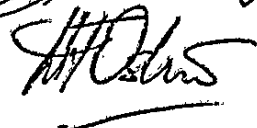
The investment in subsidiary represents the entire share capital of the United Standard Insurance Company Limited which has a wholly owned subsidiary the Vigilant Assurance Company Limited. The investment is shown in the Company's Balance Sheet at net asset value excluding Investment Reserve. The excess arising during the year amounting to £36,000 (1981—£155,000) has been credited to Retained Profits and Reserves.

14. Ultimate Holding Company

The ultimate holding company is Winterthur Swiss Insurance Company, a company incorporated and registered in Switzerland.

 Chairman.

 Director.

 Director.

266, Bishopsgate,
London EC2M 4QP

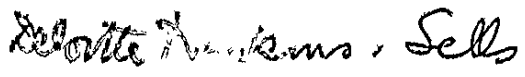
28th April, 1983.

Report of the Auditors

We have audited the financial statements on pages 8 to 17 for the year ended the 31st December, 1982 in accordance with approved Auditing Standards.

In our opinion the financial statements comply with the provisions of the Companies Acts 1948 to 1981 applicable to Insurance Companies.

London
28th April, 1983.


Deloitte Haskins & Sells
Chartered Accountants.

PROVIDENT LIFE Association of London Limited

MANAGEMENT

Managing Director D. H. Radley, F.I.A.
Deputy Managing Director and Actuary B. E. Radley, F.I.A., A.S.A.

Assurance Business and Data Processing

Assistant General Manager R. K. Muddle, F.C.I.I.
Joint Actuary F. W. Brooks, F.I.A.
Deputy Actuary G. V. Budd, F.I.A.
Deputy Life Manager J. T. Webster, F.C.I.I.
Assistant Manager (Pensions) D. L. Jones, A.C.I.I.
Assistant Life Manager B. A. Moss, A.C.I.I.
Assistant Life Manager J. D. Ridgway, A.C.I.I.
Assistant Life Manager R. M. Wheble, B.Sc., F.C.I.I.
Data Processing Manager R. A. Halligan
Assistant Data Processing Manager D. F. Griffith
Assistant Data Processing Manager A. G. Lord, A.I.D.P.M.

Sales Organisation

Deputy General Manager E. E. Holland
Sales Manager D. Corfield
Assistant Sales Manager B. I. Treadway, A.C.I.I., F.L.I.A.
Assistant Manager M. J. Hayter
Sales Training Manager J. S. Knight, A.C.I.I.
Assistant Sales Training Manager G. H. Dibnah, T.D.
Regional Manager B. T. J. Eades
Regional Manager N. J. Lister, F.L.I.A.
Regional Manager J. C. Porter

Investments

General Manager R. A. F. Oslime, F.I.A.
Investment Manager J. Shephard, B.A.

Secretarial and Accounts

Deputy General Manager and Secretary I. D. Fox, F.C.A.
Chief Accountant C. Wise, F.C.A.
Collection Department Manager J. T. Sully
Office Services Manager E. A. Thompson, B.Sc. (Econ.)
Staff Manager E. W. Lee, A.C.I.I.
Assistant Manager (Staff) J. J. Boutle, B.A., D.M.S.
Special Projects Manager M. A. Read, F.I.A.

Medical Officer: D. D. Gibbs, D.M., F.R.C.P.

UNITED STANDARD Insurance Company Limited

MANAGEMENT

General Manager

R. A. F. Ostime, F.I.A.

General Insurance Business

Assistant General Manager

D. Hinchcliffe

Agency Manager

K. H. Blundell, A.C.I.I.

Manager

B. W. A. Tyler, F.C.I.I.

Assistant Fire and Accident Manager

H. Hargreaves, M.M., A.C.I.I.

Motor Manager

R. W. Easterbrook

Motor Claims Manager

F. C. Pullen, A.C.I.I.

Assistant Motor Manager

S. C. Brown, A.C.I.I.

Statistics

Statistician

M. A. Read, F.I.A.

Secretarial and Accounts

Secretary and Accountant

J. W. Timmis, F.C.A.

PROVIDENT LIFE Association of London Limited

266 Bishopsgate, London EC2M 4QP
Telephone: 01-247 3200

SALES ORGANISATION

London and Home Counties (North)

Regional Manager
Regional Office

N. J. Lister, F.L.I.A.
8 Station Road,
Watford, WD1 1EG

City Inspector
Pensions Inspectors

A. E. A. Caville
R. R. Moody, A.P.M.I.
F. G. Stanton

North West London
Area Manager
Area Office

J. A. Carter
8 Station Road,
Watford, WD1 1EG

Berks and Bucks
Area Manager
Area Office

K. G. Athill
Hurstleigh, Coronation Road,
South Ascot, Berks SL5 9HQ

Ascot 21426

Bedford and Northampton
Assistant Area Manager
Area Office

K. Isaacs
27 St. Cuthberts Street
Bedford, MK40 3JG

Bedford 66005/61966

North East London
District Manager

H. B. Randall

01-504 3202 (Woodford Green)

West London
District Manager

A. R. A. Day

Uxbridge 34378

South West Essex
District Manager

R. J. Jiggins

Romford 27519

East Essex
District Manager

J. Roberts

Rayleigh 775166

Cambridge and South Suffolk
District Manager

R. V. Harvey, F.L.I.A.

Sudbury 72865

London and Home Counties (South)
Regional Manager
Regional Office

B. T. J. Eades
3-5 Clair Road,
Haywards Heath, Sussex RH16 3DP

Haywards Heath 414635/6

Pensions Inspector

D. J. Small

Hampshire
Area Manager
Area Office

L. W. Deane
19-21 High Street,
Ringwood, Hants BH24 1AB

Ringwood 79322

Sussex
Area Manager
Area Office

W. Morris, F.L.I.A.
53 Portland Road,
Hove, Sussex BN3 5DQ

Brighton 722288

South West London
District Manager

K. W. Wilson

Walton-on-Thames 27115

South East London
Senior Inspector

G. A. Gardner

01-777 5453 (West Wickham)

North West and East Kent
District Manager

D. L. Hambrook

Canterbury 66369

Midlands Regional Manager Regional Office	J. C. Porter 34 Harborne Road, Edgbaston, Birmingham B15 3AA	021-455 8901
Birmingham and Warwickshire Assistant Area Manager Area Office	C. T. A. Thorndale 34 Harborne Road, Edgbaston, Birmingham B15 3AA	021-455 8901
East Midlands Assistant Area Manager Area Office	M. J. Whittaker 1st Floor, High Street Chambers, High Street, Loughborough, Leicester LE11 1PY	Loughborough 231771/2
Staffordshire Area Inspector	T. G. French	Wolverhampton 24160
North and North Wales Regional Manager Regional Office	J. C. Porter 39 Northenden Road, Sale, Cheshire M33 2DH	061-969 8321
Pensions Inspector	T. J. McTigue	
Merseyside and North Wales Area Manager Area Office	P. K. Szymanski, F.L.I.A. 2nd Floor, 12 Nicholas Street, Chester CH1 2NX	Chester 316821/2
North Lancs Assistant Area Manager Area Office	P. J. Boon 22 Strawberry Bank, Blackburn, Lancs BB2 6AA	Blackburn 675219/0
South Manchester Assistant Area Manager Area Office	J. A. Skinkis, A.L.I.A. 1st Floor, 27a Station Road, Cheadle Hulme, Cheshire SK8 5AF	061-486 9331/2
West Yorkshire Senior Inspector	F. Whitehead	Morley 538392/538438
West and South Wales Assistant Regional Manager Regional Office	T. J. Wheeler, F.L.I.A. 34 Whiteladies Road, Clifton, Bristol BS8 2LG	0272 738988
City/Pensions Inspector	S. Earnshaw, F.L.I.A.	
Bristol and Somerset Assistant Area Manager Area Office	A. G. Woodisse 34 Whiteladies Road, Clifton, Bristol BS8 2LG	0272 738988
Cotswolds Assistant Area Manager Area Office	P. H. Sutherland 10 Royal Crescent, Cheltenham, Glos GL50 3DA	Cheltenham 24836/20100
Devon and Cornwall Assistant Area Manager Area Office	B. A. T. Heslop 12 The Crescent, Plymouth, Devon PL1 3AB	Plymouth 669633
South Wales District Manager	T. H. Jones	Tonypandy 433679

UNITED STANDARD Insurance Company Limited

Head Office—Ely Grange, Frant, Tunbridge Wells, Kent TN3 9BZ
Telephone 0892 39111

AGENCY ORGANISATION

Agency Manager	K. H. Blundell, A.C.I.I.	
South East		
Development Superintendent	S. Wood, B.Sc. (Hons.)	Horsham 731531
Agency Inspector	P. R. Troubridge	Whitstable 275418
Agency Inspector	N. C. Chapman	Tunbridge Wells 39111
East Anglia		
Development Superintendent	D. F. Barber	Huntingdon 75219
Agency Inspector	J. R. Hartwell	Needham Market 721722
Hampshire		
Senior Agency Inspector	W. C. Stevens, A.C.I.I.	Wimborne 885555
Home Counties West		
Agency Inspector	D. Scott, B.A.	Thame 5915
Bristol		
Development Superintendent	P. C. Churchill	Bristol 735170
Agency Inspector	P. J. Walters	Bristol 735170
Midlands		
Regional Office—34 Harborne Road, Edgbaston, Birmingham B15 3AA		Tel. 021-455 8901
Area Superintendent	J. A. Langstaff	
Agency Inspector	A. R. Sullivan	
Agency Inspector	T. J. C. Twist	
Leeds		
Agency Inspector	D. A. Raw	Harrogate 66424
Manchester		
North—Agency Inspector	K. W. Lamb	Stockport (061-494) 6177
South—Agency Inspector	A. Murtagh	Sale (061-973) 2315