

GENERAL ACCIDENT LIFE ASSURANCE LIMITED

226742

**Chairman**

THE RT. HON. THE EARL OF AIRLIE, K.T., G.C.V.O., P.C.

**Directors**

THE RT. HON. THE LORD BOLTON, B.A., F.R.I.C.S.

B. HOLDER, F.C.C.A.

W.H. JACK

I.A.H. JOHNSTON, B.Sc.

T. ROBERTS, C.B.E., M.A., F.C.I.I.

W.N. ROBERTSON, M.A., F.C.I.I.

J.H.R. TONKS, B.Sc., F.I.A.

*General Manager* W.H. JACK

*Deputy General Manager and Chief Actuary* J.H.R. TONKS, B.Sc., F.I.A.

*Assistant General Manager* E.M. McALLISTER-REES, F.B.C.S., F.Inst.A.M.

*Manager and Secretary* I.A. CHAMBERS, F.C.I.S., A.C.I.I.

**Auditors**

KPMG PEAT MARWICK

Chartered Accountants

Registered Auditor

# GENERAL ACCIDENT LIFE ASSURANCE LIMITED

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# GENERAL ACCIDENT LIFE ASSURANCE LIMITED

## Directors' Report

The Directors submit their Report with the Statement of Accounts of the Company as at 31st December 1991 and the Group Accounts for the year ended on that date.

### Principal Activity

The principal activity of the Company is the transaction of long term insurance business other than industrial life business.

### Operations

On 31st December 1991 the Company acquired 49% of the issued share capital of New Zealand Insurance Life Limited. Prior to that date New Zealand Insurance Life Limited was a wholly owned subsidiary of General Accident Pacific Limited, which in turn is a wholly owned subsidiary of General Accident plc.

The new net sums assured amounted to £4,220m as compared with £4,113m for the previous year. New annuities of £23m per annum were granted compared with £28m per annum in 1990. Permanent Health benefits of £20m per annum were written as compared with £23m per annum in 1990.

These benefits were secured by new annual premiums of £43m compared with £39m in the previous year and new single premiums of £160m compared with £40m in 1990. New single premiums include £114m in respect of the GA Investment Bond where investment is in the Unitised With Profits Life Fund, compared with £10m in 1990. This contract was issued from 11th September 1990.

The annual valuation of the liabilities and assets of the Company is made as at 31st December 1991 and details of the valuation and distribution of profits will be furnished in due course in the returns to the Department of Trade and Industry.

The Directors have declared reversionary bonuses for 1991 in respect of with profits policies in force on 31st December 1991. The rates which have been declared for such policies issued after 9th November 1970 are as follows:-

### United Kingdom

Life policies – issued after 1981	4.75 per cent of sum assured plus 6.00 per cent of attaching bonuses
– issued up to and including 1981	7.50 per cent Simple
Unitised With Profits	7.00 per cent Compound

### Assurances in the Pensions Business Fund and all Deferred Annuities

Retirement Annuities	9.00 per cent of Equivalent Capital Value plus 10.10 per cent of attaching bonuses
Group Single Premium contracts, excluding Money Purchase Schemes (1974)	8.80 per cent of Equivalent Capital Value plus 9.90 per cent of attaching bonuses
Individual Pension Arrangements and Group Annual Premium contracts	7.20 per cent of Equivalent Capital Value plus 8.10 per cent of attaching bonuses
Money Purchase Schemes (1974)	7.30 per cent of Equivalent Capital Value plus 8.40 per cent of attaching bonuses
Unitised With Profits	9.00 per cent Compound

### Zimbabwe

Policies issued up to and including 1972	5.35 per cent Simple
Policies issued after 1972	
Superannuation policies	4.10 per cent Compound
Non-superannuation policies	3.50 per cent Compound

# GENERAL ACCIDENT LIFE ASSURANCE LIMITED

The bonus rates for United Kingdom policies issued prior to 9th November 1970 by this Company, The Yorkshire Insurance Company Limited and Scottish Insurance Corporation Limited are related to the post 9th November 1970 rates by the Joint Actuaries' Report dated 24th June 1970, prepared in connection with the Scheme approved by the High Court.

For the time being interim bonuses on Unitised With Profits policies will be reduced to 6.50% compound for Life and 8.00% compound for Pensions with effect from 1st January 1992. Interim bonuses on other policies, where applicable, will be allowed at the rates just declared on with profits policies becoming claims before the next declaration of bonus.

In the United Kingdom terminal bonus rates on Life policies other than Unitised With Profits policies and Individual Pension Arrangements and Group contracts by annual premium, depend on the year of commencement of the policy or benefit. Terminal bonus rates for Retirement Annuities, and Individual Pension Arrangements and Group contracts by single premium, depend on the year of purchase of Equivalent Capital Value. Rates of terminal bonus are expressed as a percentage of sum assured and attaching declared and interim bonuses for Life policies and as a percentage of Equivalent Capital Value and attaching declared and interim bonuses for Individual Pension Arrangements, Retirement Annuities and Group contracts. Specimen rates of terminal bonus applicable on 1st January, 1992 are shown below:-

Year	U.K. Life Policies excluding Unitised With Profits Policies	Retirement Annuities Individual Pension Arrangements and Group Contracts by single premium	Individual Pension Arrangements and Group Contracts by annual premium
1985	13%	18%	11%
1980	40%	48%	30%
1975	73%	84%	53%
1970	105%	119%	-

For Money Purchase Schemes (1974) the rate of terminal bonus on 1st January 1992 was 35% of attaching declared and interim bonuses.

In Zimbabwe terminal bonus rates depend on the year of commencement of the policy or benefit. Terminal bonus rates are expressed as a percentage of sum assured and attaching declared and interim bonuses. Specimen rates of terminal bonus applicable on 1st January 1992 are shown below:-

Year	Zimbabwe Policies
1985	4%
1980	9%
1975	14%
1970	20%

The rates of terminal bonus may be changed at any time without notice.

## Accounts

### Long Term Business Fund

£52.3m has been transferred to the fund from Investment Reserve.

£15.6m has been transferred to the Shareholders' Fund being the Shareholders' share of surplus resulting from the 1991 valuation of Life and Annuity business.

£3,000 has been transferred to the Shareholders' Fund in respect of the 1991 valuation of Capital Redemption business.

£300,000 has been transferred from the Shareholders' Fund in respect of the 1991 valuation of Permanent Health Insurance.

The fund has increased by £289m to £1,833m after taking into account the above transfers.

### Shareholders' Fund

The net amount available to the Shareholders after the transfers mentioned above is £20.4m.

Out of this sum an interim dividend of £150 per share was paid in July 1991 and a second interim dividend of £1,350 per share was paid in December 1991. No further dividend is recommended for 1991.

# GENERAL ACCIDENT LIFE ASSURANCE LIMITED

## Directors

The names of the present Directors of the Company appear on Page 1.

Mr. B. Holder was appointed a Director on 14th March 1991.

Mr. J.D.K. Philp resigned from the Board with effect from 31st January 1992.

Mr. W.H. Jack was appointed a Director on 1st February 1992. In accordance with the Articles of Association he will retire at the Annual General Meeting and, being eligible, will offer himself for re-election.

The Directors retiring by rotation are Mr. T. Roberts and Mr. J.H.R. Tonks, both of whom are eligible for re-election.

The beneficial interests of Directors in shares of the ultimate parent company, excluding those of Directors who are also Directors of the ultimate parent company, are as follows:-

### Ordinary Shares

	At 1st January 1991	At 31st December 1991
The Rt. Hon. The Lord Bolton	-	-
Mr. I.A.H. Johnston	939	865
Mr. J.D.K. Philp	7,628	7,605
Mr. J.H.R. Tonks	8,528	8,528

### Share Options

	At 1st January 1991	Options granted during the year	Options exercised or lapsed during the year	At 31st December 1991
Mr. J.D.K. Philp	35,163	7,876	18,478	54,561
Mr. J.H.R. Tonks	26,835	13,370	-	40,205

## Auditors

A resolution for the re-appointment of KPMG Peat Marwick as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

March 1992

  
Chairman

GENERAL ACCIDENT LIFE ASSURANCE LIMITED

**Consolidated Revenue Account**

for the year ended 31st December 1991

Amounts in £000's

		1991	1990
<b>LONG TERM BUSINESS FUND</b>			
<b>(Life and Annuity, Capital Redemption and Permanent Health Business)</b>			
	Notes		
Premiums	6	387,111	244,352
Investment income		179,003	162,146
Other income		53	37
		<u>566,167</u>	<u>406,535</u>
Claims, surrenders and annuities	7	193,674	162,340
Commission		53,061	37,123
Expenses	11	64,707	46,239
Taxation	8 (a)(c)	1,784	12,565
		<u>313,226</u>	<u>258,267</u>
Net income		252,941	148,268
Fund at the beginning of the year		1,543,885	1,368,479
		<u>1,796,826</u>	<u>1,516,747</u>
Exchange adjustment	1 (m)	(381)	(310)
		1,796,445	1,516,437
Transfer from investment reserve	1 (h)	52,300	42,038
		1,848,745	1,558,475
Shareholders' share of profits	1 (e)(f)	15,339	14,590
Fund at the end of the year		<u>1,833,406</u>	<u>1,543,885</u>

The notes on pages 14 to 18 form an integral part of these accounts.

GENERAL ACCIDENT LIFE ASSURANCE LIMITED

**Profit and Loss Account**

for the year ended 31st December 1991

		<i>Amounts in £000's</i>	
		1991	1990
		Notes	
<b>SHAREHOLDERS' FUND</b>			
Share of profits	1(e)(f)	20,552	19,537
Investment income		921	1,110
		<u>21,473</u>	<u>20,647</u>
Expenses	32		190
Taxation	8 (b)(c) <u>6,322</u>		<u>5,237</u>
		6,354	5,427
Net income		<u>15,119</u>	<u>15,220</u>
<b>Fund at the beginning of the year</b>		5,336	5,866
		<u>20,455</u>	<u>21,086</u>
<b>Dividends for the year:</b>			
Paid, July 1991		1,500	1,500
Paid, December 1991		<u>13,500</u>	<u>14,250</u>
		15,000	15,750
<b>Fund at the end of the year</b>		<u>5,455</u>	<u>5,336</u>

*The notes on pages 14 to 18 form an integral part of these accounts.*

GENERAL ACCIDENT LIFE ASSURANCE LIMITED

**Consolidated Long Term Balance Sheet**

as at 31st December 1991

Amounts in £000's

	1991	1990
<b>LONG TERM BUSINESS FUND</b>		
Life and annuity	1,826,449	1,537,603
Capital redemption	29	23
Permanent health	<u>6,928</u>	<u>6,258</u>
	<u>1,833,406</u>	<u>1,543,885</u>
Represented by:		
Investments (notes 1(g) and 12)		
Freehold and leasehold properties	422,988	338,662
Mortgages and loans	43,860	40,840
Fixed interest securities	607,177	558,700
Ordinary stocks and shares	640,719	468,379
Reversions and life interests	4,668	4,083
Deposits at interest	<u>84,782</u>	<u>107,826</u>
	1,804,194	1,518,490
Group Companies		
Shares in associated companies	9,300	-
Debentures in group companies	260	260
Due from group companies	<u>1,990</u>	<u>9,669</u>
	11,550	9,929
Less:		
Due to group companies	<u>3,320</u>	<u>2,387</u>
	<u>3,320</u>	<u>2,387</u>
	8,230	7,542
Current Assets		
Due from policyholders and agents	7,087	7,765
Debtors and accrued interest	32,252	27,141
Cash at bank	<u>9,456</u>	<u>6,012</u>
	48,795	40,918
Less Current Liabilities		
Claims outstanding	13,896	11,911
Creditors	13,641	7,851
Deferred taxation (notes 1(n) and 9)	16	3,303
Due to shareholders' fund	<u>260</u>	<u>-</u>
	27,813	23,065
Net current assets	20,982	17,853
Net assets	<u>1,833,406</u>	<u>1,543,885</u>

The notes on pages 14 to 18 form an integral part of these accounts.



GENERAL ACCIDENT LIFE ASSURANCE LIMITED

Parent Company Long Term Balance Sheet

as at 31st December 1991

Amounts in £000's

	1991	1990
<b>LONG TERM BUSINESS FUND</b>		
Life and annuity	1,832,060	1,539,939
Capital redemption	29	29
Permanent health	6,928	6,253
	<u>1,839,017</u>	<u>1,546,221</u>
Represented by:		
Investments (note 1(g) and 12)		
Freehold and leasehold properties	409,457	327,014
Mortgages and loans	43,463	40,357
Fixed interest securities	607,177	558,700
Ordinary stocks and shares	640,720	468,379
Deposits at interest	86,184	105,636
	<u>1,787,001</u>	<u>1,500,086</u>
Group Companies		
Shares in subsidiary companies (note 3)	424	424
Shares in associated companies	9,300	-
Debentures in group companies	260	260
Due from group companies	1,990	9,668
Due from subsidiary companies	21,066	17,808
	<u>33,040</u>	<u>28,160</u>
Less:		
Due to group companies	934	-
Due to subsidiary companies	2,501	47
	<u>3,435</u>	<u>47</u>
	29,605	28,113
Current Assets		
Due from policyholders and agents	7,087	7,164
Debtors and accrued interest	31,147	26,672
Cash at bank	9,439	6,096
	<u>47,673</u>	<u>39,932</u>
Less: Current Liabilities		
Claims outstanding	13,896	11,911
Creditors	11,106	6,713
Deferred taxation (notes 1(n) and 9)	-	3,286
Due to shareholders' fund	260	-
	<u>25,262</u>	<u>21,910</u>
Net current assets	22,411	18,022
Net assets	<u>1,839,017</u>	<u>1,546,221</u>

The notes on pages 14 to 18 form an integral part of these accounts.

GENERAL ACCIDENT LIFE ASSURANCE LIMITED

Consolidated and Parent Company Balance Sheets

as at 31st December 1991

Amounts in £000's

	1991		1990	
	Consolidated	Parent	Consolidated	Parent
<b>SHAREHOLDERS' FUND</b>				
<b>Share Capital</b>				
Authorised - 10,000 shares of £100 each	<u>1,000</u>		<u>1,000</u>	
Issued - 10,000 shares of £100 each £25 paid up	250		250	
Reserve Profit and loss account	<u>5,455</u>		<u>5,336</u>	
	5,705	5,705	5,586	5,586
<b>LONG TERM BUSINESS FUND</b>				
(Separate balance sheets pages 10 and 11)	<u>1,833,406</u>	<u>1,839,017</u>	<u>1,543,885</u>	<u>1,546,221</u>
	<u>1,839,111</u>	<u>1,844,722</u>	<u>1,549,471</u>	<u>1,551,807</u>
Represented by:				
<b>Investments (notes 1(g) and 12)</b>				
Fixed interest securities	-		1,230	
Ordinary stocks and shares	1,228		3,136	
Deposits at interest	<u>2,579</u>		<u>3,064</u>	
	3,807	3,807	7,430	7,430
<b>Group Companies</b>				
Due from parent company	2,000		-	
<b>Less:</b>				
Due to group companies	<u>-</u>		<u>1,868</u>	
	2,000	2,000	(1,868)	(1,868)
	<u>5,807</u>	<u>5,807</u>	<u>5,562</u>	<u>5,562</u>
<b>Current Assets</b>				
Advances corporation tax recoverable	1,615		2,895	
Debtors and accrued interest	539		92	
Due from long term business fund	260		-	
Cash at bank	29		55	
	<u>2,443</u>		<u>3,042</u>	
<b>Less Current Liabilities</b>				
Corporation tax	925		107	
Advance corporation tax	1,615		2,895	
Deferred taxation (notes 1(n) and 9(a))	5		16	
	<u>2,545</u>		<u>3,018</u>	
Net current (liabilities) assets	<u>(102)</u>	<u>(102)</u>	<u>24</u>	<u>24</u>
<b>SHAREHOLDERS' FUND</b> Net assets	<u>5,705</u>	<u>5,705</u>	<u>5,586</u>	<u>5,586</u>
<b>LONG TERM BUSINESS FUND</b>				
(Separate balance sheets pages 10 and 11)				
Net assets	<u>1,833,406</u>	<u>1,839,017</u>	<u>1,543,885</u>	<u>1,546,221</u>
	<u>1,839,111</u>	<u>1,844,722</u>	<u>1,549,471</u>	<u>1,551,807</u>

The notes on pages 14 to 18 form an integral part of these accounts.

GENERAL ACCIDENT LIFE ASSURANCE LIMITED

**Statement of Source and  
Application of Shareholders' Funds**

for the year ended 31st December 1991

	<i>Amounts in £000's</i>	
	1991	1990
<b>SOURCE OF FUNDS</b>		
Investment income less expenses	889	920
Share of profits (net of shareholders' attributable tax)	<u>15,339</u>	<u>14,590</u>
	16,228	15,510
Adjustments necessary to convert transactions to a cash basis (Decrease) increase from changes in:		
Current liabilities	(1,868)	3,675
Current assets	<u>(2,706)</u>	<u>(152)</u>
	(4,574)	3,523
<b>Total cash generated from operations</b> (excluding the effect of realisation of investments – see note 1 (h))	<u>11,654</u>	<u>19,033</u>
<b>APPLICATION OF FUNDS</b>		
Dividends paid	15,000	18,750
Tax paid	<u>303</u>	<u>284</u>
	15,303	19,034
<b>Net funds available for investment</b>	<u><u>(3,649)</u></u>	<u><u>(1)</u></u>
<b>Movements in Investments and Liquid Funds</b>		
(Decrease) increase in:		
Investments less reserves	(3,623)	334
Cash at bank	<u>(26)</u>	<u>(335)</u>
	<u><u>(3,649)</u></u>	<u><u>(1)</u></u>

# GENERAL ACCIDENT LIFE ASSURANCE LIMITED

## Notes on the Accounts

### 1 ACCOUNTING POLICIES

#### Subsidiary and Associated Companies

- (a) The accounts of the Company and its subsidiaries, all of which have a common year end date, have been consolidated. The subsidiaries are all investments of the Long Term Business Fund and do not therefore contribute directly to the Shareholders' Fund.
- (b) Associated companies are accounted for using the equity method. Any premium arising on acquisition is eliminated against reserves in the year of acquisition.
- (c) Shares in subsidiary companies are shown in the Parent Company's balance sheet at the lower of cost less investment reserve and net realisable value.
- (d) Shares in associated companies are shown in the Parent Company's balance sheet at the lower of cost less investment reserve and net realisable value.

#### Shareholders' Share of Profits

- (e) The distributable surplus of the Long Term Business Fund is determined annually by actuarial valuation. The amount of surplus allocated to the Shareholders is determined by the Directors in accordance with the Articles of Association.
- (f) The transfer of Shareholders' profit included in the Profit and Loss Account is stated gross of the rate of taxation applicable to franked investment income at the valuation date.

#### Investments

- (g) Investments are included at cost less investment reserves with the exception of properties, which are included at market value less investment reserve. (See notes 9(b) and 12).
- (h) Profits and losses on realisation of investments, after adjusting for taxation, and on revaluation of properties are transferred to investment reserves. Transfers between investment reserves and revenue are determined by the Directors, having regard to the Actuary's Valuation Report.
- (i) Revenue is credited with dividends received (including the related tax credits), with rents and income from fixed interest securities, mortgages, loans and deposits as they accrue and with notional income on certain properties in the course of development.
- (j) No depreciation is charged on freehold properties, all of which are held as investments.

#### Premiums

- (k) Premiums are accounted for when due for payment.

#### Claims

- (l) Claims by death or maturity are charged against revenue when the insured event is notified or becomes due; surrenders when payment is made; annuities in the period in which each payment becomes due.

#### Foreign Currencies

- (m) Assets and liabilities and revenue transactions in currencies other than sterling are converted at the rates of exchange ruling on the balance sheet date. Exchange adjustments relating to the overseas investments of the U.K. Life and Annuity Fund are transferred to investment reserves; those relating to overseas branch operations are shown as a separate item in the consolidated revenue account.

#### Deferred Taxation

- (n) Deferred taxation is provided on all material timing differences unless the liability is unlikely to become payable in the foreseeable future.

#### Basis of Preparation

- (o) The group accounts have been prepared in accordance with the provisions of Section 255A of, and Schedule 9 to, the Companies Act 1985 applicable to insurance groups. The balance sheet of the parent company has been prepared in accordance with the provisions of Section 226 of, and Schedule 4 to, the Companies Act 1985. Advantage has been taken of the dispensation under Section 230 of the Companies Act 1985 from presenting the profit and loss account of the parent company.

The accounts have been prepared in accordance with applicable accounting standards and with the statement of recommended practice issued by the Association of British Insurers in May 1990.

# GENERAL ACCIDENT LIFE ASSURANCE LIMITED

## 2 ULTIMATE PARENT COMPANY

The Company's ultimate parent company is General Accident plc which is incorporated in the United Kingdom (registered in Scotland). Copies of that company's accounts may be obtained from the Registered Office: Pitheavlis, Perth, Scotland, PH2 ONH.

## 3 SUBSIDIARIES AND OTHER SHAREHOLDINGS

Particulars of the subsidiary companies and shareholdings therein together with details of holdings in companies which are in excess of 10% of the equity capital of those companies are given on page 18.

## 4 DIRECTORS AND OTHER OFFICERS

(a) Directors' Emoluments	1991	1990
In respect of services as Director of the Company and its subsidiaries	£5,000	£5,000
Other emoluments	Nil	Nil
	£5,000	£5,000
Emoluments of the Chairman	Nil	Nil
Emoluments of the highest paid Director	£2,500	£2,500
Number of Directors whose emoluments fall within the bands:		
Nil	6	7
£1 to £5,000	2	2

### (b) Loans to Directors

The following loans have been granted by the Company to Executive Directors of the ultimate parent company under the staff house purchase scheme on the same terms and conditions as are applicable to all eligible members of staff at annual rates of interest between 3.5% and 14.0%. These loans are secured by mortgages on private residences and policies of assurance maturing at various dates or on the earlier death of the borrower.

	At 1st January 1991 or date of appointment if later	At 31st December 1991 and maximum loan during the year
W.N. Robertson	14,798	14,798

### (c) Loans to other Officers

As at 31st December 1991, 3 officers of the Company and its subsidiary companies, other than Directors, had secured house purchase loans and policy loans outstanding amounting in aggregate to £116,450 (1990 3 officers £116,450).

## 5 AUDITORS' REMUNERATION

The total remuneration payable by the Company and its subsidiary companies amounted to £55,189 (1990 £50,374) of which £47,682 (1990 £43,624) related to the Parent Company.

## 6 PREMIUMS

### (a) Analysis by class

	Total Premiums		New Business	
	1991 £000's	1990 £000's	Annualised Regular Premiums 1991 £000's	Single Premiums 1991 £000's
Life and Annuity	397,325	252,508	48,151	165,062
Permanent Health	2,740	2,291	654	-
Capital Redemption	-	-	-	-
Gross	400,065	254,799	48,805	165,062
Reassurances	12,954	10,447	5,768	4,740
Net	387,111	244,352	43,037	160,322

# GENERAL ACCIDENT LIFE ASSURANCE LIMITED

(b) Analysis by territory	Total Premiums	
	1991 £000's	1990 £000's
United Kingdom	400,046	254,760
Zimbabwe	19	39
Gross	400,065	254,799
Reassurances	12,954	10,447
Net	<u>387,111</u>	<u>244,352</u>

## 7 CLAIMS

	1991 £000's	1990 £000's
Claims	116,669	92,956
Surrenders	66,785	58,768
Annuities	16,306	14,185
Gross	199,760	165,909
Reassurances	6,086	3,569
Net	<u>193,674</u>	<u>162,340</u>

## 8 TAXATION

- (a) The charge for taxation in the consolidated revenue account, has been computed in accordance with the current legislation appropriate to the business of each company.
- (b) The charge in the profit and loss account is U.K. Corporation Tax at a composite rate of 33.25% (1990 35%) together with tax on franked investment income.
- (c) The amounts charged in these Accounts are made up as follows:-

	1991		1990	
	Consolidated Revenue Account £000's	Profit and Loss Account £000's	Consolidated Revenue Account £000's	Profit and Loss Account £000's
Corporation Tax	4,746	1,000	9,881	182
Tax attributable to UK dividends received	7,091	121	3,024	113
Overseas taxation	632	-	398	-
Deferred taxation	(3,287)	(11)	198	(5)
	<u>9,182</u>	<u>1,110</u>	<u>13,501</u>	<u>290</u>
Adjustments in respect of prior years	(7,398)	(1)	(936)	-
	<u>1,784</u>	<u>1,109</u>	<u>12,565</u>	<u>290</u>
Shareholders' attributable tax	-	5,213	-	4,947
	<u>1,784</u>	<u>6,322</u>	<u>12,565</u>	<u>5,237</u>

## 9 DEFERRED TAXATION

- (a) Deferred taxation represents tax provided on accrued interest receivable.
- (b) No provision has been made for deferred taxation attributable to the property revaluation referred to in note 1(g) as the liability is unlikely to crystallise in the foreseeable future.

## 10 TURNOVER

Turnover of £567m (1990 £408m) is represented by premiums and other income appearing in the consolidated revenue account together with investment income appearing in the consolidated revenue and profit and loss accounts.

# GENERAL ACCIDENT LIFE ASSURANCE LIMITED

## 11 MANAGEMENT EXPENSES

Under a management agreement General Accident Life Services Limited, a fellow subsidiary, supplies and makes a charge for the provision of operational assets and staff to the Company. Accordingly, the relevant notes in relation to operational assets and employees are included in the accounts of General Accident Life Services Limited.

## 12 MARKET VALUE OF INVESTMENTS

(a) The excess of market values in aggregate over balance sheet values of the investments shown in the consolidated and parent company balance sheets at 31st December 1991 amounted to approximately:

Long Term Business Fund	£833m	(1990 £738m)
Shareholders' Fund	£7.6m	(1990 £6.6m)

The market value of investments has been determined by reference to the Insurance Companies (Accounts and Statements) Regulations 1983.


(b) The above figures do not take account of any tax charge which would arise if the investments were realised at these values.

## 13 FUTURE COMMITMENTS

Major investment contracts entered into but not provided for in these accounts amounted to £19m (1990 £40m). Major investment contracts authorised but not contracted for amounted to £5m (1990 £16m).

Approved by the Board  
March 1992

  
Chairman

  
Director

# GENERAL ACCIDENT LIFE ASSURANCE LIMITED

## Subsidiary Companies

	<i>Principal Activity</i>	<i>Interest of General Accident Life in Ordinary Shares</i>	<i>Country of Incorporation</i>
<b>NON-INSURANCE COMPANIES</b>			
The Lancashire and Yorkshire Reversionary Interest Co. Ltd.	Investment in reversions and life interests	100%	UK
General Development Property Co. Ltd.	Non-trading	100%	UK
General Accident Life Developments Ltd.	Property Development	100%	UK
Stuart Wyse Ogilvie Estates Ltd.	Estate Agents	50%*	UK

\*(Remainder of shares held by General Accident Fire and Life Assurance Corporation p.l.c., a wholly owned subsidiary of General Accident plc)

All of the above companies are registered in England, with the exception of Stuart Wyse Ogilvie Estates Ltd., which is registered in Scotland.

## Associated Companies

	<i>Principal Activity</i>	<i>Class Held</i>	<i>Interest of General Accident Life</i>	<i>Country of Incorporation</i>
Assecura S.A.	Long term insurance	Ordinary	40%	Luxembourg
New Zealand Insurance Life Ltd.	Long term insurance	Ordinary	49%*	New Zealand

\*(Remainder of shares held by General Accident Pacific Ltd., a wholly owned subsidiary of General Accident plc)

Assecura S.A. is registered in Luxembourg and New Zealand Insurance Life Ltd. is registered in New Zealand.

## Holdings in other Companies

(in excess of 10% of the equity capital of those companies)

	<i>Principal Activity</i>	<i>Class Held</i>	<i>Interest of General Accident Life</i>	<i>Country of Incorporation</i>
City Commercial Real Estate Holdings Ltd.	Property Development	'B' Ordinary	40%	UK
McKay Securities	Investment Company	Ordinary	11.36%	UK

Both of the above companies are registered in England.



GENERAL ACCIDENT LIFE ASSURANCE LIMITED

**Report of the Auditors, KPMG Peat Marwick,**  
to the Members of General Accident Life Assurance Limited.

We have audited the accounts on pages 8 to 18 in accordance with Auditing Standards.

In our opinion the accounts have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to insurance companies.

*KPMG Peat Marwick*

121 The Mount, York  
YO2 2DA  
March 1992

CHARTERED ACCOUNTANTS  
REGISTERED AUDITOR

**Actuary's Certificate**

I certify that in my opinion the aggregate amount of the liabilities of the Company in relation to its long term business at 31st December 1991 did not exceed the amount of the Long Term Business Fund as shown in the Consolidated and Parent Company Balance Sheets.

*Jack [unclear]*

March 1992

ACTUARY

# Review of Progress

Amounts in £ millions

