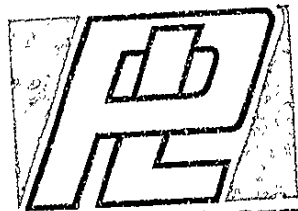


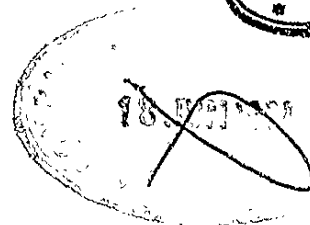
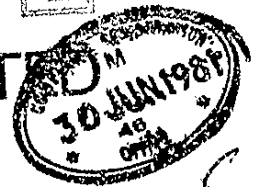
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Established 1877

REPORT AND ACCOUNTS 1980

PROVIDENT LIFE
ASSOCIATION OF LONDON LIMITED



PROVIDENT LIFE Association of London Limited

Contents

Notice of Meeting	3
Boards of Directors	4
Chairman's Statement	5
Directors' Report	7
Revenue Accounts	10
Consolidated Profit and Loss Account	12
Balance Sheets	13
Balance Sheet—Long-Term Insurance	14
Consolidated Statement of Source and Application of Funds	15
Notes to the Accounts	16
Auditors' Report	19
Management—Provident Life	20
Management—United Standard	21
Agency Organisation	22



PROVIDENT LIFE Association of London Limited

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Provident Life Association of London Limited will be held in the Suffolk Room, Abercorn Rooms, Liverpool Street, London EC2P 2AN (Bishopsgate Entrance), on Thursday the 21st day of May, 1981, at 12 noon for the following purposes:—

1. To receive and consider the Accounts for the year 1980 and the Reports of the Directors and Auditors thereon.
2. To declare a final Dividend on the Ordinary Shares.
3. To elect Directors.
4. To appoint Auditors for the ensuing year.
5. As special business to consider and, if thought fit, to pass the following resolution:
That the ordinary remuneration of each Director of the Company shall be not more than £4,000 per annum.

Dated this 24th day of April, 1981
By Order of the Board,
J. D. FOX,
Secretary.

266 Bishopsgate,
London EC2M 4QP

Only Holders of Ordinary Shares are entitled to attend and vote at the above Meeting.
A Member entitled to attend and vote at the above Meeting may appoint one or more proxies to attend and vote instead of him. A proxy need not be a Member of the Company. A form of proxy is enclosed.

A statement of all transactions of each director, and of his family interests, in each class of the share capital of the Company and its subsidiaries, together with copies of all contracts of service of any director of the Company with the Company or with any of its subsidiaries, are available for inspection at the Company's head office during normal business hours until the date of the Meeting and at the place of the Meeting for 15 minutes prior to the Meeting.

PROVIDENT LIFE Association of London Limited
Founded 1877

BOARD OF DIRECTORS

CHAIRMAN	Reginald J. W. Crabbe, F.I.A.
DEPUTY CHAIRMAN	John Profumo, C.B.E.
	Peter Einswanger
	Sir John Colville, C.B., C.V.O.
	Henry R. James
	Major Philip Profumo
	David H. Radley, F.I.A. (<i>Managing Director</i>)
	The Rt. Hon. Lord Trend, P.C., G.C.B., C.V.O.

UNITED STANDARD Insurance Company Limited
Founded 1907

VIGILANT Assurance Company Limited
Founded 1920

BOARD OF DIRECTORS

CHAIRMAN	David H. Radley, F.I.A.
	J. Donald 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

The long-term business in 1980 showed a steady advance, with increased new business and buoyant investment income. On the general business side premium income and investment income improved but underwriting losses caused profits to fall heavily compared with the record profits of the previous year.

Long-Term business

New annual premiums increased by 11 per cent. to £3.3 million against £3.0 million in the previous year. Life assurance new premiums were little changed at £2.3 million, and Pensions business new premiums increased to £1.0 million compared with £0.7 million in the previous year.

The proportion of new annual premiums derived from with-profits business was at the satisfactory level of 68 per cent. compared with 63 per cent. in the previous year.

At the end of the year the long-term funds stood at £103.7 million and the Investment Reserve at £6.2 million compared with the 1979 figures of £95.5 million and £4.7 million. The cash flow available was invested mainly in Government securities. As a result of these operations we achieved another increase in the gross rate of interest earned on the long-term funds which rose to 9.21 per cent. compared with 8.59 per cent. in 1979.

The expenses and commission during the year were £6.9 million compared with £6.6 million in the previous year. Whilst this is a gratifying result in a year when general inflation reached over 20 per cent., it is to be expected that the consequences of this high inflation will be more apparent in our 1981 expenses. Also the 1979 figure includes some £0.4 million of exceptional expenditure which was incurred on the development of new computer systems. However, major new computer systems are now in operation with a beneficial effect on our expenses and a continued improvement in the services we offer to policyholders.

The annual valuation was carried out by the actuary on bases effectively the same as for the previous year except that the rate of interest assumed in the valuation of the without profit life assurance policies was raised by 0.25 per cent. The surplus emerging in 1980, including a transfer of £1.6 million from investment reserve, totalled £5.7 million. Reversionary bonuses at the annual declaration at the end of 1980 were maintained at the rates declared in the previous year. After providing for bonuses at these rates to policyholders, transfers to shareholders and an increase of £1 million in the Life Assurance Contingency Fund, the valuation surplus carried forward was increased by £0.15 million. At the end of the year the Life Assurance Contingency Fund of £2 million, the valuation surplus carried forward of £1.1 million and the Investment Reserve of £6.2 million provided valuable additional protection to policyholders. In addition no revaluation of the major properties has been made for two years.

General Insurance business

Premium income during the year was £4.4 million compared with £4.0 million in the previous year.

The underwriting result of the Property and Accident account was satisfactory in those classes of business that we are currently writing. However in respect of risks outside the United Kingdom transacted in earlier years, further claims and reserving requirements emerged which resulted in a loss in the account as a whole.

The underwriting loss in the Motor account was caused by the need to increase reserves on older claims due in part to recent Court settlements, and to expense pressure caused by the fall in the number of units insured over the last few years. However, our efforts in 1980 resulted in an upturn in the number of units insured, and a recent change in our rating structure should encourage our brokers and agents to support us with a wider range of private car business.

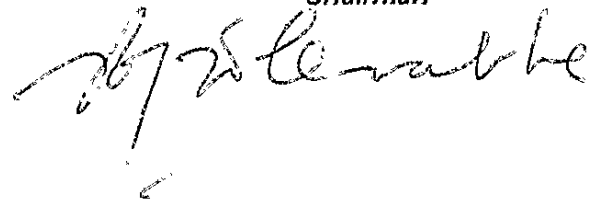
Profit and Loss account

The profit after tax transferred from the long-term fund showed a satisfactory increase at £559,000 against £501,000 in the previous year, and the profit arising in the parent company's shareholders' fund (after charging Advance Corporation Tax) was £103,000 against £38,000. The profits of the subsidiary company were £46,000 against £327,000 in the previous year. Accordingly the group profits were lower at £708,000 compared with £866,000 in the previous year.

Staff

On behalf of my fellow directors and myself I wish to thank the staff and management for their efforts in 1980.

R. J. W. CRABBE
Chairman



PROVIDENT LIFE Association of London Limited

DIRECTORS' REPORT

for the year ended 31st December, 1980

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

PRINCIPAL ACTIVITIES

The principal activities of the Company and of its wholly-owned subsidiaries, the United Standard Insurance Company Limited and the Vigilant Assurance 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:—

	1980	1979
Number of policies	12,454	13,841
	£000	£000
Annual premiums	3,394	3,039
Single premiums	622	399
Sums assured	192,647	165,379
Annuities per annum	679	532

Premiums for the year amounted to £16,250,835 (1979—£14,410,327).

Investment income totalled £8,801,300 (1979—£7,610,335) and the gross rate earned on the Long-Term Insurance Funds was 9.21 per cent. (1979—8.59 per cent.).

Mortgage advances on house property outstanding at the end of the year amounted to £54.2 million. The average amount of each advance outstanding was £3,612.

Bonus declarations—Reversionary bonuses upon with profits policies in the participating fund were declared for the year 1980 at the following rates:—

Life Assurance Policies:—

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

(ii) Simple Bonus series—£4.95 for each £100 of policy and a final bonus on policies becoming claims by maturity or death in 1981. 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:—

£3.65 for each £100 of policy and existing bonuses on pure endowments and term assurances.

£4.55 for each £100 of basic pension on deferred annuities by annual premium and a final retirement bonus of 15 per cent. of pension already provided.

£3.55 for each £100 of basic pension on deferred annuities by recurrent single premiums and a final retirement bonus of 15 per cent. of pension already provided.

The annual valuation of the liabilities of the Long-Term Insurance Business as at 31st December, 1980 has been made by the Actuary. Life Assurances were valued by the net premium method using the A. 1949-52 mortality table adjusted in certain cases for female lives and interest rates of 3 per cent. per annum for with-profits assurances, 4 per cent. for simple bonus additions thereon, 3 per cent. for compound bonus additions thereon, and 4½ per cent. for without-profits assurances, with additional reserves for some older 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 thereon. Pure endowment assurances in the Pensions Business Fund were valued by the net premium method at 5 per cent. for with-profits and 7 per cent. for without-profits. Credit was taken for the Long-Term Insurance Funds at the value shown in the balance sheet.

PROVIDENT LIFE Association of London Limited

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

	1980 £	1979 £
Balance of surplus brought forward from previous year:		
Life Assurance Contingency Fund	1,000,000	1,000,000
Valuation surplus	958,429	977,212
Transferred from Investment Reserve	1,600,000	400,000
Surplus arising in year	4,163,259	3,397,717
Surplus at the end of the year	£7,721,688	£5,774,929

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

	1980 £	1979 £
To policyholders	4,057,439	3,315,323
To Profit and Loss Account:		
Shareholders share of divisible profits	339,368	291,177
Non-divisible profits	220,000	210,000
Balance of surplus carried forward unappropriated:		
Life Assurance Contingency Fund	2,000,000	1,000,000
Valuation surplus	1,104,881	958,429
Total	£7,721,688	£5,774,929

GENERAL INSURANCE

The accounts of the subsidiaries show:—

	1980 £000	1979 £000
Premiums written	4,425	3,997
Investment income	580	433
Underwriting results	(506)	(85)
Miscellaneous and taxation	(28)	(21)
Profit after taxation	46	327

PROFIT AND LOSS ACCOUNT

The consolidated profit for the year after taxation was £708,000 (1979—£866,000)

	1980 £000	1979 £000
Parent company	662	539
Subsidiaries	46	327
Profit after taxation	708	866
Transferred to Investment Reserve	—	200
Preference dividend	3	3
Profit attributable to ordinary shareholders	705	663
Ordinary dividends (payable and proposed)	542	485
Added to Retained Profits and Reserves	163	178

DIVIDENDS

The Directors have recommended the payment of a final dividend of 6·2p per Ordinary Share, on 1st June 1981 to shareholders on the register at 7th May, 1981. The interim dividend paid on 2nd January, 1981 on the Ordinary Shares was 5·2p per share.

The total of the interim and final dividends for 1980 at 11·4p per share represents an increase of 11·7 per cent. over the corresponding total for 1979 of 10·2p per share (interim 4·6p, final 5·6p).

PROVIDENT LIFE Association of London Limited

BOARD

The Board of Directors of the Provident Life Association of London Limited is as set out on page 4. The Directors due to retire by rotation are Sir John Colville and Major Philip Profumo and both being eligible offer themselves for re-election.

INTERESTS OF DIRECTORS AND OTHERS

The table below shows in respect of the year 1980 the interests of the Directors in the shares of the Company and the interests of persons other than Directors in a substantial part of the Ordinary Shares as at 1st April, 1981.


	At 1st January, 1980		At 31st December, 1980	
	Ordinary Shares	Preference Shares	Ordinary Shares	Preference Shares
Directors				
Beneficial:				
P. Binzwanger	1,000	—	1,000	—
Sir John Colville	3,112	95	3,112	95
R. J. W. Crabbe	1,100	—	1,100	—
H. R. James	275,793	629	275,793	629
John Profumo	217,657	628	217,657	628
Major P. Profumo	1,675	—	1,675	—
D. H. Radley	—	—	—	—
The Rt. Hon. Lord Trend	—	—	—	—
Non-Beneficial:				
R. J. W. Crabbe	703,381	46	703,381	46
H. R. James	692,281	46	692,281	46
John Profumo	806,214	46	806,214	46
Major P. Profumo	80,933	—	80,933	—
D. H. Radley	—	10	—	10
Persons other than Directors				
Winterthur Swiss Insurance Company			1,210,760	(25.46%)
The Rt. Hon. Lord Balfour of Inchrye (beneficial)			6,275	(0.13%)
(non-beneficial)			692,281	(14.56%)
Lady Balfour of Inchrye (beneficial)			268,875	(5.65%)
J. D. Fox (non-beneficial)			353,008	(7.42%)

Trustee holdings are indicated as non-beneficial, consequently certain shares are recorded more than once. There have been no changes in Directors' interests between 31st December, 1980 and 1st April, 1981. There have been no disclosable contracts or arrangements subsisting during 1980 in which a Director was materially interested.

OTHER MATTERS

The average number of persons employed during the year by the Group under contracts of service in each week was 613 (1979—640) and the aggregate remuneration for the year was £3,638,744 (1979—£3,480,560).

Charitable donations amounting to £1,494 (1979—£1,365) 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,

 J. D. FOX,
 Secretary.

266 Bishopsgate, London EC2M 4QP
 14th April, 1981.

PROVIDENT LIFE Association of London Limited

Revenue Accounts for the year ended 31st December, 1980

	Note	1980 £000	1979 £000
Long Term Insurance			
Funds at beginning of year:			
Long-Term Insurance Funds		94,577	87,802
Life Assurance Contingency Fund		1,000	1,000
		<u>95,577</u>	<u>88,842</u>
Premiums		16,251	14,410
Investment income	12	8,601	7,610
		<u>120,828</u>	<u>110,862</u>
Claims incurred:		2,125	1,956
Death		4,682	3,298
Maturity		2,394	1,731
Surrenders		1,186	1,194
Annuities		1,264	1,137
Commission		5,696	5,472
Expenses		620	396
Taxation	3	<u>17,967</u>	<u>15,184</u>
Transferred to Consolidated Profit and Loss Account:			
Life Assurance Fund—		339	291
Shareholders' share of divisible profits		220	210
Non-divisible profits			
		<u> </u>	<u> </u>
		18,526	15,685
		<u>102,103</u>	<u>95,177</u>
Transferred from Investment Reserve	8	1,600	400
		<u>103,703</u>	<u>95,577</u>
Funds at end of year			

PROVIDENT LIFE Association of London Limited

	Note	1980 £000	1979 £000
Property and Accident			
Premiums			2,445
Less: Increase in unearned premiums			107
			<u>2,338</u>
Premiums earned			2,190
Claims incurred		1,294	1,169
Commission		363	325
Expenses		733	617
Exchange surplus	1(e)(i)	21	13
			<u>2,185</u>
Transferred to Consolidated Profit and Loss Account			(Loss) <u>93</u> (Profit) <u>5</u>
Motor			
Premiums			1,980
Less: Increase in unearned premiums			154
			<u>1,826</u>
Premiums earned			1,751
Claims incurred		1,380	(5)
Commission		362	1,755
Expenses		502	1,121
			<u>320</u>
			<u>410</u>
			1,851
Transferred to Consolidated Profit and Loss Account			(Loss) <u>418</u> (Loss) <u>95</u>
Marine			
Fund at beginning of year			51
Premiums			103
			<u>1</u>
			104
Claims paid		12	39
Expenses		5	5
Exchange surplus	1(e)(i)	1	4
Fund at end of year		28	51
			<u>99</u>
Transferred to Consolidated Profit and Loss Account			(Profit) <u>5</u> (Profit) <u>5</u>

The notes and signatures on pages 16, 17 and 18 are an integral part of these Accounts.

PROVIDENT LIFE Association of London Limited

Consolidated Profit and Loss Account for the year ended 31st December, 1980

	Note	1980 £000	1979 £000
Transferred from Revenue Accounts:			
Life Assurance Fund (after taxation)		339	201
Shareholders' share of divisible profits		220	210
Non-divisible profits		(93)	5
Property and Accident		(418)	(95)
Motor		5	5
Marine		<u>53</u>	<u>410</u>
		760	580
Investment income		20	22
Miscellaneous profits		<u>833</u>	<u>1,018</u>
Expenses		<u>37</u>	<u>33</u>
Taxation	3	<u>88</u>	<u>119</u>
		125	152
		<u>708</u>	<u>806</u>
Profit after taxation		—	200
(dealt with in accounts of parent company £662,000 (1979—£539,000))			
Transferred to Investment Reserve		<u>708</u>	<u>666</u>
Dividends:			
Preference		<u>3</u>	<u>3</u>
Ordinary (see Directors' Report)		247	219
Interim, paid 2nd January, 1981		295	266
Proposed final		<u>545</u>	<u>488</u>
		<u>16%</u>	<u>178</u>
Retained profit			

PROVIDENT LIFE Association of London Limited

Balance Sheets as at 31st December, 1980

	Note	1980		1979	
		Group £000	Company £000	Group £000	Company £000
Capital and Reserves					
Share Capital	2	1,289	1,289	1,289	1,289
Retained profits and reserves		1,466	1,466	1,303	1,303
		<u>2,755</u>	<u>2,755</u>	<u>2,592</u>	<u>2,592</u>
Insurance Funds and Liabilities					
Property and Accident—Unearned premiums		903	—	796	—
Outstanding claims		1,411	—	1,236	—
Motor—Unearned premiums		826	—	672	—
Outstanding claims		1,277	—	974	—
Marine Fund		28	—	51	—
		<u>4,445</u>	<u>—</u>	<u>3,729</u>	<u>—</u>
Other Liabilities					
Sundry Creditors		231	5	157	—
Taxation		87	87	32	79
Dividends payable and proposed		543	543	486	486
		<u>8,061</u>	<u>3,390</u>	<u>7,046</u>	<u>3,157</u>
Long-Term Insurance per separate Balance Sheet		105,514	105,514	97,454	97,454
		<u>113,575</u>	<u>108,904</u>	<u>104,500</u>	<u>100,611</u>
Investments					
	1(b)				
British Government Securities		4,187	299	3,330	154
Other Fixed Interest Securities		400	12	261	31
Preference Shares		504	490	553	539
Ordinary Shares		730	694	607	566
		<u>5,821</u>	<u>1,495</u>	<u>4,751</u>	<u>1,270</u>
Market Value		826	—	754	—
Freehold property including Company's offices		28	—	44	—
Mortgages on house property		—	—	—	—
		<u>6,675</u>	<u>1,495</u>	<u>5,549</u>	<u>1,270</u>
Less: Investment Reserve	1(c)	776	245	379	101
		<u>5,899</u>	<u>1,250</u>	<u>5,170</u>	<u>1,169</u>
Investment in Subsidiaries	11	—	1,396	—	1,350
		<u>5,899</u>	<u>2,646</u>	<u>5,170</u>	<u>2,519</u>
Current Assets					
Sundry Debtors		1,078	59	934	32
Taxation		120	—	109	—
Due from Long-Term Fund		308	308	295	295
Due from Subsidiary Companies		—	2	—	35
Deposits		540	350	386	250
Balances at Bankers		116	25	152	26
		<u>8,061</u>	<u>3,390</u>	<u>7,046</u>	<u>3,157</u>
Long-Term Insurance per separate Balance Sheet		105,514	105,514	97,454	97,454
		<u>113,575</u>	<u>108,904</u>	<u>104,500</u>	<u>100,611</u>

The notes and signatures on pages 16, 17 and 18 are an integral part of these Accounts.

PROVIDENT LIFE Association of London Limited

Balance Sheet Long-Term Insurance as at 31st December, 1980

Funds	Note	£000	1980	£000	1979
					£000
Long-Term Insurance Funds				101,703	94,577
Life Assurance Contingency Fund				2,000	1,000
				<u>103,703</u>	<u>95,577</u>
Current Liabilities					
Outstanding claims and annuities		377			378
Depositors		146			170
Due to Shareholders' Fund		308			295
Creditors		980			1,034
				<u>1,811</u>	<u>1,877</u>
				<u>105,514</u>	<u>97,454</u>
Investments					
	1(b)				
British Government Securities				20,215	14,191
Other Fixed Interest Securities				789	810
Ordinary Shares				16,797	14,408
Market Value				<u>37,801</u>	<u>29,409</u>
Mortgages on house property and other loans within the United Kingdom				55,331	55,214
Freehold and leasehold property, including Company's offices				15,491	14,743
				<u>108,623</u>	<u>99,366</u>
Less: Investment Reserve	1(c)			6,216	4,780
				<u>102,407</u>	<u>94,586</u>
Current Assets					
Debtors and Prepayments		325			326
Taxation		500			631
Outstanding premiums		415			404
Investment income accrued and outstanding		1,113			779
Deposits		420			420
Balances at Bankers		334			308
				<u>3,107</u>	<u>2,868</u>
				<u>105,514</u>	<u>97,454</u>

PROVIDENT LIFE Association of London Limited

Consolidated Statement of Source and Application of Funds for the year ended 31st December 1980 (Excluding Long-Term Insurance)

	1980 £000	1979 £000
Source of Funds		
Profit before taxation	796	935
Movement on Investment Reserve	397	(92)
Adjustments for:—		
Increase in General Insurance Funds and Liabilities	716	39
Increase in Creditors	74	(45)
Increase in Debtors	(157)	44
	<u>1,826</u>	<u>931</u>
 Application of Funds		
Dividends paid	488	427
Tax paid	94	96
	<u>582</u>	<u>513</u>
 Changes in Investments and Net Liquid Funds		
Increase (Decrease) in:—		
Investments and Deposits	1,280	451
Balances at Bankers	(36)	(33)
	<u>1,244</u>	<u>418</u>
	<u>1,826</u>	<u>931</u>

PROVIDENT LIFE Association of London Limited

Notes on the Accounts

1. Accounting Policies

(a) Basis of Consolidation

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

(b) Investments

(i) Listed securities have been valued at middle market value at 31st December, 1980. 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 valuation less estimated selling costs. All valuations have been carried out within the last three years by external valuers.

(c) 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 (b) 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.

(d) 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.

(e) General Insurance

(i) Exchange Rates

Assets and liabilities in foreign currencies have been translated at the rates ruling on 31st December, 1980. The revenue transactions have been translated at average rates prevailing during the year.

(ii) Unearned Premiums

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

(iii) Outstanding Claims

Outstanding claims include due provisions in respect of claims incurred but not notified to the Company at 31st December, 1980.

(iv) Marine

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

(v) Treaty Reinsurance

The company ceased accepting treaty reinsurance business in 1976. The reserves are considered to be sufficient to provide for all outstanding claims including those still to be reported.

2. Share Capital

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

	1980	1979
20,000 3.5% (formerly 5% gross) Cumulative Preference Shares of £5 each	£100,000	£100,000
4,755,000 Ordinary Shares of 25p each	1,188,750	1,188,750
	<u>£1,288,750</u>	<u>£1,288,750</u>

PROVIDENT LIFE Association of London Limited

3. 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:—

	Long-Term Revenue Account		Consolidated Profit and Loss Account	
	1980	1979	1980	1979
Income Tax	£497,776	£334,030	£49,236	£33,974
Corporation Tax	121,287	61,712	16,483	23,947
Advance Corporation Tax	—	—	22,463	60,768
	<u>£619,663</u>	<u>£395,742</u>	<u>£88,182</u>	<u>£118,709</u>

Corporation tax losses carried forward by the subsidiary company amounted to approximately £324,000 (1979—£587,000).

4. Directors' Remuneration

Directors' remuneration for the year was:—

	1980	1979
Fees	£24,566	£22,572
Other emoluments	39,830	32,335
Pensions paid to former Directors or their widows	11,588	10,045
	<u>£75,984</u>	<u>£64,952</u>

Chairman	£8,014	£7,051
Highest paid Director	£31,493	£25,378

Number of Directors

Other Directors by scale:	5	7
Up to £5,000	1	—
Exceeding £5,000 up to £10,000	—	—

5. Employees' Remuneration

The number of employees in the Group in receipt of emoluments in excess of £20,000 was as follows:

	1980	1979
Exceeding £20,000 up to £25,000	2	2
Exceeding £25,000 up to £30,000	2	—

6. Loans to Directors and Officers

(i) Directors (or connected persons)

The following loan existed which had been granted by the Company in the normal course of business as a policy loan within the surrender value of the policies issued by the Company which mature in January 1988. The rates of interest charged averaging 7.76 per cent. per annum were those appertaining to all policyholders.

Mrs. Valerie Profumo (Wife of Mr. John Profumo)	1.1.80 £41,000	31.12.80 £41,000
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A loan for the purpose of house purchase also existed as under:—

Mr. D. H. Radley	1.1.80 £7,500	31.12.80 £7,500
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The above mortgage was granted under deferred house purchase policies (maturing by August 1987) issued by the Company in the normal course of business guaranteeing an advance at rates of interest averaging 5.8 per cent. per annum. Under the terms applying to staff at the date the loan was granted this rate of interest was reduced to an average of 2.9 per cent. per annum.

In both the above cases all due interest had been paid.

(ii) Officers

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

Aggregate amount outstanding	£162,472	Number of Officers	5
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PROVIDENT LIFE Association of London Limited

Notes on the Accounts (continued)

7. Auditors' Remuneration

The remuneration of the auditors for the year amounted to £37,000 (1979—£31,000).

8. Investment Reserve (Long-Term Insurance)

The sum of £1,600,000 transferred to the Long-Term Insurance Fund is made up of £1,910,000 less £310,000 in respect of the expenditure and amortisation referred to in note 1(c)(ii).

9. 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 £153,865 made up as follows:—

Parent company	£150,000 p.a. for 25 years from 1st January, 1981
Subsidiary company	£3,865 p.a. for 9 years from 1st January, 1981

10. Investments

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

	1980	1979
	£	£
Long-Term Fund	—	—
Group (excluding Long-Term)	141,000	139,000
Company	—	—

(ii) The Company has in the Long-Term Fund contracted for capital expenditure not provided for in these accounts of approximately £361,000 (1979—nil).

(iii) Uncalled capital on investments held by the Company in the Long-Term Fund amounted to £271,058 (1979—nil) at the year end.

11. Investment in Subsidiaries

The investment in subsidiaries 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 £46,000 (1979—£128,000) has been credited to Retained Profits and Reserves.

12. Interest paid


Interest paid to depositors of £13,096 (1979—£14,497) has been deducted from the investment income figure shown in the Long-Term Insurance Revenue Account.

13. Close Company

The "close company" provisions do not apply to the Company.


Managing Director.


Chairman.


Director.

266, Bishopsgate,
London EC2M 4QP

14th April, 1981.

PROVIDENT LIFE Association of London Limited

Report of the Auditors

We have audited the financial statements on pages 10 to 12 for the year ended the 31st December, 1980 in accordance with approved Auditing Standards.

In our opinion the financial statements comply with the provisions of the Companies Acts 1948 to 1980 applicable to Insurance Companies.

Deloitte Hasbaino Sell

London
14th April, 1981.

Chartered Accountants.

PROVIDENT LIFE Association of London Limited

MANAGEMENT

Managing Director

D. H. Rodley, F.I.A.

Assurance Business and Data Processing
General Manager and Actuary
Life Manager

B. E. Rodley, F.I.A., A.S.A.
R. K. Muddle, F.C.I.I.

Deputy Actuary
Deputy Actuary
Assistant Actuary
Assistant Actuary
Assistant Actuary

F. W. Brooks, F.I.A.
D. M. Lampert, F.I.A.
G. V. Budd, F.I.A.
D. Cooper, F.I.A.
L. M. Etheridge, B.Sc., F.I.A.

Assistant Life Manager
Assistant Life Manager
Assistant Life Manager

B. A. Moss, A.C.I.I.
J. D. Ridgway, A.C.I.I.
J. T. Webster, F.C.I.I.

Data Processing Manager
Assistant Data Processing Manager
Assistant Data Processing Manager

R. A. Halligan
D. F. Griffith
A. G. Lord, A.I.D.P.M.

Agency Organisation

Assistant General Manager

Deputy Agency Manager
Agency Secretary
Assistant Agency Secretary

E. E. Holland
H. C. Kearney, T.D.
B. I. Treadway, A.C.I.I., F.L.I.A.
M. J. Hayter

London Regional Life Manager
Regional Life Manager
Regional Life Manager
Regional Life Manager
Pension Sales Manager

J. S. Knight, A.C.I.I.
D. Corfield
B. T. J. Eades
J. C. Porter
G. H. Dibnah, T.D.

Investments

General Manager

Deputy Investment Manager

R. A. F. Ostine, F.I.A.
J. Shaddick, B.A.

Secretarial and Accounts

Assistant General Manager and Secretary

Chief Accountant
Collection Department Manager

J. D. Fox, F.C.A.

M. Wise, F.C.A.
J. T. Sully

Staff Manager

F. W. Lee, A.C.I.I.

Special Projects Manager

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

Office Services Manager

K. A. Thompson, B.Sc.(Econ.)

Medical Officer
Auditors
Solicitors
Bankers

D. D. Gibbs, D.M., F.R.C.P.
Deloitte Haskins & Sells
Hatchett Jones & Kidgell
Barclays Bank Limited
National Westminster Bank Limited
Barclays Bank Limited

Registrars

UNITED STANDARD Insurance Company Limited
and its wholly owned subsidiary
VIGILANT Assurance Company Limited

MANAGEMENT

General Manager	R. A. F. Ostime, F.I.A.
General Insurance Business	
Assistant General Manager	D. Hinchcliffe
Assistant Development Manager	K. H. Blundell, A.C.I.I.
Assistant Manager	S. C. Brown, 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.
Statistics	
Statistician	M. A. Read, F.I.A.
Secretarial and Accounts	
Secretary and Accountant	J. W. Timmis, F.C.A.

Auditors	Deloitte Haskins & Sells
Bankers	The Royal Bank of Scotland Limited Barclays Bank Limited

PROVIDENT GROUP

PROVIDENT LIFE
ASSOCIATION OF LONDON LTD.

Life Assurance Business

266 Bishopsgate, London EC2M 4QP
Telephone: 01-247 3200
Telegrams: Provlifa London E.C.2

Accounts and remittances to:
Hurstleigh, Coronation Road, South Ascot, Berks SL5 9HQ

UNITED STANDARD
INSURANCE COMPANY LTD.
VIGILANT
ASSURANCE COMPANY LTD.

General Insurance Business

Ely Grange, Frant,
Tunbridge Wells,
Kent TN3 9BZ
Telephone: Tunbridge Wells (0892) 39111

LIFE AGENCY ORGANISATION

London and Home Counties (North)

Regional Office—266 Bishopsgate, London EC2M 4QP Tel. 01-247 3200
London Regional Life Manager J. S. Knight, A.C.I.I.
City Inspector A. E. A. Caville

Pensions Inspectors R. R. Moody, A.P.M.I.
F. G. Stanton

Area Office (Harrow)—2 Peterborough Road, Harrow, Middlesex Tel. 01-864 7199
Area Manager J. A. Carter

Area Office (Berks and Bucks)—Hurstleigh, Coronation Road, South Ascot, Berks SL5 9HQ Tel. Ascot 21426
Area Manager K. G. Athill

London and Home Counties (South)

Regional Office—Ely Grange, Frant, Tunbridge Wells, Kent TN3 9BZ Tel. Frant 592
Regional Life Manager B. T. J. Eades

Area Office (Hampshire)—12 Palmerston Road, Southampton SO1 1LL Tel. 0703 32716/7
Area Manager L. W. Deane

Area Office (Sussex)—53 Portland Road, Hove, Sussex BN3 5DQ Tel. Brighton 722288
Area Manager W. Morris

Midlands

Regional Office—34 Harborne Road, Edgbaston, Birmingham B15 3AA Tel. 021-455 8901
Regional Life Manager D. Corfield

Area Office (Birmingham and Warwickshire)—34 Harborne Road, Birmingham Tel. 021-455 8901
Area Manager T. J. Wheeler
City/Pensions Inspector J. Cosgrave

North and North Wales

Regional Office—39 Northenden Road, Sale, Cheshire M33 2DH Tel. 061-969 8321
Regional Life Manager J. C. Porter

Area Office (Leeds)—Permanent House, The Headrow, Leeds LS1 8DL Tel. 0532 452900
Area Manager (Mersuyside and North Wales) P. K. Szymanski
City Inspector H. Finn
Tel. Buckley 543273

West and South Wales

Regional Office—34 Whiteladies Road, Clifton, Bristol BS8 2LG Tel. 0272 38988
Regional Life Manager N. J. Lister

Area Office (Cotswolds)—10 Royal Crescent, Cheltenham GL50 3DA Tel. Cheltenham 24836/20100
Area Manager N. J. Lister
City/Pensions Inspector S. Earnshaw

London and Home Counties (North)

North East London

West London

Luton and West Herts

South West Essex

East Essex

Cambridge and South Suffolk

H. B. Rendell (*Life District Manager*)

A. R. A. Day (*Life District Manager*)

K. Isaacs (*District Inspector*)

R. J. Jiggins (*Life District Manager*)

J. Roberts (*Life District Manager*)

R. V. Harvey (*District Inspector*)

01-504 3202 (Woodford Green)

Uxbridge 34378

Luton 54557

Romford 27519

Rayleigh 775166

Chelmsford 440222

London and Home Counties (South)

South West London

South East London

North West and East Kent

K. W. Mardon (*Life District Manager*)

G. A. Gardner (*Senior Inspector*)

D. L. Hambrook (*District Inspector*)

Walton-on-Thames 27115

01-777 5453

Canterbury 66369

Midlands

Staffordshire

Leicestershire

Derbyshire and Nottinghamshire

Northampton

T. G. French (*Area Inspector*)

F. A. Fish (*Senior Inspector*)

M. J. Whittaker (*Senior Inspector*)

P. G. Wilton (*Area Inspector*)

Wolverhampton 24160

Leicester 353482

Draycott 2545

Wellingborough 680035

North and North Wales

North West Lancs.

North West Manchester

South West Manchester

West Yorkshire

P. A. Murray (*District Inspector*)

P. J. Boon (*Area Inspector*)

J. A. Skinkis (*District Inspector*)

T. Whitehead (*Senior Inspector*)

Southport 38669

Bolton 594213

061-973 4071 (Sale)

Leeds 452900

West and South Wales

Bristol

South Wales

Devon and Cornwall

R. M. Smith (*District Inspector*)

T. H. Jones (*Life District Manager*)

B. A. T. Heslop (*District Inspector*)

Bristol 38988

Tonypandy 433679

Plymouth 669633

GENERAL INSURANCE AGENCY ORGANISATION

Tel. 0892 39111

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

Assistant Development Manager
Senior Development Superintendent

K. H. Blundell, A.C.I.I.
W. D. Judge

South East
Senior Agency Inspector

S. Wood, B.Sc.(Hons.)

Tel. 0892 39111

East Anglia
Senior Agency Inspector

D. F. Barber

Tel. 0480 76219

Hampshire
Senior Agency Inspector

W. C. Stevens, A.C.I.I.

Tel. 0202 885555

Home Counties West
Senior Agency Inspector

J. R. Dressel, A.C.I.I.

Tel. 0494 718171

Bristol
Senior Agency Inspector

P. C. Churchill

Tel. 0272 569264

Leeds
Senior Agency Inspector

R. F. Bullock, A.C.I.I.

Tel. 0405 861417

Manchester
Senior Agency Inspector

D. Oakley

Tel. 061-794 3424

Midlands
Regional Office—34 Harborne Road, Edgbaston, Birmingham B15 3AA

Tel. 021-455 8901

Development Superintendent
Senior Agency Inspector
Agency Inspector

J. A. Langstaff
M. L. Malin, A.C.I.I.
A. R. Sullivan