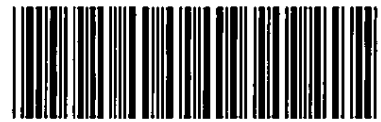


**WELSH CALVINISTIC METHODIST  
ASSURANCE TRUST LIMITED**

**Report and Financial Statements  
for the 18 month period ended 30 June 2008**

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# WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

<b>CONTENTS</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditors' report</b>	<b>5</b>
<b>Income and expenditure account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Notes to the accounts</b>	<b>9</b>

# WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

### DIRECTORS

H V Thomas  
T I Griffiths  
M G Downs  
J O Evans  
G C Jones

### SECRETARY

B Hughes

### REGISTERED OFFICE

Bryn Afon  
Segontium Terrace  
Caernarfon  
Gwynedd  
LL55 2PN

### BANKERS

HSBC Bank plc  
24 Castle Square  
Caernarfon  
Gwynedd  
LL55 2NB

### AUDITORS

Deloitte LLP  
Chartered Accountants and Registered Auditors  
Liverpool  
United Kingdom

# WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

## DIRECTORS' REPORT

The company changed its accounting reference date from 31 December to 30 June during the period. Therefore the directors present their annual report and the audited financial statements for the extended period ended 30 June 2008.

## ACTIVITIES

The company continued with its principal activity of insurers of properties belonging to the Presbyterian Church of Wales up to 25 June 2006. As of this date the company ceased trading. As required by FRS 18 'Accounting Policies' the financial statements have been prepared on the basis that the company is no longer a going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

## REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors consider the results for the period to be satisfactory. As a result of a motion placed before the General Assembly of The Presbyterian Church of Wales on the 13 July 2005, the company ceased to write new policies. The last renewal policy was issued on the 25 June 2005. All policies issued up to this date ran their full course by 25 June 2006.

The company cancelled its registration with the Financial Services Authority on 8 December 2006.

It is the intention of the directors to liquidate the company as soon as all potential future liabilities have legally expired or the company can assign these to another insurer.

## DIVIDENDS

The directors do not recommend the payment of a dividend (2006 – Nil).

## DIRECTORS AND THEIR INTERESTS

The current directors of the company are disclosed on page 1.

The interest of the directors holding office during the period were as follows:

	Ordinary shares of £10 each	
	At 30 June 2008	At 31 December 2006
H V Thomas	158	158
T I Griffiths	158	158
M G Downs	326	326
J O Evans	158	158
G C Jones	158	158

The shares, registered in the names of the directors, are held in trust for the Presbyterian Church of Wales.

## DONATIONS

In the period the company made charitable donations totalling £1,500,000 (2006 - £340,000). No political contributions were made.

# WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

## DIRECTORS' REPORT (continued)

### AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP. In accordance with Section 384 of the Companies Act 1985 a resolution for the re-appointment of Deloitte LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

22nd May 2009

Secretary



B MUGMES

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED**

We have audited the financial statements of Welsh Calvinistic Methodist Assurance Trust Limited for the 18 month period ended 30 June 2008 which comprise the income and expenditure account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements of International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

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

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

### **Opinion**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the company's affairs as at 30 June 2008 and of its deficit for the 18 month period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED (continued)**

**Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Deloitte LLP

Deloitte LLP  
Chartered Accountants and Registered Auditors  
Liverpool, UK

29 May 2009



**WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED**

**INCOME AND EXPENDITURE ACCOUNT**  
**18 month period ended 30 June 2008**

		18 month period ended 30 June 2008		Year ended 31 December 2006	
	Note	£	£	£	£
<b>Technical Account - General Business</b>					
Change in the provision for unearned premiums					
- Gross		-		53,947	
- Reinsurer's share		-		(52,142)	
		<u>-</u>		<u>1,805</u>	
Earned premiums, net of reinsurance			-		1,805
Claims incurred					
Claims paid - gross		-		14,275	
- reinsurer's share		-		(14,678)	
Change in the provision for claims		-		(5,000)	
		<u>-</u>		<u>5,403</u>	
			-		7,208
Net operating expenses	4		<u>(1,541,119)</u>		<u>(386,037)</u>
Balance on Technical Account	2		<u>(1,541,119)</u>		<u>(378,829)</u>
<b>Non-Technical Account</b>					
Balance on technical account			(1,541,119)		(378,829)
Investment income	3		68,587		68,133
Unrealised gains on investments			-		23,128
Realised loss on disposal of investments			<u>(22,564)</u>		<u>(6,061)</u>
Operating deficit and deficit on ordinary activities before tax			(1,495,096)		(293,629)
Tax on deficit on ordinary activities	6		<u>18,574</u>		<u>66,823</u>
Deficit for the financial period	10,11		<u>(1,476,522)</u>		<u>(226,806)</u>

The results for the current and prior period are all attributable to operations that were discontinued on 25 June 2006. This was the date the last premium expired.

There are no other recognised gains and losses other than the surplus for the current and prior period and hence a statement of total recognised gains and losses has not been presented.

**WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED**

**BALANCE SHEET**  
**At 30 June 2008**

	Note	£	At 30 June 2008 £	At 31 December 2006 £
<b>ASSETS</b>				
Investments				
- shares	7	-	112,431	
- debt securities	7	-	11,443	
- deposits with credit institutions		107,815	<u>1,478,820</u>	
			107,815	1,602,694
<b>Debtors</b>				
Debtors arising out of reinsurance operations		-	30,930	
Called up share capital not paid		9,168	9,168	
Other debtors		<u>12,546</u>	-	
			21,714	40,098
<b>Other assets</b>				
Tangible assets	8	-	-	
Cash at bank and in hand		<u>19,836</u>	<u>2,515</u>	
			19,836	2,515
<b>Prepayments and accrued income</b>				
Accrued interest			-	<u>8,284</u>
			<u>149,365</u>	<u>1,653,591</u>
<b>LIABILITIES</b>				
<b>Capital and reserves</b>				
Called up share capital	9	9,671	9,671	
Reserves	10	<u>131,068</u>	<u>1,607,590</u>	
Total equity shareholders' funds	11		140,739	1,617,261
<b>Provisions for other risks and charges</b>				
Provisions for taxation	12		-	6,024
<b>Creditors</b>				
	13		-	12,546
<b>Accruals and deferred income</b>				
			<u>8,626</u>	<u>17,760</u>
			<u>149,365</u>	<u>1,653,591</u>

These financial statements were approved by the Board of Directors on  
Signed on behalf of the Board of Directors

*22nd May 2009*

Director

*[Handwritten Signature]*  
*GERALD CHURCH-JONES*

# WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

## NOTES TO THE ACCOUNTS

18 month period ended 30 June 2008

### 1. ACCOUNTING POLICIES

#### Basis of preparation

The financial statements are prepared in accordance with the provisions of Section 255A of, and Schedule 9A to, the Companies Act 1985.

The financial statements have been prepared in accordance with applicable United Kingdom standards and under the historical cost accounting rules as modified by the revaluation of investments. The company has adopted all material recommendations of the Statement of Recommended Practice for Insurance Business issued in December 2005 (as amended in December 2006) by the Association of British Insurers ("the ABI SORP").

As explained in the directors report, the company ceased trading on 25 June 2006. As required by FRS 18 'Accounting Policies' the directors have prepared the financial statements on the basis that company is no longer a going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

The company cancelled its registration with the Financial Services Authority on 8 December 2006.

The particular accounting policies adopted are described below:

#### Fixed assets

Depreciation of tangible fixed assets is calculated by the following methods from the beginning of the year in which the assets are first brought into use:

Equipment	25% straight line
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#### Taxation

Current tax, including corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Investment income, expenses and charges

Investment income comprises interest and dividends. Interest is dealt with on an accruals basis and dividends are included on an ex-dividend basis. All investment income, is recognised in the non-technical account net of tax credit.

Realised gains or losses represent the difference between the net sales proceeds and purchase price, and are recognised in the non-technical account.

Interest payable and expenses incurred in the management of investments are accounted for on an accruals basis.

#### Unrealised gains and losses

Unrealised gains or losses represent the difference between the valuation of investments at the balance sheet date and their purchase price. The movement in unrealised investment gains and losses therefore includes the reversal of previously recognised unrealised gains and losses on investments disposed of in the current period. All unrealised gains or losses are recognised in the non-technical account.

#### Investments

Investments, which include listed and unlisted shares and debt securities as well as cash held on deposit, are stated in the balance sheet at market value. The market value of listed investments represents quoted securities at bid price.

**WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED**

**NOTES TO THE ACCOUNTS**  
**18 month period ended 30 June 2008**

**2. SEGMENTAL INFORMATION**

<b>18 month ended period 30 June 2008</b>	<b>Miscellaneous £</b>	<b>Total £</b>	
Gross and net technical result	<u>(1,541,119)</u>	<u>(1,541,119)</u>	
<b>Year ended 31 December 2006</b>	<b>Fire &amp; other damage to property £</b>	<b>Miscellaneous £</b>	<b>Total £</b>
Gross premiums earned	-	1,805	1,805
Reversal of provision for claims	-	5,000	5,000
Gross claims incurred	(12,342)	(1,933)	(14,275)
Gross operating expenses	<u>(333,763)</u>	<u>(52,274)</u>	<u>(386,037)</u>
Gross technical result	(346,105)	(47,402)	(393,507)
Reinsurance balance	12,910	1,768	14,678
Net technical result	<u>(333,195)</u>	<u>(45,634)</u>	<u>(378,829)</u>

All premiums resulted from contracts of insurance concluded in the United Kingdom.

**3. INVESTMENT INCOME**

	<b>18 month period ended 30 June 2008 £</b>	<b>Year ended 31 December 2006 £</b>
Income from other investments – Listed investments	1,896	14,596
Interest receivable	<u>66,691</u>	<u>53,537</u>
	<u>68,587</u>	<u>68,133</u>

# WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED

## NOTES TO THE ACCOUNTS 18 month period ended 30 June 2008

### 4. NET OPERATING EXPENSES

	18 month period ended 30 June 2008 £	Year ended 31 December 2006 £
Administrative expenses	1,541,119	399,073
Reinsurance commissions	-	(13,036)
	<u>1,541,119</u>	<u>386,037</u>

Administrative expenses include:

	18 month period ended 30 June 2008 £	Year ended 31 December 2006 £
Depreciation	-	408
Fees payable to the company's auditors for the audit of the company's accounts	6,900	17,105
	<u>6,900</u>	<u>17,105</u>

No fees were paid to the company's auditors, Deloitte LLP and its associates for services other than the statutory audit of the company.

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

No remuneration was paid to the directors (2006 – Nil).

	18 month period ended 30 June 2008 £	Year ended 31 December 2006 £
<b>Average number of persons employed</b>		
Administration	1	1
	<u>1</u>	<u>1</u>
	£	£
<b>Staff costs during the year</b>		
Salaries and Social Security costs	10,116	18,445
	<u>10,116</u>	<u>18,445</u>

**WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED**

**NOTES TO THE ACCOUNTS**  
**18 month period ended 30 June 2008**

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<b>18 month period ended 30 June 2008 £</b>	<b>Year ended 31 December 2006 £</b>
Current tax	(12,546)	12,546
Deferred tax	(6,024)	(76,336)
Prior year adjustment	-	(3,033)
Repayment supplement	(4)	-
	<b>(18,574)</b>	<b>(66,823)</b>

**Reconciliation of current tax credit/(charge)**

The tax credit/(charge) assessed for the period is lower (2006: lower) than that resulting from applying the standard rate of corporation tax in the UK of 20% (2006: 19%)

	<b>18 month period ended 30 June 2008 £</b>	<b>Year ended 31 December 2006 £</b>
The differences are explained below:		
Operating deficit on ordinary activities before tax	(1,495,096)	(293,629)
Tax at 20% (2006: 19%) thereon:	299,019	55,790
Depreciation in excess of capital allowances	(40)	(31)
Realised/Unrealised gains/(losses) on investment	(4,513)	3,243
Capital gains	(7,238)	(74,321)
UK Dividend income	379	2,773
Losses relived at 19%	(660)	-
Unrelieved losses carried forward	(274,401)	-
	<b>12,546</b>	<b>(12,546)</b>

**7. INVESTMENTS - SHARES AND DEBT SECURITIES**

If stated at historic cost investments would have been shown at the following values in the balance sheet:

	<b>30 June 2008 £</b>	<b>31 December 2006 £</b>
Shares - Listed	-	44,595
Debt securities - Listed	-	16,862
	<b>-</b>	<b>61,457</b>

**WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED**

**NOTES TO THE ACCOUNTS**  
**18 month period ended 30 June 2008**

**8. TANGIBLE FIXED ASSETS**

	<b>Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>		
At 1 January 2007 and 30 June 2008	4,621	4,621
	<u>4,621</u>	<u>4,621</u>
<b>Accumulated depreciation</b>		
At 1 January 2007 and 30 June 2008	4,621	4,621
	<u>4,621</u>	<u>4,621</u>
<b>Net book value</b>		
At 30 June 2008	-	-
	<u>-</u>	<u>-</u>
At 31 December 2006	-	-
	<u>-</u>	<u>-</u>

**9. CALLED UP SHARE CAPITAL**

	<b>30 June</b>	<b>31 December</b>
	<b>2008</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
998 ordinary equity shares of £10 each	9,980	9,980
2 deferred ordinary equity shares of £10 each	20	20
	<u>10,000</u>	<u>10,000</u>

The directors believe the rights of the two classes of shares to be the same.

	<b>30 June</b>	<b>31 December</b>
	<b>2008</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
<b>Called up, allotted and fully paid</b>		
2 deferred ordinary equity shares of £10 each	20	20
<b>Called up, allotted and part paid</b>		
965 ordinary equity shares of £10 each - 50p paid	482	482
965 ordinary equity shares of £10 each - unpaid element	9,168	9,168
<b>Forfeited share account</b>	1	1
	<u>9,671</u>	<u>9,671</u>

**10. REVENUE RESERVES**

	<b>30 June</b>	<b>31 December</b>
	<b>2008</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
At 1 January 2007	1,607,590	1,834,396
Transfer from revenue account	(1,476,522)	(226,806)
At 30 June 2008	<u>131,068</u>	<u>1,607,590</u>

**WELSH CALVINISTIC METHODIST ASSURANCE TRUST LIMITED**

**NOTES TO THE ACCOUNTS**  
**18 month period ended 30 June 2008**

**11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	30 June 2008 £	31 December 2006 £
Deficit for the financial period/year	(1,476,522)	(226,806)
Net decrease in shareholders' funds	(1,476,522)	(226,806)
Opening shareholders' funds	1,617,261	1,844,067
<b>Closing shareholders' funds</b>	<u>140,739</u>	<u>1,617,261</u>

**12. PROVISION FOR DEFERRED TAX**

	Balance at 1 January 2007 £	Movement in deferred tax £	Balance at 30 June 2008 £
Deferred taxation at 19%	6,024	(6,024)	-

The amounts of deferred taxation provided in the accounts are:

	2008 £	2006 £
Unrealised appreciation on investments	-	6,024

**13. CREDITORS**

	30 June 2008 £	31 December 2006 £
Other creditors including taxation and social security	-	12,546
	-	12,546

**14. RELATED PARTY TRANSACTIONS AND CONTROLLING PARTY**

During the period the following transactions with related parties took place:

The company paid £20,675 (2006 - £13,900) to A Dyson-Hughes & Co, a firm in which the company secretary is a partner, in respect of rental and management services.

A donation of £1,500,000 (2006 - £340,000) was made to the Presbyterian Church of Wales, a registered charity.

As explained in the directors report, the shares in the company held by the directors are held in trust for the Presbyterian Church of Wales and accordingly the Presbyterian Church of Wales is considered to be the ultimate controlling party.