

FORM AR15

Industrial and Provident Societies Acts 1965 to 1978

ANNUAL RETURN FOR MISCELLANEOUS BUSINESSES

AUTHORISED FOR RECORD FILE

2898R

IMPORTANT

Unless authorised, the society must have its year end between 31 August and 31 January inclusive.

If the details on the label opposite are incorrect please amend.

NALGO INSURANCE ASSOCIATION LIMITED
137-139 EUSTON ROAD
LONDON
NW1 2AZ

(LIFE BUSINESS)

Year ended 31 / 12 / 1992

Particulars of committee of management at the date 2 April 19 93 on which the return is signed:

Names (block capitals)	Addresses (block capitals)	Year of birth	Business occupation and other directorships (excluding directorships of parent or subsidiary organisation(s)).
F W HERBERT <i>Chairman</i>	20 PRIORITY HILL, WEMBLEY MIDDLESEX HA0 2QF	1922	RETIRED
J F SAUNDERS	6 CLERMONT TERRACE, BRIGHTON SUSSEX BN1 6SH	1931	RETIRED
J A A ALLAN	221 BURNLEY ROAD, WEIR BACUP, LANCs OL13 8RB	1931	RETIRED
C A BAKER	63 STANHOPE DRIVE, BROMBOROUGH WIRRAL, MERSEYSIDE L62 2DF	1946	SENIOR LIBRARIAN
D BROUGHTON	FLAT 9, WARLBECK, KINGS ROAD ILKLEY, WEST YORKSHIRE LS29 9RH	1922	RETIRED
L M EVANS	37 STANHOME AVENUE, CRUMPSALL MANCHESTER M8 6PQ	1959	LEGAL ASSISTANT
M G HARDY	1 B BENTCLIFFE MOUNT, MOORTOWN LEEDS LS17 6QW	1942	EXTERNAL SERVICES MANAGER
K R PITTILLA	TOP END, SHADFORTH DURHAM DH6 1LJ	1929	RETIRED
D J STOCKFORD	27 LAKESIDE, NEWENT GLOS GL18 1SZ	1945	ADMINISTRATIVE OFFICER
P M THORNE	28 HOLLINGBURY RISE, HOLLINGDEAN BRIGHTON, EAST SUSSEX BN1 7GI	1946	SCHOOL ADMINISTRATIVE SECRETARY
A R JINKINSON <i>Secretary</i>	1 MABLEDON PLACE, LONDON WC1H 9AJ	1935	GENERAL SECRETARY

FOR OFFICIAL USE

Received	Ltr.	A/cs.	A.Rpt.	Ackd.	Entd.	Ab.	Ex.	R.C.	R.Pd.
1st	12	1111	1993						
2nd									

The address to which Rules, Returns and other Documents should be sent is as follows:-

ENGLAND AND WALES: Registry of Friendly Societies, 15 Great Marlborough Street, London W1V 2AX
SCOTLAND: Registry of Friendly Societies, 58 Frederick Street, Edinburgh EH2 1NB

These notes must be read before completing the return

A Notes and instructions for completion

- 1 This return must be made up to a date not earlier than **31 August** nor later than **31 January** and sent to the Registrar not later than **31 March**. A society authorised by the Registrar to make up its annual return to a date not within this period must send this return to the Registrar within three months of that date.
- 2 *It should be accompanied by*
 - (i) A copy of the auditors report (the space provided on page 12 may be used for this purpose).
 - (ii) A copy of each balance sheet made during the period included in the return and any report of the auditor thereon.
 - (iii) Where the society has a subsidiary a copy of its group accounts unless exempted from this requirement.
 - (iv) A copy of any current cost accounts produced in accordance with Statement of Standard Accounting Practice No. 16.
- 3 Printed accounts may not be submitted in lieu of the accounts pages of the return however, if there is insufficient space in any part of the printed form particulars may be entered on supplementary sheets of paper of similar size to the annual return which should be attached to the return and suitably cross referenced.

B The accounts contained in the annual return should comply with the following requirements:

General

- 1 When preparing the accounts and annual return consideration must be given to Statements of Standard Accounting Practice. Attention is also drawn to Auditing Standards and Guidelines with particular reference to the Auditor's Operational Standard and to the Guidelines headed "Accounting Systems" and "Internal Controls".
- 2 The accounting policies adopted by the society in determining the amounts to be included in respect of items shown in the balance sheet and in determining the income and expenditure for the year shall be stated on page 11.
- 3 There shall, if it is not otherwise shown, be stated by way of note to the accounts.
 - (i) every material respect in which items shown therein are affected.
 - (a) by transactions of a sort not usually undertaken by the society or otherwise of an exceptional or non-recurrent nature; or
 - (b) by any change in the basis of accounting.
 - (ii) any special circumstances which affect liability in respect of taxation of profits, income or capital gains for the financial year or for succeeding financial years.
- 4 Any negative value to be entered shall be clearly indicated by placing the entry in brackets.

Revenue Account

- 5 "Cost of Goods Sold" shall be entered after deducting dividends on purchases, trade commissions and transfers of goods to revenue and capital accounts.
- 6 "Rents receivable" shall be the amount receivable in respect of property not used in trade after deduction of outgoings.
- 7 "Personnel Expenses" shall include salaries and wages, accrued holiday pay, redundancy pay, national insurance contributions, ordinary superannuation contributions and industrial training levy.
- 8 "Occupancy Costs" shall include rents, rates, insurance, gas, electricity, water, fuel, general repairs and renewals, less rents receivable in respect of property used in trade.
- 9 "Emoluments of Committee Members" shall include any emoluments paid to or receivable by any person in respect of his services as a member of the committee of the society or in respect of his services, while a member of the committee in connection with the management of the affairs of the society. "Emoluments" shall include any amount paid by way of expenses allowances insofar as those sums are charged to UK Income Tax, any contribution paid in respect of him under any pension scheme and the estimated money value of any other benefits received by members of the committee other than in cash.

- 10 There shall be separately shown the amount, if material, set aside to provision other than provisions for depreciation, renewals or diminution in value of assets or, as the case may be, the amount, if material, withdrawn from such provisions and not applied for the purposes thereof.
- 11 Any amount charged to revenue by way of provision for renewal of fixed assets shall be separately shown, whether or not any amount is also charged by way of provision for depreciation or diminution in value of those assets.
- 12 If the amount charged to revenue by way of provision for depreciation or diminution in value of fixed assets (other than investments) has been determined otherwise than by reference to the amount of those assets as determined for making up the balance sheet, that fact shall be stated and the effect shown separately if material.
- 13 The following shall be stated by way of note if not otherwise shown:
 - (i) If depreciation or replacement of fixed assets is provided for by some method other than a depreciation charge, or provision for renewals, or is not provided for, the method by which it is provided for or the fact that it is not provided for, as the case may
 - (ii) The basis upon which the charge for corporation tax is computed.

Balance Sheet

- 14 Under "Cost or Valuation" in the Fixed Assets Account the net amount at which any particular asset stands in the society's books as at 31st December 1958 or the accounting date nearest to 31st December 1958, may be entered, and the narration amended accordingly, if the figures relating to the period before that date cannot be obtained without unreasonable expense and delay. If assets are entered at a valuation the headings should be amplified or amended as appropriate - see also 16 (iii) below.
- 15 Where any liability of the Society is secured otherwise than by operation of law on any assets of the society, the fact that liability is so secured shall be stated, but it shall not be necessary to specify the assets on which the liability is secured.
- 16 The following shall be stated by way of note, if not otherwise shown:
 - (i) where the amount of provisions (other than provisions for depreciation, renewals or diminution in value of asset(s) compared with the amount at the end of the immediately preceding financial year shows an increase or decrease, the source from which the increase has been derived or how the amount derived from any decrease has been applied.
 - (ii) the basis upon which the amount, if any, set aside for corporation tax is computed.
 - (iii) the nature of any material contingent liability not provided for, the uncertainties which are expected to affect the ultimate outcome, and, where practicable, the estimated amount of the contingent liability.
 - (iv) where practicable, the aggregate amount or estimated amount, if it is material, of
 - (a) contracts for capital expenditure, so far as not provided for, and
 - (b) capital expenditure authorised by the Committee of Management which has not been contracted for
 - (v) If the amounts at which any fixed assets are shown are arrived at by reference to a valuation.
 - (a) the years (so far as they are known to the Committee of Management) in which the assets were severally valued and the several values, and
 - (b) in the case of assets that have been valued during the financial year, the names of the persons who valued them or particulars of their qualifications for doing so and (whichever is stated) the bases of valuation used by them.
- 17 The heading for "Deferred Taxation" may be used where it is the practice to account for taxation attributable to material timing differences. (Timing differences are chiefly differences between profits as computed for taxation purposes and profits as stated in financial accounts which result from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial accounts). Where deferred taxation is accounted for the Account on page 7 should be completed. Provisions for Corporation Tax payable on profits of the current and past periods should not be included in or described as "deferred taxation".

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Auditor's Report

- 1 The relevant statutory provisions are contained in the Industrial and Provident Societies Act 1965, Section 39(1)(a) and the Friendly and Industrial and Provident Societies Act 1968, Section 9 and Section 11.
- 2 The report must be a report on the accounts for the period included in the return and should refer specifically to those accounts. The report should be framed with regard to approved auditing standards.
- 3 The space provided on page 12 may be used by the auditor either to enter the report or, where the report on the accounts included in the return is sent as a separate document attached to the return, to make reference to that report.
- 4 Both the report and any reference to the report must be signed by the auditor.

MEMBERS

Number of shareholding members:

at beginning of year*	-
admitted during year	-
together	-
membership ceased during year	-
at end of year	-

*If in disagreement with previous return, explain difference

STAFF

	Full time	Part time
Number of staff employed by society at end of year	NONE	NONE

SUBSIDIARIES

Names of subsidiaries as defined in section 15 of the Friendly and Industrial and Provident Societies Act 1968 (if none, enter 'NONE')

..... NONE

.....

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.....

Names of subsidiaries not dealt with in group accounts (if any) and reasons for exclusion (as approved by Registrar)

..... NONE

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.....

Has the society issued a statement of accounts to its members made up for the period covered by the return (or any part thereof)?

YES/NO*

*delete as appropriate (if "YES", a copy should accompany the return)

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REVENUE ACCOUNT

INCOME FROM SALES AND SERVICES:

£

Sales
 Less cost of goods sold

Profit on sales

Services (to be specified):

.....

Add other income:

Investment income (gross) listed 1,094,363
 unlisted 8,820 1,103,183

Other interest received (gross) 571,088

From subsidiaries -

Rents receivable less outgoings 536,117

Other: NET PREMIUM INCOME 1,424,059

SURPLUS ON DISPOSALS AND REVALUATION OF INVESTMENTS 2,291,900

UNDERWRITING COMMISSION 4,875

5,931,222

Deduct expenses:

Expenses as per analysis 1 on page 6 690,236

Bad debts written off -

Provided for bad and doubtful debts -

Interest payable:

Loans from bankers -

Other loans -

Other outgoings:

CLAIMS AND SURRENDERS 2,933,099

.....

3,623,335

Surplus for year before distributions

2,307,887

Deduct share interest and dividends for the year covered by the revenue account:

Share interest at per cent -

Trade dividends: To members -

To non-members -

Retained surplus for year before taxation

2,307,887

Deduct taxation (see analysis 8 on page 8) 598,788

Add other credits:

.....

Less other debits:

.....

1,709,099

Transfer to general reserve

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1 ANALYSIS OF EXPENSES

	£
Personnel expenses (including £..... salaries and wages)	341,983
Occupancy costs	162,601
Depreciation	-
Hire of plant and machinery	-
Emoluments of committee members (for analysis see page 9)	-
Remuneration of auditors	5,250
Other expenses: ACTUARIES FEES	117,018
..... COMMISSION	4,694
..... PRINTING AND STATIONERY	32,618
..... POSTAGE	26,072
Total	690,236
<i>Deduct</i> productive expenses and transfers to capital account (if any)	-
Expenses shown in revenue account	690,236

2 FIXED ASSETS ACCOUNT

	Used in trade				Not used in trade	Total
	Land and buildings	Fixtures and fittings	Machinery and plant	Transport		
	£ 000	£	£	£	£ 000	£
Cost or valuation (see page 3)						
At start of period	2,750	-	-	-	7,775	10,525
Additions during period	-	-	-	-	1,582	1,582
Revaluation on Property Held	-				(1,031)	(1,031)
<i>Less</i> Disposals during period	(2,750)				(726)	(3,476)
At end of period	-	-	-	-	7,600	7,600
Depreciation						
At start of period					-	
<i>Add</i> Charge for period					-	
<i>Less</i> Adjustment on disposals					-	
Total to end of period					-	-
Book amount at end of period						
Freehold		_____	_____	_____	6,925	6,925
Leasehold (50 or more years unexpired) ...		_____	_____	_____	-	-
Leasehold (less than 50 years unexpired)		_____	_____	_____	675	675
As per balance sheet	-	-	-	-	7,600	7,600

3 RESERVES AND FUNDS ACCOUNT

	General reserve	LIFE FUND		
	£	£	£	£
Balance at start of period		33,947,800		
<i>Add</i> Transferred from revenue account		1,709,099		
Other credits:		-		
.....				
.....				
<i>Deduct</i> Transferred to revenue account		-		
Other debits:		-		
.....				
.....				
Balance at end of period (as per balance sheet)	-	35,656,899	-	-

This margin is not to be written on

6 LOANS — movement during year (excluding overdrafts from bank)

	Interest rate %	At beginning of year £	Contributions £	Interest £	Withdrawals £	At end of year £
(a)						
(b)						
(c)						
(d)						
(e)						

Terms of repayment, and details of any security:

- (a)
- (b)
- (c)
- (d)
- (e)

7 SHARE CAPITAL ACCOUNT

Balance at start of period	£
<i>Add:</i> Contributions	-
Dividends and interest credited	-
<i>Deduct:</i> Withdrawals	-
Balance at end of period (as per Balance sheet)	-

This margin is not to be written on

8 TAXATION (Analysis of amounts provided and not provided in the revenue account and balance sheet)

Revenue account:

NOTE 7 (b) ATTACHED ACCOUNTS 598,788

Balance sheet

(i) Deferred taxation 816,000
 NOTE 7 (b) ATTACHED ACCOUNTS

(ii) Current liability

NIL

9 COMMITTEE OF MANAGEMENT AND EMPLOYEES' EMOLUMENTS etc.

Section A Committee members' emoluments, pensions and compensation

	For services as committee members £	For other services £	Total £
1 Committee members' emoluments (including pension scheme contributions)			NIL
2 Committee members' or past committee members' pensions			NIL
3 Compensation to committee members or past committee members in respect of loss of office			NIL

Section B Further particulars of committee members' emoluments

Section B is not required to be completed if the committee members' emoluments entered against item 1 of section A do not exceed £60,000

1 Number of committee members whose several emoluments (excluding pensions scheme contributions) fall within each step of the stated scale.

Scale of successive integral multiples of £5,000 (insert appropriate steps as necessary)
£

1—5,000
5001—10,000

Number of committee members.

NIL
NIL

2 Emoluments (excluding pension scheme contributions) of the chairman, or, if more than one person has been chairman during the financial year, the several emoluments of each such person so far as attributable to the period during which he was chairman.

£
NIL

Total

3 Emoluments (excluding pension scheme contributions) of the committee member (if any) whose emoluments exceed the total amount entered in item 2 of this section or, if the emoluments of each of two or more of the committee members exceed the said amount, the emoluments of him (or them in the case of equality) who had the greater, or, as the case may be, the greatest.

£
NIL

4 Committee members' emoluments (including pension scheme contributions) the rights to receive which have been waived and which, but for the waiver, would have fallen to be included in the amount entered against item 1 of section A.

Number of committee members

Aggregate amount of waived emoluments
£
NIL

Section C Employees' emoluments (excluding pension scheme contributions)

Number of persons employed by the society (other than committee members) whose several emoluments exceed £30,000 and fall within each step of the stated scale.

Scale of successive integral multiples of £5,000 (Insert appropriate steps as necessary)
£

30,000 — 35,000
35,001 — 40,000

Number of employees

NIL
NIL

10 LOANS TO COMMITTEE MEMBERS, SECRETARY, CHIEF EXECUTIVE OFFICER AND DEPUTY CHIEF EXECUTIVE OFFICER (and to any person who after the making of a loan became a Committee member, Secretary, etc.)

	No of loans	Total amount £
1 Loans made during the period covered by the annual return		
Members of committee		NIL
Others		
2 Loans outstanding at date of balance sheet (including loans made in previous years)		
Members of committee		NIL
Others		

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STATEMENT OF SOURCE AND APPLICATION OF FUNDS

		£
Source of funds		
Surplus for year before distributions	
Adjustment for items not involving the movement of funds:		
Depreciation	.....
Other	.....
Total generated from operations	.....
Funds from other sources		
Increase in share capital	.....
Loans received	.....
Disposal of investments	.....
Disposal of fixed assets	.....
.....	
Total funds generated	.....
Application of funds		
Fixed assets purchased	.....
Dividends paid	.....
Corporation tax paid	.....
Share interest paid	.....
Grants paid	.....
Investments purchased	.....
Loans repaid	.....
Change in working capital		
Increase (decrease) in stocks	.....
Increase (decrease) in debtors	.....
Decrease (increase) in creditors	.....
Movement in net liquid funds		
Increase (decrease) in cash and bank balances	.....
Increase (decrease) in short term investments held as current assets	
.....	

PER CASH FLOW STATEMENT ATTACHED ACCOUNTS

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NOTES TO THE ACCOUNTS

(if the space provided is insufficient a separate sheet should be attached to this page)

Accounting policies (see page 2)

PER NOTES 1 & 2 ATTACHED ACCOUNTS

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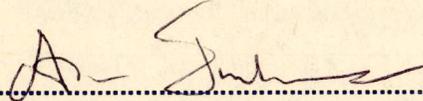
Other notes

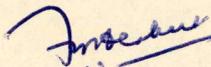
PER NOTES 3 TO 17 ATTACHED ACCOUNTS

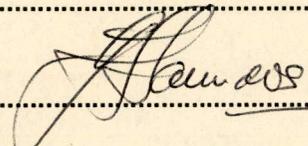
At the meeting on 2 APRIL 1993
the accounts and balance sheet contained in this annual
return were approved by the committee of management.
At the meeting on 2 APRIL 1993 the annual
return for the period ended 31 DECEMBER 1992
was approved by the committee of management and the
undermentioned were authorised to sign it.

*The responsibilities of the committee in
relation to the accounts are defined in the
Industrial and Provident Societies Act 1965
to 1978. Prior to approving the accounts, the
committee must satisfy itself that the Act and
the requirements set out in the annual return
have been complied with. In particular, if in
the opinion of the committee any of the current
assets do not have a value on realisation in
the ordinary course of the society's business
at least equal to the amount at which they
stand in the accounts, that fact must be
disclosed.*

Signatures of:

Secretary 

Member of committee 

Member of committee 

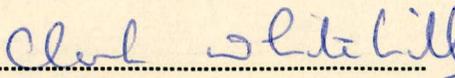
Auditors please note:

- 1) This society is an Industrial and Provident Society and not a registered Company.
- 2) As such, the society is registered under the Industrial and Provident Societies Act 1965 and its accounting requirements are set out in the Friendly and Industrial and Provident Societies Act 1968. Reference to both these Acts should be made in the report.

AUDITOR'S REPORT

(see guidance notes on page 3)

In our opinion the foregoing revenue account, balance sheet and notes give a true and fair view of the state of the Association's affairs at 31 December 1992 and of its results and cash flows for the year then ended and comply with the Friendly and Industrial and Provident Societies Act 1968 and the Industrial and Provident Societies Acts 1965 and 1978.

Signature(s) 

Profession or calling(s) Chartered Accountants & Registered Auditor

Address(es) Clark Whitehill

...25...New...Street...Square...London...EC4A...3LN... Date 2 July 1993

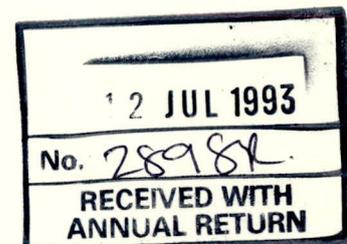
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nalgo insurance

PROTECTING PUBLIC SERVICE OFFICERS SINCE 1890

annual report and financial statements

1992



NALGO INSURANCE ASSOCIATION LIMITED

BOARD OF MANAGEMENT

F. W. HERBERT, F.B.I.M., F.R.S.A., formerly Controller of Personnel, Greater London Council (Chairperson).
J. F. SAUNDERS, J.P., F.L.A., formerly Assistant County Librarian, East Sussex County Council (Vice Chairperson).
J. A. A. ALLAN, D.M.A., formerly Registrar, Rochdale Colleges.
C. A. BAKER, B.A., A.L.A., Senior Librarian, Wirral Metropolitan Borough Council.
D. BROUGHTON, J.P., formerly Special Projects Officer, Bradford.
L. M. EVANS, Legal Assistant, Manchester City Council.
M. G. HARDY, B.Sc., C.Eng, MICE, MIHE, External Services Manager, Leeds City Council.
K. R. PITTILLA, formerly Senior Engineering Assistant, Durham County Council.
D. J. STOCKFORD, D.M.A., Administrative Officer, Education Department, Gloucestershire County Council.
P. M. THORNE, School Administrative Secretary, School of Cultural and Community Studies, University of Sussex.

SECRETARY

A. R. Jinkinson.

MANAGER

N. E. Dove, ACII.

FINANCIAL OFFICER

S. R. Tasker, FCCA.

ACTUARY

A. E. M. Fine, M.A., F.I.A., A.S.A., Bacon & Woodrow, St. Olaf House, London Bridge City, London SE1 2PE.

AUDITORS

Clark Whitehill, Chartered Accountants, 25 New Street Square, London EC4A 3LN.

BANKERS

Unity Trust Bank plc, 4 The Square, 111 Broad Street, Birmingham B15 8AR.

CHIEF MEDICAL OFFICER

Dr. G. B. Scholes, F.R.C.S. (Eng.).

PROPERTY MANAGERS

E. W. Wallaker & Co., 69 Victoria Road, Surbiton KT6 4NX.

SOLICITORS

Stilemans, 43-45 Chase Side, Southgate, London N14 5ST.

REGISTERED OFFICE

137/139 Euston Road, London NW1 2AZ.

Annual Report of the Board of Management

Your Board has pleasure in presenting the Annual Report and audited Financial Statements for the year ended 31 December, 1992:-

1. Board of Management

During 1992 Ms P. A. Quinn retired from the Board of Management; the resultant vacancy was filled by Ms P. M. Thorne.

The Board met on six occasions during the year; the individual recorded attendances were as follows, with the maximum possible meetings shown in parentheses:

F. W. Herbert	- 6 (6)	J. A. A. Allan	- 6 (6)	C. A. Baker	- 4 (6)
D. Broughton	- 6 (6)	L. M. Evans	- 5 (6)	M. G. Hardy	- 6 (6)
K. R. Pittilla	- 5 (6)	P. A. Quinn	- 0 (2)	J. F. Saunders	- 6 (6)
D. J. Stockford	- 5 (6)	P. M. Thorne	- 4 (4)		

2. Financial Officer

After seven years' service as Financial Officer of the Association, Mr. M. Runcie, CA, retired on 14 February 1992: on the same date, Mr. S. R. Tasker, FCCA, was appointed Financial Officer.

3. Development and Planning for the Future

The Board is pleased to report on the continuing strength of the Association's financial position, but recognises that if progress is to be maintained the levels of service and methods of operation must be improved. Although the Association's premium rates more than compete with those of other insurers, the Board has accepted the need to update its computer systems to provide the required improvement of service, development of additional products and more effective marketing.

The Board has previously reported on the development of information technology systems and the considerable cost of enhancing a computer system which was many years out of date. However, in conjunction with the Frizzell Group, new systems were introduced on 1 January 1992; this development has assisted in meeting increased competition from other insurance companies and banks and building societies providing insurance services.

Regrettably, the transitional processes created greater difficulties than anticipated, and led to unacceptably low levels of service on some occasions, for which the Board apologises to the affected policyholders.

Modifications to both computer and clerical systems have been made, and the Board is confident that policyholders will now receive the standard of service to which they are entitled, and that the anticipated growth of the Association will be achieved.

The formation on 1 July 1993 of UNISON, by the amalgamation of NALGO, NUPE and COHSE, presents a great opportunity to the Association for further expansion. NALGO Insurance Association Ltd. has been the natural insurer for all members of NALGO and, under an appropriate new name, will be so for members of UNISON. Unfortunately, the name UNISON has previously been registered by another provider of insurance and financial services. The Board's recommendation for a new name will be put to the Annual General Meeting in June 1993. Existing policyholders are assured that the change of name will not prejudice their rights under their policies in any way. Your Board is determined to make available to all members of UNISON an efficient, low cost insurance service dedicated to their needs.

4. Financial Commentary and Investment Policy

The improvement in investment returns which started in 1991 continued into 1992, despite further reductions in property values.

Further, the General Business underwriting deficit in 1992 of £274,095, compares with £2.2 million in 1991, and is more than adequately covered by the surplus on investments, giving an overall net surplus in excess of £2.8 million on the General Business Reserve Fund.

For the Life account, where the number of policies is reducing following its closure to new policyholders in 1990, an amount of £1.7 million was added to the Fund arising out of improved investment returns and lower claims and surrenders. The Board is giving active consideration to the equitable distribution of the Life Fund, taking into account the reasonable expectations of with-profits policyholders, as indicated in section 6 of this report.

The strength of the Association has been increased as a result of the careful monitoring and responsive actions of the Board in relation to both investment and underwriting matters.

Regular contact has been maintained with the Anti-Apartheid Movement, and the Board has continued to avoid investment in any holding considered to have strategic relevance to the economy of South Africa. Guidance has also been taken, from NALGO, on investment in previously nationalised companies in which members of NALGO are employed.

Finally, the property 137/139 Euston Road which was originally bought as an investment, but which is now occupied by the Association for its own business operations, is now regarded as a fixed asset and included in the General Business account.

5. Household Insurance

1992 brought a welcome increase in new household policies with 11,271 being issued, including many for members of the National Communications Union, from whom continued good support is received. Premium income rose from £10,276,876 to £12,209,467, an increase of 18.8%.

Deteriorating claims experience during previous years had necessitated an increase in rates from July 1991 and a further review was required in 1992.

As part of this review, and in common with other insurers, a differential rating system for buildings insurance was introduced from 1 July 1992, taking into account the locality of the property insured, and the greater exposure to flood and subsidence in some parts of the country. Contents insurance rates have been, for some time, related to post codes, enabling the higher risk areas to be rated accordingly and, following adverse experience, these rates were reviewed from the same date. Premium rate increases were kept to a minimum, but the Board has been conscious of the need to protect the funds of the Association.

The year was generally free from catastrophic weather conditions resulting in a reduction in claims incurred from over £9 million in 1991 to £7.4 million. However, theft claims continued to increase considerably, both in number and cost. The Association is addressing this particular issue and more regular reviews of rates and rating areas will probably ensue. Additionally, all policyholders are reminded that there is a duty of care to ensure that adequate precautions are taken to secure property. In certain areas minimum standards of security are essential but, even if not a requirement, the installation of door locks to British Standard 3621 and key operated window locks is a small price to pay for peace of mind.

The Board's annual plea for policyholders to ensure that sums insured represent the full cost of rebuilding their property or replacing all their possessions at current prices has had some positive response, but even so, some claimants have had to bear a proportion of their loss, because of underinsurance.

There is no doubt that the Association's householders policy is extremely good value for money and can be wholeheartedly recommended.

6. Life Assurance

The Association's Life Fund was closed to new policyholders in 1990 and is reducing accordingly. The Board is continuing to ensure that the reasonable expectations of policyholders should be met by bonus additions to with-profits policies.

In consultation with the Actuary, the Board has adopted the philosophy that a with-profits policyholder should receive an amount broadly related to and, in normal circumstances, not less than the share of the fund built up by similar policies after taking into account the past experience of those policies. Past experience will include investment performance, expenses, mortality, lapses and other factors. Allowance will be made for smoothing between policies of different durations, between different policy types, and to avoid undue fluctuations of bonus, particularly ordinary reversionary bonus, over time.

It is believed that this philosophy will achieve the Board's objective, but the matter will be kept under constant review.

7. Insurance for NALGO branches

Many branches have already taken advantage of the specifically designed insurance package, and the Association has been able to assist in arranging cover for numerous branches previously insured through other organisations. All branches, especially new UNISON ones, are urged to take advantage of the facilities.

8. Motor Insurance

The motor insurance market continues to be highly volatile. Numbers of claims and claim costs continue to rise, especially in relation to theft. During 1992 the industry reacted to the worsening situation by introducing a new system of vehicle classification which provides a more sophisticated and fairer method of motor rating than previously.

A scheme for members of NALGO, underwritten at Lloyds, is arranged by the brokers, Frizzell Financial Services Ltd. and the Board is confident that the scheme continues to provide members with a highly competitive product. The scheme may not always provide the cheapest premium but members are assured of security and the benefit of a first class service, including the handling and settlement of claims. All proposed changes in rates or cover are referred to the Motor Committee of the Board of Management for detailed examination and to ensure that proposed changes are justified.

9. Holiday Insurance

The Association's Carefree Holiday Plan has again proved to be a popular product with the number of policies continuing to rise. Rates and terms are reviewed annually and provide wide cover, including a full emergency service, backed by a first class claims service. The Association, with the support of NALGO Travel Limited, actively seeks to promote the policy.

10. NALGO Branch Membership Services Officers

Once again, the Board wishes to place on record its sincere thanks to all Membership Services Officers for their support during 1992. The maintenance of close links between the branches and Association is vital to ensure that the services provided by the Association are brought to the attention of all members.

11. Staff

The Board recognises the very difficult year experienced by all members of staff in adapting to the new computer systems, a new staffing structure and revised work practices and wishes to record its appreciation of the work and co-operation shown during 1992.

12. Retirement of Chairperson of Board

When this report is made to the Annual General Meeting it will be the last one by Mr. F.W. Herbert in his capacity as Chairperson. Mr. Herbert has been a member of the Board since 1973 and Chairperson since 1981. His contributions and commitment have always been much appreciated by his fellow members, staff and policyholders alike. The Board wishes to place on record its warmest thanks to Mr. Herbert for all his hard work during his period of office, and wishes him and his wife a long, happy and well deserved retirement.

**AUDITORS' REPORT TO THE MEMBERS OF
NALGO INSURANCE ASSOCIATION LIMITED**

We have audited the financial statements on pages 6-17 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the Association's affairs at 31 December 1992 and of its results and cash flows for the year then ended and comply with the Friendly and Industrial and Provident Societies Act 1968 and the Industrial and Provident Societies Acts 1965 to 1978.

London,
29 April, 1993



CLARK WHITEHILL
Chartered Accountants
and Registered Auditor

General Business Revenue Accounts for the year ended 31 December, 1992

1991		Property Underwriting Account		Notes	1992	
£	£				£	£
	10,276,876	Premiums	.. .. .		12,209,467	
	<u>529,668</u>	Less: reinsurance	.. .. .		<u>648,233</u>	
9,747,208						11,561,234
	658,238	Less: increase in provision for unearned premiums	.. .. .	2(a)		<u>686,350</u>
<u>9,088,970</u>		Premiums earned	.. .. .			10,874,884
	<u>9,025,925</u>	Claims incurred in the year net of reinsurance		8(a)	<u>7,371,743</u>	
	2,287,057	Commission and expenses of management	.. .. .		2,788,112	
	<u>(31,518)</u>	Deferred acquisition expenses	.. .. .		<u>5,415</u>	
	2,255,539			3	<u>2,793,527</u>	
	<u>—</u>	Depreciation	.. .. .	2(e)	<u>983,709</u>	
<u>11,281,464</u>		(Deficit) transferred to Revenue Account	.. .. .			<u>11,148,979</u>
<u>(2,192,494)</u>						<u>(274,095)</u>

Revenue Account

(2,192,494)		(Deficit) per Property Underwriting Account	.. .. .			(274,095)
427,362		Agency commission net of expenses	.. .. .			522,087
	1,329,057	Investment income:	.. .. .	2(b)		
	287,684	Interest and dividends	.. .. .		1,230,075	
	<u>—</u>	Rent	.. .. .		261,741	
		Underwriting commission	.. .. .		<u>2,437</u>	
<u>1,616,741</u>						1,494,253
(148,391)		Net surplus on disposals and revaluation of investments	.. .. .	6(a)		<u>1,742,245</u>
<u>686,635</u>						1,956,620
538,244		Surplus before taxation	.. .. .			3,698,865
<u>(37,584)</u>		Taxation charge/(release)	.. .. .	7(a)		<u>848,839</u>
<u>575,828</u>		Surplus for the year after taxation	.. .. .	9(a)		<u>2,850,026</u>

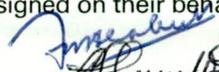
Life Revenue Account for the year ended 31 December, 1992

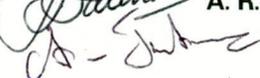
1991			Notes	1992	
£	£			£	£
	1,782,167	Premiums		1,605,387	
	188,406	Less: reinsurance		181,328	
1,593,761					1,424,059
	1,742,533	Investment income	2(b)	1,674,271	
	660,868	Interest and dividends		536,117	
	-	Rent		4,875	
2,403,401		Underwriting commission			2,215,263
		Net surplus on disposals and revaluation of investments	6(b)		2,291,900
273,404					5,931,222
4,270,566					
	4,281,226	Claims and surrenders	8(b)	2,933,099	
	804,746	Commission and expenses of management	3	690,236	
5,085,972					3,623,335
(815,406)		Surplus/(deficit) before tax			2,307,887
82,964		Taxation charge	7(b)		598,788
(898,370)		Amount added to/ (deducted from) the Life Reserve Fund	9(b)		1,709,099

Balance Sheets at 31 December, 1992

1991			Notes	1992	
General Business	Life			General Business	Life
£	£			£	£
1,446	—	Share Capital	11	1,330	—
11,617,846	33,947,800	Reserve Fund	9	14,467,872	35,656,899
<u>11,619,292</u>	<u>33,947,800</u>			<u>14,469,202</u>	<u>35,656,899</u>
20,687,572	34,334,078	Investments	10	21,549,514	36,653,056
2,123,562	—	Fixed Assets	12	4,326,592	—
		Current Assets			
224,340	—	Deferred acquisition expenses		218,925	—
1,814,010	242,120	Debtors		2,438,628	459,134
—	—	Corporation tax debtor		—	11,582
223,069	200,011	Accrued investment income		301,740	376,317
242,331	144,063	Bank balance and cash		41,173	305,421
<u>2,503,750</u>	<u>586,194</u>			<u>3,000,466</u>	<u>1,152,454</u>
		Less: Current Liabilities			
5,542,320	—	Unearned premiums	2(a)	6,228,669	—
6,942,812	159,492	Outstanding claims	2(c)	6,074,675	309,104
78	—	Shareholders' balances		83	—
444,262	189,841	Creditors		1,293,333	972,904
148,186	21,790	Premiums and rents received in advance		8,750	50,603
453,934	49,349	Corporation tax payable 1.10.93		397,860	—
<u>13,531,592</u>	<u>420,472</u>			<u>14,003,370</u>	<u>1,332,611</u>
(11,027,842)	165,722	Net Current (Liabilities)/Assets		(11,002,904)	(180,157)
11,783,292	34,499,800			14,873,202	36,472,899
164,000	552,000	Less: Deferred Taxation	7	404,000	816,000
<u>11,619,292</u>	<u>33,947,800</u>	Net Assets		<u>14,469,202</u>	<u>35,656,899</u>

Approved by the Board of Management on
2 April 1993 and signed on their behalf by:


F. W. Herbert Chairperson

J. F. Saunders Member of the Board of Management

A. R. Jkinson Secretary

Cash Flow Statement for the year ended 31 December, 1992

1991			1992	
General Business	Life		General Business	Life
£	£	Notes	£	£
<u>1,142,334</u>	<u>(2,192,252)</u>	Operating Activities	<u>2,316,297</u>	<u>237,785</u>
		Taxation		
<u>(240,310)</u>	<u>(93,986)</u>	Corporation tax paid	<u>(425,278)</u>	<u>(49,349)</u>
<u>(240,310)</u>	<u>(93,986)</u>	Tax paid	<u>(425,278)</u>	<u>(49,349)</u>
		Investing activities		
<u>(3,878,546)</u>	<u>(6,619,858)</u>	Purchase of other investments (other than cash equivalents)	<u>(12,024,204)</u>	<u>(14,425,491)</u>
<u>3,789,897</u>	<u>8,461,543</u>	Sale of other investments (other than cash equivalents)	<u>12,331,966</u>	<u>14,598,413</u>
<u>(1,389,322)</u>	<u>-</u>	Purchase of tangible fixed assets	<u>(3,186,739)</u>	<u>-</u>
<u>(1,477,971)</u>	<u>1,841,685</u>	Net cash (outflow)/inflow from investing activities	<u>(2,878,977)</u>	<u>172,922</u>
<u>(575,947)</u>	<u>(444,553)</u>	Net cash (outflow)/inflow before financing	<u>(987,958)</u>	<u>361,358</u>
		Financing		
<u>(47)</u>	<u>-</u>	Issue/redemption of share capital	<u>(116)</u>	<u>-</u>
<u>(575,994)</u>	<u>(444,553)</u>		<u>(988,074)</u>	<u>361,358</u>
<u>(575,994)</u>	<u>(444,553)</u>	(Decrease)/increase in cash and cash equivalents	<u>(988,074)</u>	<u>361,358</u>

Notes to the Financial Statements

1. Basis of Accounting

(a) The Financial Statements have been prepared in accordance with the Statement of Recommended Practice on Accounting for Insurance Business issued by the Association of British Insurers in May 1990.

(b) **General Business:** The underwriting result disclosed comprises the result for the current accounting period and any adjustments during the current accounting period to estimates used in arriving at results of prior accounting periods. This is known as the annual accounting basis.

Life Business: The balance of the Fund at the end of the accounting period is tested for adequacy by comparison with the actuarial valuation of long term business liabilities. Any distributable surplus emerging from the valuation is available for distribution to policyholders by way of bonus. This is known as the fund accounting basis.

(c) The time spent by staff on underwriting acquisition expenses, underwriting maintenance expenses (being those expenses incurred in servicing policies already in force) and claims handling expenses is used proportionately to arrive at the split of these figures. (Staff costs and appropriate overheads).

General business

(d) Underwriting acquisition expenses are deferred to the next period in the ratio of unearned premiums to written premiums.

(e) Claims incurred but not reported (IBNR) are based on claims reported to the Association after the balance sheet date and are included at a value based on the average cost of claims experienced in 1992. The inherent uncertainty in estimating General Business claims in the future and the timing of the payments, is such that discounting is not carried out.

(f) Claims handling expenses include both direct and indirect expenses being based on staff time. Salvage is considered too small to be quantified in these Financial Statements.

(g) Investment expenses (expenses relating to the buying and selling of investments other than stamp duty and brokerage) are regarded as too small an amount to separately identify in these Financial Statements.

(h) **Life Business:** This became a closed Fund with effect from 11 June 1990.

(i) **Life Business:** Annual premiums are accounted for when due for payment.

All business is incepted in the United Kingdom (though a few policyholders now live abroad). All claims are established upon the determinable event – surrender, maturity or death.

General Business – all UK based.

2. Accounting Policies

(a) Unearned Premiums

Unearned premiums represent the proportions of the premiums receivable which relate to periods of insurance subsequent to the Balance Sheet date, computed on "the twenty-fourths" basis.

(b) Investment Income

Investment income comprises dividends (including the related tax credits) received in the year, interest and rents receivable less expenses and underwriting commission receivable.

(c) Outstanding Claims – General Business

Outstanding claims include provision for claims incurred but not reported at the Balance Sheet date.

(d) Investments

Investments are shown in the Balance Sheet at market value.

(e) Depreciation – General business

(i) Property

The long leasehold property at 137/139 Euston Road has been included under fixed assets and depreciated by 2% a year. All other properties are regarded as investment properties and accordingly no depreciation is provided. The investment properties are shown in the Balance Sheet at market value.

(ii) Plant and Machinery

The cost of computer equipment and systems is depreciated on a straight line basis at annual rates of 20% and 50% respectively.

(iii) Fixtures and Fittings

The cost of fixtures and fittings is depreciated at an annual rate of 20%.

(f) Deferred Taxation

Full provision is made using the liability method in respect of deferred taxation relating to:

(i) the taxable element of the net surplus arising from the revaluation of investments;

(ii) all short term timing differences between the recognition of income for corporation tax purposes and its inclusion in the Financial Statements of the Association.

3. Commission and expenses of management

1992		Notes	General Business	Life
			£	£
(a)	Commission acquisition		386,906	4,694
	Commission maintenance		289,908	—
			<u>676,814</u>	<u>4,694</u>
(b)	Underwriting expenses of acquisition		429,744	33,645
	Decrease in deferred acquisition expenses	1(d)	5,415	—
	Underwriting maintenance expenses		963,045	370,098
	Total Underwriting expenses		<u>1,398,204</u>	<u>403,743</u>
(c)	Claims handling expenses		<u>613,744</u>	<u>269,163</u>
(d)	Auditors' remuneration		17,914	5,250
	Other fees payable to auditors		86,851	7,386
			<u>104,765</u>	<u>12,636</u>
			<u>2,793,527</u>	<u>690,236</u>

1991

			General Business	Life
			£	£
(a)	Commission acquisition		221,920	6,885
	Commission maintenance		224,909	—
			<u>446,829</u>	<u>6,885</u>
(b)	Underwriting expenses of acquisition		435,619	39,631
	Less increase in deferred acquisition expenses	1(d)	(31,518)	—
	Underwriting maintenance expenses		870,383	435,936
	Total underwriting expenses		<u>1,274,484</u>	<u>475,567</u>
(c)	Claims handling expenses		<u>494,075</u>	<u>317,044</u>
(d)	Auditors' remuneration		12,250	5,250
	Other fees payable to auditors		27,901	—
			<u>40,151</u>	<u>5,250</u>
			<u>2,255,539</u>	<u>804,746</u>

- The Life Fund paid £111,375 of imputed notional commercial rent (based on floor space occupied) on 137–139 Euston Road which is held by the General Business Fund under fixed assets.
- The Association has no employees itself: it pays NALGO for staff used on Nalgo Insurance Association Limited business.

6. Net surplus on disposals and revaluation of investments (note 2(d))

(a) General Business

	1991 £	1992 £
Surplus between cost and sale proceeds in the year	179,769	1,751,741
Surplus arising on revaluation of investments held at the Balance Sheet dates	506,866	204,879
	<u>686,635</u>	<u>1,956,620</u>

(b) Life

Surplus between cost and sale proceeds in the year	756,814	2,083,570
Surplus/(deficit) arising on revaluation of investments held at the Balance Sheet dates	(483,410)	208,330
	<u>273,404</u>	<u>2,291,900</u>

7. Taxation (note 2(f)).

(a) General Business

The charge/(release) to Revenue Account for taxation is computed as follows:

	1991 £	1992 £
U.K. corporation tax on taxable income for the year (at 33%) ..	575,030	559,317
Increase/(decrease) in deferred taxation on accrued investment income (at 25%/33%)	(28,000)	24,000
(Decrease)/increase in deferred taxation on the excess of cost over tax written down property values (at 33%)	1,000	(12,000)
Increase/(decrease) in deferred taxation on the revaluation of investments held at the Balance Sheet dates (at 33%) ..	(418,500)	228,000
Tax credit on U.K. dividends received and overseas taxation ..	102,871	78,170
Overprovision for prior years	(269,985)	(28,656)
	<u>(37,584)</u>	<u>848,839</u>

The provision for deferred taxation in the Balance Sheet, calculated on the liability method comprises:

On accrued investment income (at 25%/33%)	76,000	100,000
On excess of market value of investments over cost (at 33%)	-	228,000
On the excess of cost over tax written down property values (at 33%)	88,000	76,000
	<u>164,000</u>	<u>404,000</u>

7. Taxation (note 2(f)).

(b) Life.

The charge to Life Revenue Account for taxation is computed as follows:

	1991 £	1992 £
U.K. corporation tax on investment income for the year (at 25%)	225,461	208,067
Increase/(decrease) in deferred taxation on accrued investment income (at 25%)	(12,000)	44,000
(Decrease)/increase in deferred taxation on the excess of cost over tax written down property values (at 25%)	6,000	(42,000)
Increase/(decrease) in deferred taxation on the revaluation of investments held at the Balance Sheet dates (at 25%)	(319,000)	262,000
Tax credit on U.K. dividends received and overseas taxation	186,517	126,721
(Overprovision) for prior years	(4,014)	-
	<u>82,964</u>	<u>598,788</u>

The provision for deferred taxation in the Balance Sheet, calculated on the liability method comprises:

On actual investment income (at 25%)	50,000	94,000
On excess of market value of investments over cost (at 25%)	460,000	722,000
On the excess of cost over tax written down property values (at 25%)	42,000	-
	<u>552,000</u>	<u>816,000</u>

8. (a) Claims incurred in the year

General Business

	1991 £	1992 £
Gross claims	9,122,907	7,427,531
Less reinsurance	96,982	55,788
Net claims incurred in the year	<u>9,025,925</u>	<u>7,371,743</u>

(b) Claims and Surrenders

Life

	1991 £	1992 £
Deaths	449,325	459,061
Maturities	3,776,222	2,415,758
Surrenders	97,479	88,151
	<u>4,323,026</u>	<u>2,962,970</u>
Less reinsurance recoveries	41,800	29,871
	<u>4,281,226</u>	<u>2,933,099</u>

9. Reserve Funds

(a) General Business

	1991 £	1992 £
Balance at 1 January 1992	11,042,018	11,617,846
Surplus for the year after taxation	575,828	2,850,026
	<hr/>	<hr/>
Balance at 31 December 1992	11,617,846	14,467,872

(b) Life

	1991 £	1992 £
Balance at 1 January 1992	34,846,170	33,947,800
Amount added to/(deducted from) the Fund	(898,370)	1,709,099
	<hr/>	<hr/>
Balance at 31 December 1992	33,947,800	35,656,899

10. Investments

	Notes	General Business Market Value 1991 £	General Business Market Value 1992 £	Life Market Value 1991 £	Life Market Value 1992 £
Fixed Interest Redeemable Stocks	(a)	5,710,707	8,086,503	8,717,174	10,642,773
Ordinary Shares					
Quoted on a recognised Stock Exchange	(a)	8,615,949	10,246,173	14,300,892	17,436,020
Unquoted	(b)	148,916	141,254	189,532	171,708
Short term loans on money market		2,900,000	2,113,084	400,000	600,000
Land and Buildings	(c)				
Freehold		3,312,000	962,500	6,875,000	6,925,000
Leasehold less than 50 years to run		—	—	900,000	675,000
Leasehold more than 50 years to run		—	—	2,750,000	—
Loans					
On life policies issued by the Association				201,480	202,555
		<hr/>	<hr/>	<hr/>	<hr/>
		20,687,572	21,549,514	34,334,078	36,653,055

(a) Valued at middle market price

(b) The market value of unquoted ordinary shares is based on the Board of Management's valuation

(c) The market value of freehold and leasehold land and buildings is based on an open market valuation on a continuing use basis carried out by R.D.S. Heald, F.R.I.C.S. of E.W. Wallaker & Co.

nalgo insurance

11. Share Capital

	1991 £	1992 £
Issued: 75 "A" shares of £1 each	75	75
129,241 "C" shares of 1p each, fully paid ..	1,408	1,292
	<u>1,483</u>	<u>1,367</u>
Paid up: 75 "A" shares of £1 each, 50p paid ..	38	38
129,241 "C" shares of 1p each, fully paid ..	1,408	1,292
	<u>1,446</u>	<u>1,330</u>

12. Fixed Assets

General Business

Cost	Long Leasehold £	Plant and Machinery £	Fixtures & Fittings £	Total £
Balance at 1 January 1992	–	2,123,562	–	2,123,562
Additions	2,750,000	408,557	28,182	3,186,739
Balance at 31 December 1992	<u>2,750,000</u>	<u>2,532,119</u>	<u>28,182</u>	<u>5,310,301</u>
Accumulated Depreciation				
Balance at 1 January 1992	–	–	–	–
Charge for the year	(55,000)	(923,219)	(5,490)	(983,709)
Balance at 31 December 1992	<u>(55,000)</u>	<u>(923,219)</u>	<u>(5,490)</u>	<u>(983,709)</u>
Net Book Value at 31 December 1992	<u>2,695,000</u>	<u>1,608,900</u>	<u>22,692</u>	<u>4,326,592</u>
Net Book Value at 31 December 1991	<u>–</u>	<u>2,123,562</u>	<u>–</u>	<u>2,123,562</u>

13. Reconciliation of operating surplus/(deficit) to net cash inflow from operating activities

	General Business		Life	
	1991 £	1992 £	1991 £	1992 £
Operating surplus/(deficit) before tax	538,244	3,698,865	(815,406)	2,307,887
Depreciation charges	–	983,709	–	–
Investment revaluation reserve	(506,866)	(204,879)	483,410	(208,330)
(Profit) on disposal	(179,769)	(1,751,741)	(756,814)	(2,083,570)
(Increase) in debtors	(57,135)	(703,289)	(152,027)	(393,320)
Increase in unearned premiums	658,238	686,349	–	–
Increase/(decrease) in claims provisions	776,107	(868,137)	(509,012)	149,612
Increase/(decrease) in creditors	169,000	709,640	(79,774)	811,876
Tax on investment income included within operating income	(223,967)	(239,635)	(362,629)	(346,370)
Decrease/(increase) in deferred acquisition expenses	(31,518)	5,415	–	–
Net cash inflow/(outflow) from operating activities	<u>1,142,334</u>	<u>2,316,297</u>	<u>(2,192,252)</u>	<u>237,785</u>

14. Analysis of changes in cash and cash equivalents during the year

	General Business	Life
	Cash & cash equivalents £	Cash & cash equivalents £
Balance at 1 January 1991	3,718,325	988,616
Net cash (outflow)	(575,994)	(444,553)
	<u>3,142,331</u>	<u>544,063</u>
Balance at 31 December 1991		
Balance at 1 January 1992	3,142,331	544,063
Net cash (outflow)/inflow	(988,074)	361,358
	<u>2,154,257</u>	<u>905,421</u>

15. Analysis of the balances of cash and cash equivalents as in the Balance Sheet

a) General Business

	1990 £	1991 £	Change in year £
Cash at bank and in hand	218,325	242,331	24,006
Cash equivalents included in investments	3,500,000	2,900,000	(600,000)
Total cash and cash equivalents	<u>3,718,325</u>	<u>3,142,331</u>	<u>(575,994)</u>

	1991 £	1992 £	Change in year £
Cash at bank and in hand	242,331	41,173	(201,158)
Cash equivalents included in investments	2,900,000	2,113,084	(786,916)
Total cash and cash equivalents	<u>3,142,331</u>	<u>2,154,257</u>	<u>(988,074)</u>

b) Life

	1990 £	1991 £	Change in year £
Cash at bank and in hand	-	144,063	144,063
Bank overdrafts	(11,384)	-	11,384
Cash equivalents included in investments	1,000,000	400,000	(600,000)
Total cash and cash equivalents	<u>988,616</u>	<u>544,063</u>	<u>(444,553)</u>

	1991 £	1992 £	Change in year £
Cash at bank and in hand	144,063	305,421	161,358
Cash equivalents included in investments	400,000	600,000	200,000
Total cash and cash equivalents	<u>544,063</u>	<u>905,421</u>	<u>361,358</u>

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16. Analysis of changes in financing during the year

General Business

	1991 £	1992 £
Share capital including premium		
Financing at 1 January 1992	1,493	1,446
Cash (outflow) from financing	(47)	(116)
Financing at 31 December 1992	<u>1,446</u>	<u>1,330</u>

17. Actuarial Valuation

An actuarial valuation of the Life Fund is carried out annually. The last valuation which indicated a surplus, was carried out at 31 December 1991 by Bacon & Woodrow, Consulting Actuaries to the Association.



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