



NATIONAL DEPOSIT

Annual Report & Accounts 2004

integrity, self-help, value for money

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Society Information

Managing Board

Mr. D. C. Burgess – Chairman
Mr. D. C. Azubike
Mr. C. D. Bielckus
Mr. G. F. Hicks – Operations Director
Mr. G. R. Higham – Finance & Administration Director
Mr. E. P. Malden
Mr. P. McIlwraith
Mr. T. W. Trinder – Chief Executive

Delegate Board

Mrs. H. M. Cripps – President
Mr. D. A. Jones – Chairman
Mrs. R. Martyn – Vice-President
Mrs. J. M. Lamberts – Vice-Chairman
Mr. D. F. Battle – *(appointed March 2004/resigned June 2004)*
Mr. S. E. Brown
Mr. A. Cromack
Mr. K. G. Earl
Mr. E. A. W. Edwards – *(appointed June 2004)*
Mrs. M. A. Frost
Mr. G. F. Goodfellow
Mr. V. Goulding
Mrs. A. J. Gray
Mr. A. G. Harvey
Mr. F. E. Rogers
Mrs. E. A. Sleath – *(appointed April 2004)*
Mrs. L. M. Wallace
Mrs. M. A. Warren

Advisors

• Actuaries

BWCI Limited, Albert House,
South Esplanade, St Peter Port,
Guernsey, GY1 1AW

• Auditors

PricewaterhouseCoopers LLP,
31 Great George Street,
Bristol BS1 5QD

• Architects

Ansell & Bailey,
24 - 32 Stephenson Way,
London NW1 2HD

• Arbitrators

Mr Allan Chalkley
Mr Derek R. Loughborough, A.C.C.I., A.P.M.I.
Mr Robert W. Pollard

• Bankers

National Westminster,
The Mall, Clifton,
Bristol BS99 5AJ

• Custodians

Northern Trust,
50 Bank Street, Canary Wharf,
London E14 5NT

• Internal Auditors

Baker Tilly,
Old Sarum House, 49 Princes Street,
Yeovil BA20 1EG

• Investment Managers

Fidelity Investments,
25 Cannon Street,
London EC4M 5TA

• Solicitors

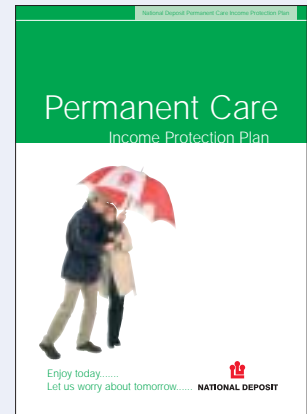
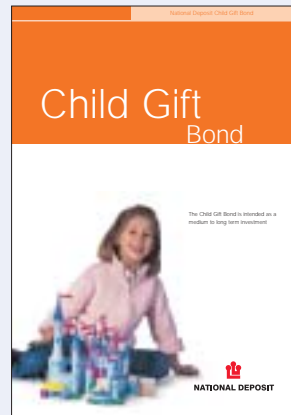
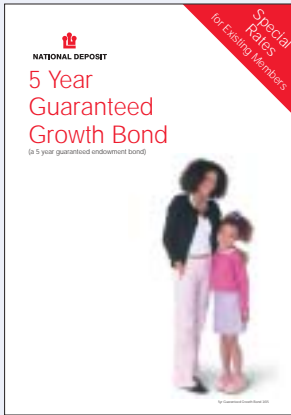
Ringrose Wharton,
1 Friary, Temple Quay,
Bristol BS1 6EA

• Surveyors

Mellersh & Harding,
6 Duke Street,
St James's,
London SW1Y 6BN

Registered Office: National Deposit Friendly Society Limited
4-5 Worcester Road, Clifton, Bristol BS8 3JL, United Kingdom.
Telephone: 0117 973 9003 Fax: 0117 980 9358
e-mail: enquiries@nationaldeposit.co.uk www.nationaldeposit.co.uk

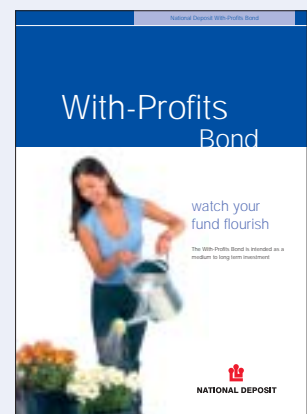
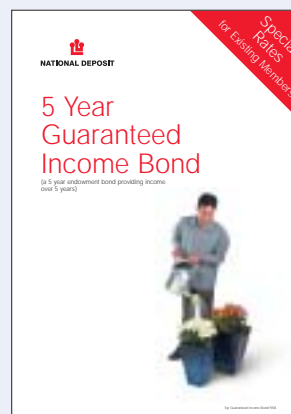
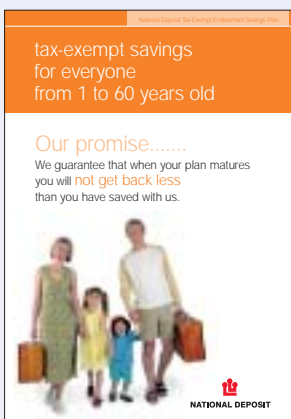
Product Family



NATIONAL DEPOSIT

Why not visit

www.nationaldeposit.co.uk



Financial Highlights

TOTAL ASSETS



ANNUAL PREMIUMS EARNED AND PAYMENTS TO DEPOSIT

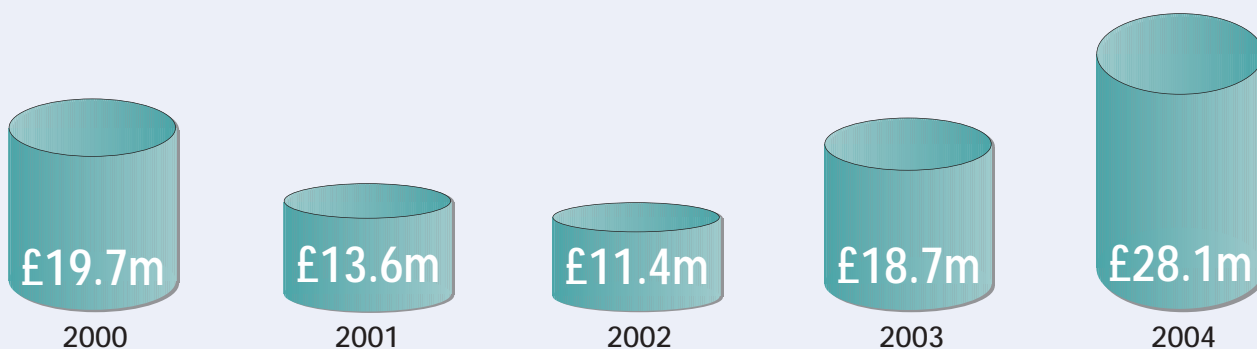
(Calculated using 10% of Single Premiums Business)



OPERATING EXPENSES



FUND FOR FUTURE APPROPRIATIONS



Chairman's Statement

INTRODUCTION

I am pleased to report another successful year for National Deposit despite the difficult trading conditions which we experienced in 2003 carrying on for much of 2004.

Our major accomplishments:

- Completed the Scheme of Transfer with Customs Annuity and Benevolent Fund.
- Increased the total Assets of the Society by £20 million (15%) to reach £154 million, the highest ever recorded by the Society.
- Reduced Operating Expenditure by £150 thousand (3%) despite absorbing the additional costs of administering the Customs Fund.
- Completed the computerisation of policy administration for our range of protection products.
- Developed a new web-site to handle on-line enquiries.

FINANCIAL RESULTS

The Scheme of Transfer with Customs Fund was completed on 29 February 2004 and the financial results and Balance Sheet include figures for the Customs Fund for the ten month period from 1 March 2004.

The outcome for the year produced a surplus of £9.4 million which has been transferred to the Fund for Future Appropriations which as a result has increased from £18.7 million to £28.1 million. This was accomplished from Investment Income and Gains which together with lower Operating Expenses offset higher Claims costs which arose primarily through an increase in maturing policies.

The insurance industry continued to be hit by a lack of public confidence during 2004 as policyholders were once again confronted with lower bonuses and in some instances capital losses. This manifested itself in lower demand for traditional with profits and long term savings products. National Deposit was not immune from these trends and our single premium new business suffered badly falling back to levels last seen in 2002. Regular premium business was broadly in line with 2003 whilst premium income from Customs Fund was in line with the financial projections developed as part of our evaluation of the Scheme of Transfer.

The Society continued its programme of cost reduction with a further restructuring of its Head Office operations which resulted in exceptional redundancy costs of £164 thousand.

INVESTMENT PERFORMANCE

The equity market remained a little volatile at times during 2004 continuing the upward trend shown during late 2003 but at a reduced level with the All Share Index at 31 December 2004 reaching 2410 an increase of some 9% in the year.

The fixed interest market indices recorded an increase of some 5% in the year despite higher interest rates during the period.

The steady growth in both the equity and fixed interest markets together with an increase in property values has strengthened the Society's solvency margin at December 2004. It should not be overlooked however, that worldwide events may cause market volatility in future years.

During the year the Society has continued its policy of reviewing the property portfolio in order to identify those properties which have reached their potential in relation to both rental yields and market values with a view to disposal and reinvestment of proceeds.

The Managing Board reviewed and adopted the Society's current Investment Policy at its September Meeting. The Policy incorporates the asset categories, ranges and controls as set out in the Principles and Practices of Financial Management (PPFM) which was adopted during 2004.

The asset categories as at 31 December were as follows:

	2004		2003	
	£'m	%	£'m	%
Fixed Interest	65.3	42.8	56.6	42.0
Equities	43.0	28.2	40.3	29.9
Properties	37.2	24.4	31.7	23.5
Cash and Other	7.0	4.6	6.2	4.6
	152.5*	100.0	134.8	100.0

**excludes linked liability fund assets.*

STRATEGIC INITIATIVES

The Society continued with the strategic development of its core infrastructure during 2004 in the following areas:-

- Developed the website to incorporate online applications.
- Extended office opening hours.
- Increased distribution channels.
- Integrated Assurance/Sickness departments.
- Implemented cross training initiatives.
- Completed the Transfer of Engagements of Customs Annuity Benevolent Fund.
- Developed the Customs Annuity Benevolent Fund database.
- Continued to search for acquisition opportunities.
- Enhanced the in-house printing facilities.

Chairman's Statement

TRANSFER OF ENGAGEMENTS

The whole of the Long Term Business together with the related assets and liabilities of Customs Annuity and Benevolent Fund (CABF) were transferred to the Society on 29 February 2004 under a Transfer Agreement drawn up in accordance with the Scheme of Transfer under the Financial Services and Markets Act 2000 sanctioned by High Court Order on 20 February 2004.

The CABF business provided a number of benefits including:

- Efficiency gains from amalgamating many of the administrative functions of the two organisations.
- Increased new business opportunities through the CABF distribution channels.
- The addition of CABF products which were previously not offered by National Deposit.

CABF was a mutual insurance company established by a special Act of Parliament to provide insurance products to employees of Customs and Excise. The Scheme of Transfer obliges the Society to maintain a separate CABF Account in respect of non-linked business as a basis for the determining of the future bonuses of the related CABF With-Profit policyholders.

CABF transacted With-Profit and Non Profit products through its main fund which was closed to new business on 29 February 2004. CABF also conducted Unit Linked business through its Equity Growth Fund which has continued to transact such business during 2004. Policies issued after the effective date are issued in the name of the Society which assumes the related Long Term Business obligations.

CABF investments with the exception of linked liability assets were transferred to Fidelity, the Society's Investment Managers, during 2004 and the Society's in-house Investment Manager has managed the Investment Property which was transferred to the Society on 29 February 2004. The Society has amended its rules to establish a separate Division for subscriber members and policyholders of CABF all of whom became members of the Society.

REGULATION

The Managing Board are conscious of their responsibility to manage a compliant business and dealt with the following regulatory issues raised by the FSA during 2004:-

- Developed and submitted "the Principles and Practices of Financial Management" within the timescale of 30 April 2004.
- Undertook a legal risk review of Society literature to ensure consistency of promises made to customers in policy contracts, key features and other promotional material.
- The concept of Individual Capital Assessments was introduced in late 2004. The Society in conjunction with its Actuaries has undertaken stress testing on different aspects of business processes in order to determine the capital adequacy to withstand various operational circumstances.
- Reviewed the revised role of the Actuary whereby the role of Appointed Actuary becomes defunct and is replaced by new actuarial functions of "With Profit Actuary" and "Head of Actuarial Function".
- An FSA desk based review was undertaken in late 2004 with all questions and information being supplied within time scale.
- The Myners Review of corporate governance in mutual insurance companies was published in December 2004. The Board supports the main recommendations set out in the Review and will work with the Association of Friendly Societies to develop an appropriate annotated combined code which the Society will in principle endeavour to follow.

THANKS

The Managing Board believe that the challenges facing National Deposit are just as real today as they always have been but with the experience gained over the last couple of years the Society is in a strong position to move forward especially with the restructuring that has taken place and the realisation of its initiatives.

We have an able and motivated team of managers and staff who are determined to develop National Deposit as an organisation of which you can be proud to be a member.

I offer my thanks to all staff and members of the Society for the support and encouragement they have provided during 2004 and look forward to the prospect of continuing that progress in the years ahead.

D C BURGESS

Chairman

Date: 15 March 2005

Managing Board

Member Non-Executive Directors



Mr. D. C. Burgess
Chairman

Mr D C Burgess was, prior to his retirement, a self-employed Design Consultant.

He was elected to hold office for a period of three years at the Society's Annual General Meeting in 2004.



Mr. D. C. Azubike

Mr D C Azubike is an Inspector of Health and Safety and a Board Member of a Housing Association.

He was elected to hold office for a period of three years at the Society's Annual General Meeting in 2003.



Mr. C. D. Bielckus

Mr C D Bielckus is a Chartered Accountant and Business Adviser.

He was elected to hold office for a period of two years at the Society's Annual General Meeting in 2003.



Mr. E. P. Malden

Mr E P Malden is the Managing Director of a transport company.

He was elected to hold office for a period of three years at the Society's Annual General Meeting in 2003.

Independent Non-Executive Director



Mr. P. McIlwraith

Mr P McIlwraith was a partner in PricewaterhouseCoopers until his retirement several years ago. He has, in the past, been the partner responsible for the Society's statutory audit and has a wide knowledge of the financial services sector.

Executive Directors



Mr. T. W. Trinder
Chief Executive

Mr T W Trinder has worked in financial services for more than 30 years including Board appointments at Liverpool Victoria and the Frizzell Group before joining the Society in 2002.



Mr. G. F. Hicks
Operations Director

Mr G F Hicks has been employed in financial services most of his working life. He joined the Society in 1974 and progressed through various departments to his current position.

Executive Director



Mr. G. R. Higham
Finance & Administration Director

Mr G R Higham has spent all of his working life within the accountancy sector having worked within clothing manufacture and retail, glass manufacture, financial services and a number of professional offices before joining the Society in 1994.

The Executive Directors and the Independent Non-Executive Director are appointed to office by the Delegate Board.

Report of the Managing Board

FOR THE YEAR ENDED 31 DECEMBER 2004

The Directors present their Annual Report, together with the Financial Statements and Auditor's Report for the year ended 31 December 2004.

BOARD OF DIRECTORS

A list of Directors of the Managing Board and of the Delegate Board, who held office during the year, appears within the "Society's Information" on page 1.

BUSINESS OBJECTIVES AND ACTIVITIES

The Society's objective is to promote the financial well being of its members through the provision of life assurance, savings and protection schemes. The Society also seeks to maximise the returns to its members through controlling costs and improving investment performance.

The progress of the Society, including the Transfer of Engagements of CABF, is reviewed by the Chairman on pages 4 to 5.

STATEMENT OF RESPONSIBILITIES OF THE DIRECTORS

The Board of Directors is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society as at the end of the financial year and of the results for that year. In preparing these financial statements the Board of Directors is required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State where applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the statements on a going concern basis, unless it is inappropriate to presume that the Society will continue in business.
- Prepare the accounts in accordance with the Friendly Societies (Accounts and Related Provisions) Regulations 1994 and in accordance with the applicable accounting standards in the United Kingdom.

The Directors confirm that the accounts comply with the above.

The Directors are responsible for keeping appropriate accounting records which disclose with reasonable accuracy, at any time, the financial position of the Society and to enable it to ensure that the financial statements comply with the Friendly Societies Act 1992. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF SOLVENCY

As at 31 December 2004 the Society's margin of solvency for each class of relevant business exceeded the minimum requirement prescribed by the Financial Services Authority's "Integrated Prudential Source Book for insurers".

MEMBERSHIP

Membership of the Society as at 31 December 2004 amounted to 61,294 (2003 66,682).

EMPLOYEES

The average number of Directors and staff employed by the Society totalled 77.

The aggregate remuneration paid to Directors and staff employed by the Society during the year amounted to £1.89 million.

The Society actively promotes the development of its staff through the provision of appropriate training.

COMPLAINTS POLICY

The Society aims to deliver the highest possible level of service to members. If any member believes that the Society has failed in this aim they have recourse to the Society's Complaints Procedure.

The Society has a documented procedure for the handling and recording of complaints. All complaints are dealt with with due care ensuring that they are thoroughly investigated. The Managing Board regularly review the number and type of complaint received in order to monitor that complaints are properly dealt with and corrective action has been taken to prevent recurrence.

In the event that a complaint cannot be resolved to the Member's satisfaction the Member will be made aware of the option to appeal to the Financial Services Ombudsman.

CHARITABLE DONATIONS

During the year the Society's charitable donations totalled £250 to 1 organisation. There were no political donations.

RE-APPOINTMENT OF AUDITORS

A resolution to re-appoint PricewaterhouseCoopers LLP will be proposed at the forthcoming Annual General Meeting.

By Order of the Board
G F Hicks
General Secretary
Date: 15 March 2005

Delegate Board



Members of the Delegate Board following the February 2005 meeting held at the Bonnington Hotel, London.

ACTIVITIES

The Delegate Board regularly review the Management Information Packs and generally receive representations from Executive Directors across a wide spectrum of business activities. The Chief Executive specifically provides a detailed report covering items discussed at Managing Board meetings. Formal reports are distributed in those months when there is no meeting.

MEETINGS

The Delegate Board met on eight occasions during 2004 including a joint meeting with the Managing Board when the Society's then Appointed Actuary presented his Annual Actuarial Valuation of the Society.

REPRESENTATIVES

Mrs H M Cripps was elected President and Mrs R Martyn was elected Vice-President at the June 2004 Annual General Meeting.

Mr D A Jones was elected Chairman and Mrs J M Lamberts was elected Vice-Chairman of the Delegate Board at the July 2004 Delegate Board Meeting.

The following member of the Delegate Board resigned during 2004 due to ill health:

Mr E A Reynolds on 5 February 2004

Committee of Management/Delegate Board Member for the South Midlands Division (1994-1997 and 1999-2004).

I should like to place on record our thanks and appreciation for all of the support which the past members of the Committee of Management/Delegate Board has provided.

We welcomed the following new representatives onto the Delegate Board during 2004:-

Mrs E A Sleath	South Midlands	Division 22
Mr E A W Edwards	Customs Fund	Division 44

Following completion of the Scheme of Transfer between the Customs Annuity and Benevolent Fund and National Deposit Friendly Society, Mr D F Battle of Customs Annuity and Benevolent Fund was initially appointed in March 2004 and resigned in June 2004 when he became the first Chairman of the new Customs Fund Division. Mr E A W Edwards was subsequently elected Delegate Board representative for the Customs Fund Division.

Report of the Delegate Board

OBSERVERS

The attendance of Observers at Delegate Board Meetings continued during 2004. Observers are nominated by Divisional Committees and may attend a Delegate Board Meeting in the event that the elected representative cannot, for whatever reason, attend in person. Observers may take part in all discussions but are unable to vote. At the eight meetings of the Delegate Board held in 2004 a total of 15 Observers attended and those were:-

Mr M V Smith	Surrey & Sussex Division 1	one occasion
Mrs R E Townsend	North Midlands Division 4	one occasion
Mr M Price	Kent Division 5	one occasion
Mr J Blackall	East Anglia Division 19	two occasions
Mrs E A Sleath	South Midlands Division 22	two occasions
Mr K Bale	Sheffield Division 24	two occasions
Mrs M Footitt	Sheffield Division 24	one occasion
Mr G Thomas	Northants & Chilterns Division 25	one occasion
Mr D W Grant	Southern Counties Division 28	two occasions
Mrs K J Cromack	Lincolnshire Division 41	one occasion
Mr T Morley	Customs Fund Division 44	one occasion

This has greatly facilitated communication between Divisional Committees and the Delegate Board where otherwise no representation or contact would have been made.

STAFF SUPERANNUATION FUND

On 5 June 2004 a Corporate Trustee Company was incorporated – NDFS Pension Trust Limited – with eight directors:-

D C Azubike	(Chairman)	P Keightley
S E Brown		P A Randall
E P Goodfellow	(Secretary)	P Scott
G F Goodfellow		T W Trinder

The creation of the company as a single trustee will assist in simplifying certain administrative procedures of the Fund.

H M Cripps
President
Date: 15 March 2005

Corporate Governance

The Managing Board supports the principles of corporate governance as required by listed companies. The Managing Board itself met on five occasions during the year with all Directors in attendance. The Board has established Sub-Committees, where appropriate, of Board members (with a majority of non-executives) as follows:

AUDIT SUB-COMMITTEE

C D Bielckus (Chairman)

D C Burgess

P McIlwraith

The Audit Sub-Committee meets four times a year and assists the Managing Board in meeting its responsibilities in respect of the systems and control and external financial reporting. It considers the appointment of and fees for external auditors and takes an independent view of the appropriateness of the Group's accounting policies and practices. It also considers the effectiveness of Internal Audit, who have unrestricted access to the Board.

REMUNERATION SUB-COMMITTEE

D C Burgess (Chairman)

D C Azubike

C D Bielckus

E P Malden

P McIlwraith

The Remuneration Sub-Committee meets at least once a year to review the remuneration policy and determines the remuneration packages of the executive directors and senior managers.

The remuneration of non-executive directors is based upon a survey of similar organisations carried out by the Executive Committee and approved by the full Managing Board.

INVESTMENTS SUB-COMMITTEE

D C Burgess (Chairman)

D C Azubike

C D Bielckus

G F Hicks

G R Higham

E P Malden

P McIlwraith

T W Trinder

This is covered by the full Board in order to meet their responsibilities in complying with Principles and Practices of Financial Management. The Investment Policy is formally reviewed every six months.

NOMINATIONS SUB-COMMITTEE

H M Cripps

M A Frost

D A Jones

F E Rogers

The Nominations Sub-Committee comprises at least four Delegate Board members who meet as required to consider and approve nominations to be submitted to the Delegate Board for the office of Member Non-Executive Director, having taken all reasonable steps to ensure the suitability of all nominated persons.

EXECUTIVE COMMITTEE

T W Trinder (Chairman)

G F Hicks

G R Higham

A Gledhill – Corporate Services Manager

The Executive Committee meets as necessary to manage the business of the Society on a day to day basis and take operating decisions that are within the terms of delegated authority as provided by the Managing Board from time to time.

LIABILITY INSURANCE FOR OFFICERS

The Society maintained Liability Insurance for all officers throughout the year.

G F Hicks

General Secretary

Date: 15 March 2005

Auditors' Report

● Independent auditors' report to the members of National Deposit Friendly Society Limited

We have audited the financial statements which comprise the income and expenditure account, balance sheet and the related notes which have been prepared under the historical cost convention (as modified by the revaluation of certain assets) and the accounting policies set out in the statement of accounting policies.

● Respective responsibilities of the Directors and Auditors

The Directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 and United Kingdom Auditing Standards issued by the Auditing Practices Board.

This report including the opinion has been prepared for and only for the Society's members as a body in accordance with Section 73 of the Friendly Societies Act 1992 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

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 Friendly Societies Act 1992. We also report to you if, in our opinion, the Report of the Managing Board is not consistent with the financial statements, if the Society 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the Chairman's Statement and Report of the Managing Board.

● Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 the accounting policies are appropriate to the Society'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 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 of the state of the Society's affairs at 31 December 2004 and of its Income and Expenditure for the year then ended and have been properly prepared in accordance with the Friendly Societies Act 1992.

In our opinion the report of the Managing Board has been prepared in accordance with the Friendly Societies Act 1992 and the regulations made under it and the information given therein is consistent with the accounting records and the financial statements for the year.

PricewaterhouseCoopers LLP 31 Great George Street
Chartered Accountants Bristol
and Registered Auditors BS1 5QD

15 March, 2005.

The maintenance and integrity of the National Deposit Friendly Society website is the responsibility of the Directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Income and Expenditure Account

LONG TERM BUSINESS – TECHNICAL ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

	Note	2004		2003	
		£	£	£	£
Earned Premiums and Payments to Deposit	2	6,502,319		7,369,229	
Less reinsurance premiums		(14,396)		-	
			6,487,923		7,369,229
Investment Income	3		9,359,368		9,689,377
Unrealised gains: investments	3		5,494,383		5,816,421
: assets held to cover linked liabilities			241,205		-
Other Technical Income:					
Society	4		36,266		54,434
CABF net assets transferred	5		14,082,791		-
			£35,701,936		£22,929,461
Claims			11,447,044		10,043,096
Change in Long Term Funds					
Long Term Business Provision	6	6,015,667		(1,497,231)	
Loan Fund		75,549	6,091,216	(895)	(1,498,126)
Provision for linked liabilities			1,635,337		-
Bonuses and Rebates			1,549,573		1,902,000
Net Operating Expenses	7(a)				
Acquisition Costs		1,217,086		1,167,815	
Administrative Costs		2,843,425	4,060,511	3,044,402	4,212,217
Other Technical Charges - Project costs	(b)		432,395		435,846
- Other	(c)		119,508		12,522
Investment Management Expenses			823,795		402,672
Exceptional costs - Redundancy			163,712		170,842
Tax attributable to long term business	10		-		-
Transfer to/(from) Fund for Future Appropriations			9,378,845		7,248,392
			£35,701,936		£22,929,461

All operating activities relate to continuing operations conducted in the U.K.

The Society has no recognised gains or losses other than those included in the Technical Account for the year.

Balance Sheet

AS AT 31 DECEMBER 2004

	Note	2004		2003	
		£	£	£	£
ASSETS					
Investments					
Land and Buildings	11	37,211,950		31,689,050	
Other financial investments	12	110,136,566	147,348,516	98,714,929	130,403,979
Assets held to cover linked liabilities	14		1,721,885		-
Debtors					
Debtors arising from direct insurance operations		306,033		131,208	
Other debtors		263,593	569,626	492,094	623,302
Other Assets					
Tangible Assets	15	947,061		448,628	
Stocks - Consumables		6,771		9,404	
Cash at Bank and in hand		1,965,077		1,485,600	
			2,918,909		1,943,632
Prepayments and accrued income					
Accrued Interest and Rent		1,280,669		1,643,862	
Other Prepayments and accrued income		163,216	1,443,885	152,766	1,796,628
			£154,002,821		£134,767,541
LIABILITIES					
Fund for Future Appropriations					
			28,121,035		18,742,190
Technical Provisions					
Long Term Business Provisions					
Gross		121,450,613		113,532,946	
Provision for Bonuses		1,549,573		1,902,000	
Loan Fund		88,703	123,088,889	13,154	115,448,100
Linked Liability Fund Provision			1,635,337		-
Creditors					
Arising out of direct insurance operations		206,465		158,150	
Other creditors including taxation and Social Security		456,816		109,961	
Accruals and Deferred Income		494,279	1,157,560	309,140	577,251
			£154,002,821		£134,767,541

These accounts were approved by the Managing Board on 15 March, 2005.

D. C. BURGESS
Chairman

T. W. TRINDER
Chief Executive

Notes to the Accounts

(1) Accounting Policies

The accounts have been prepared in accordance with The Friendly Societies (Accounts and Related Provisions) Regulations 1994 and in accordance with applicable accounting standards in the United Kingdom.

Premiums

Premiums are accounted for when due for payment. Payments to Deposit are accounted for when received.

Transfer of Engagements of Customs Fund

The transfer of engagements of the CABF business into the Society has been accounted for as an acquisition in accordance with FRS 6 which deals with business combinations. Assets transferred have been valued at open market value at the date of transfer. Liabilities transferred have been valued on the statutory basis as measured at 5 January 2004. The Society prepares its financial statements under the Friendly Societies Act 1992 and related regulations. The Society's financial statements at 31 December 2004 include CABF related transactions for the ten month period from 1 March 2004.

Claims

Maturity claims and annuities are charged against income when due for payment. Surrenders are accounted for when paid or, if earlier, on the date when the policy ceases to be included within the calculation of the long term business provision. Death claims and all other claims are accounted for when notified.

Deferred Acquisition Costs

The Society's products are in general designed to recover costs as incurred and hence no deferral of acquisition costs is appropriate. However, the Society will review its costs on an annual basis with a view to identifying any such costs that may appropriately be deferred.

Investment Income

Income from rents and securities are taken into account on an accruals basis. Dividends are accounted for on the date the shares become quoted ex-dividend. UK dividends are shown excluding their irrecoverable associated tax credit.

Realised and unrealised gains and losses

Realised investment gains and losses represent the difference between the sale proceeds and original cost. Unrealised investment gains and losses represent the net movement in the market value of investments during the year after allowing for realised gains and losses recognised in the Technical Account.

Investments

Listed securities are shown in the accounts at mid market value. Properties are shown in the accounts at open market value. Mortgages and Loans are valued at the estimated net realisable value after provision for doubtful debts, if this is considered necessary.

Fund for Future Appropriations

The fund for future appropriations incorporates amounts which have yet to be allocated to participating policyholders. Any surplus or deficit arising in the Technical Account is transferred to or from the fund on an annual basis. Surpluses are allocated by the Directors to participating policyholders by way of bonuses. Any unallocated surplus is carried forward in the fund for future appropriations.

Bonuses

Bonuses charged to the long term business technical account in a given year comprise:

- new reversionary bonuses declared in respect of that year which are provided within the calculation of the long term business provision.

- terminal bonuses paid out to policyholders on maturity and included within claims paid.

Depreciation

Properties

Investment Properties - no depreciation has been provided in accordance with SSAP19.

Non-Investment Properties - no depreciation has been provided as the Society's policy is to maintain the properties in good condition. Accordingly the Managing Board consider that the lives of these assets and their residual values are such that their depreciation is insignificant and is thus not provided. The underlying assets are reviewed for impairment annually.

Tangible Assets

Depreciation has been provided at the following rates calculated to write off each asset over its estimated useful life -

Motor Vehicles and Computer Equipment - 25% per annum on a straight line basis.

Office Equipment - 15% per annum on a reducing balance basis.

Notes to the Accounts

Project costs

Project costs comprise expenditure on Acquisitions and on Business Process Improvements which are intended to deliver future financial benefits to the Society through reducing operating costs.

Long Term Business Provision

The long term business provision is determined by the Society's Managing Board and is calculated on a statutory solvency basis to comply with reporting requirements under the Integrated Prudential Sourcebook for Insurers. The calculation uses a net premium method for With-Profit policies and as such includes explicit provision for annual reversionary bonuses declared prior to the valuation date. Implicit provision is made for future bonuses by using a valuation rate of interest lower than the expected return on the assets.

Calculation of the long term business provision for unit linked policies is based on the fund valuation at the valuation date.

Pensions

The estimated cost of pensions, based on the advice of an independent qualified actuary, in respect of the Society's Staff Superannuation Scheme is charged so as to spread the cost of pensions over the service lives of employees in the Scheme as required by SSAP24.

Variations from the estimated costs are spread over the expected remaining service lives of current employees in the Scheme.

The disclosure requirements under FRS 17 "Retirement Benefits" are being adopted in accordance with the transitional provisions of the standard.

Taxation

Deferred tax is provided using the full provision method. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. It is calculated at rates expected to be applicable when the asset or liability crystallises on a non-discounted basis. Deferred tax assets are recognised only to the extent that there will be sufficient foreseeable future taxable profits from which the future reversal of timing differences can be deducted.

(2) Earned Premiums		2004	2003
		£	£
Assurance		3,915,183	3,794,591
Endowment Bonds		272,870	772,284
Bonus Bonds		255,120	933,500
With-Profits Bonds and other Single Premiums		903,498	823,639
Sickness Premiums		421,051	413,047
Payments to Deposit		593,645	632,168
Unit Linked		140,952	-
		£6,502,319	£7,369,229
(3) Investment Return			
Income from:	Fixed Interest Stocks	3,897,651	3,234,281
	Ordinary Shares	1,308,324	1,211,945
	Listed investments	5,205,975	4,446,226
	Land and Buildings	2,304,913	2,505,507
	National Savings Bonds	3,448	3,523
	Mortgages and Ground Rents	62,270	51,688
	Realised gains	1,697,546	2,589,560
	Bank Interest	85,216	92,873
	Investment income	9,359,368	9,689,377
	Movement in unrealised gains in the year	5,494,383	5,816,421
	Total Investment Return	£14,853,751	£15,505,798
(4) Other Technical Income			
	Insurance Commission	33,158	29,455
	Interest on Policy Loans	3,108	3,434
	Recovered Pension Costs - Dual Liability	-	21,545
		£36,266	£54,434

Notes to the Accounts

(5) Transfer of Engagements

The whole of the Long Term Business other than certain excluded policies together with the related assets and liabilities of Customs Annuity and Benevolent Fund (CABF) were transferred to the Society on 29 February 2004. The assets and liabilities were:

Assets	2004	2003
Investments		
Freehold Land and Buildings	425,000	-
Other Financial Investments	12,439,283	-
Assets held to cover linked liabilities	1,453,144	-
Debtors	53,540	-
Tangible assets	1,333	-
Cash at Bank and in Hand	337,131	-
Prepayments and accrued income	36,346	-
Total assets	14,745,777	-
Less Current Liabilities	(662,986)	-
	14,082,791	-
Liabilities		
Long Term Business provision and Fund for Future Appropriations	12,629,647	-
Technical provisions for linked liabilities	1,453,144	-
	14,082,791	-

Valuation of the Long Term Business provision at £13 million (excluding the linked liability provision) at the year end on the basis of the current regulatory requirements represents an increase over the previous valuation of £0.5 million. No material fair value adjustments have been identified.

Deferred acquisition costs of £23,288 have been written off in aligning accounting policies of CABF to those of the Society.

(6) Long Term Business Provision

CABF balance brought in at 29 February 2004	11,748,460	-
Society movement in year	(5,732,793)	-
Net movement	6,015,667	-

(7) Net Operating Expenses

(a) Included in operating expenses are:-

Audit Fees and Expenses	84,470	58,350
Fees to auditors in respect of non audit services	43,416	42,036
Actuarial Fees and Expenses	317,062	282,899
Depreciation of Tangible Fixed Assets	270,622	310,880

(b) Project costs:-

Development of Web and Online sales application	62,460	58,750
Development of Sickness Administration computerisation	30,027	88,320
Development of new Banking procedures	2,027	77,793
Computer enhancements	160,740	26,605
Costs incurred re acquisition of CABF	56,516	184,378
Interim valuation and systems testing	58,215	-
Costs re potential acquisitions	62,410	-
	£432,395	£435,846

(c) Other:-

Pension Review Administration Expenses	(3,156)	6,216
Mortgage Review Compensation	6,596	6,306
Deferred acquisition costs written off	23,288	-
Costs re Transfer of Engagements	80,070	-
Pension Scheme Administration	12,710	-
	£119,508	£12,522

Notes to the Accounts

(8) Staff Costs	2004	2003
Average Number of Employees:-		
Administration	67	75
Sales	10	10
	77	85
Wages and Salaries (inc. Commission)	1,658,602	1,705,741
Social Security Costs	167,715	176,435
Pension Costs	70,207	70,138
	£1,896,524	£1,952,314

(9) Directors' Emoluments	2004	2003
The aggregate amount of Directors' emoluments including pension scheme contributions was -		
Chairman	£6,500	£3,750
Fees for non-executive directors (excluding Chairman)	£31,000	£18,750
Remuneration in respect of executive directors	£227,970	£165,928

The emoluments, excluding pension scheme contributions, fell into the following bands:-

£		
0 - 10,000	4	5
10,001 - 20,000	1	-
20,001 - 30,000	-	-
30,001 - 40,000	-	-
40,001 - 50,000	-	2
50,001 - 60,000	-	-
60,001 - 70,000	2	1
70,001 - 80,000	-	-
80,001 - 90,000	-	-
90,001 - 100,000	1	-

Related Party Transaction

One Director of the Society, Mr G F Hicks, had a mortgage outstanding during the year. The mortgage is secured by a first charge over the Director's principal residence. The balance outstanding on 31 December 2003 was £90,243 and this was reduced during the year leaving a balance outstanding as at 31 December 2004 of £77,035. The terms of this mortgage are the same as those available to other members of staff. Mortgage facilities are no longer made available to employees of the Society.

(10) Taxation

a) Tax attributable to Long Term Business

Tax charged in the long term business technical account comprises:

	2004 £	2003 £
Current Tax:		
UK Corporation tax	105,000	6,854
Prior year adjustments	12,943	(16,851)
Total current tax	117,943	(9,997)
Deferred tax:		
Origination and reversal of timing differences	(117,943)	9,997
Total deferred tax	(117,943)	9,997
Total tax charged/(credited) in the long term business technical account	-	-

Notes to the Accounts

b) Factors that may affect future tax charges

The deferred tax assets which have not been recognised due to the uncertainty of their recoverability in the foreseeable future comprises:

	2004 £	2003 £
Unrealised losses on investments	-	-
Realised losses	84,353	121,824
Unrelieved expenses carried forward	-	11,817
	84,353	133,641

These deferred tax assets may be realised, and therefore reduce future tax payable, when net gains chargeable to capital gains tax are realised. Primarily, this relates to gains on equities and properties. This will therefore depend substantially upon future movements in the stock market and property market which cannot be predicted with certainty.

c) Balance sheet

The deferred tax asset balance, included within debtors, comprises:

	2004 £	2003 £
Unrelieved expenses carried forward	249,654	125,141
Accelerated capital allowances	21,008	26,963
Other timing differences	(11,912)	(11,297)
Undiscounted deferred tax asset balance	258,750	140,807

INVESTMENTS

(11) Land and Buildings

	2004		2003	
	Cost	Valuation	Cost	Valuation
Freehold Properties	22,605,137	28,055,250	20,112,254	23,218,650
Freehold Properties -				
fully occupied by Society	586,443	1,698,775	586,443	1,400,000
partly occupied by Society	1,813,951	2,465,750	1,800,711	2,300,400
Long Leasehold Properties	25,005,531	32,219,775	22,499,408	26,919,050
	4,666,771	4,992,175	4,617,617	4,770,000
	£29,672,302	£37,211,950	£27,117,025	£31,689,050

The Society's properties are included at open market values. Significant property holdings with market values totalling £25,043,775 as at 31 December 2004 are valued independently by Mellersh and Harding, Chartered Surveyors, on an open market value basis every three years, the most recent such valuation being at 31 December, 2002. The remaining properties with a current market value of £12,168,175 were valued by the Society's Property Manager and the Chief Executive at the same date on an existing use basis. Property valuations are adjusted for the results of annual reviews carried out by the Chief Executive and the Society's Property Manager to reflect fluctuations in the market values arising between the triennial valuations.

Notes to the Accounts

(12) Other Financial Investments

	2004		2003	
	Cost	Valuation	Cost	Valuation
UK listed fixed interest securities	64,609,308	65,331,109	57,409,282	56,641,023
UK listed shares	41,505,793	43,056,655	39,691,925	40,291,086
Mortgages	1,288,802	1,288,802	1,307,820	1,307,820
Other loans	13,500	460,000	113,500	475,000
	£107,417,403	£110,136,566	£98,522,527	£98,714,929

Of the UK listed fixed interest securities £5,192,943 (2003 £7,205,266) relates to overseas fixed interest securities.

(13) Long Term Business Provision

The long term business provision has been calculated on the basis of the following principal assumptions:

Class of Business	Mortality		Interest Rates (%)		
	2004	2003	2004		2003
			Tax exempt	Taxable	
With-Profit Endowments	AM92 ult	AM92 ult	2.5%	2.0%	3.0%
With-Profit Whole of Life	AM92 ult	AM92 ult	2.5%	2.0%	3.0%
Annuities in Payment	-2 years**	-5 years*	3.91%	3.13%	3.0%
Annuities in Deferment	-4 years**	-7 years*	In deferment 3.0%	In payment 2.5%	3.0%

** PMA92(CY2020)ult or PFA92(2020)ult

* IM or IF80 (2010) ULT

The valuation has been carried out using the net premium method subject to certain modifications. Full details of the method and assumptions used are given in the Society's FSC1 Return.

(14) Assets held to cover linked liabilities

Included within assets held to cover linked liabilities is £86,548 (2003 NIL) representing units not yet purchased by policyholders.

(15) Tangible Assets

	Computer Equipment	Office Equipment	Motor Vehicles	Total
Cost				
At 1 January, 2004	2,938,307	450,957	301,701	3,690,965
Additions	325,067	309,926	135,254	770,247
Disposals	-	-	(113,698)	(113,698)
At 31 December, 2004	3,263,374	760,883	323,257	4,347,514
Depreciation				
At 1 January, 2004	2,599,317	411,912	231,108	3,242,337
Provided in year	190,558	35,232	44,832	270,622
Disposals	-	-	(112,506)	(112,506)
At 31 December, 2004	2,789,875	447,144	163,434	3,400,453
Net Book Value				
31 December, 2004	£473,499	£313,739	£159,823	£947,061
31 December, 2003	£338,990	£39,045	£70,593	£448,628

(16) Capital Commitments

Amounts authorised and contracted for at 31 December, 2004 £112,664 (2003 £66,946).

(17) Appointed Actuary

The FSA Policy Statement 04/16 introduced the Integrated Prudential Sourcebook for Insurers as a consequence of which the role of Appointed Actuary disappeared. BWC Limited now provide the roles of Head of Actuarial Function and With Profit Actuary.

Notes to the Accounts

(18) Pensions

The Society provides a funded pension scheme providing benefits based on final pensionable pay. The assets of the Scheme are held in a separate trustee administered fund. Contributions to the Scheme are charged so as to spread the cost of pensions over employees' working lives with the Society. The contributions are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The most recent valuation was at 31 December, 2001. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in salaries and pensions. In the most recent valuation it was assumed that the investment returns would be 5.9% per annum, that the general level of salary increases would average 4% per annum and that present and deferred pensions would increase at the rate of 2.6% per annum. The next valuation is due to be carried out as at 31 December, 2004.

The pension charge for the period was £70,207 (2003 £70,138). The amount is stated net of £243,821 (2003 £246,197) in respect of the amortisation of surpluses arising from variations in pension cost estimates that are being recognised over the average remaining service lives of the employees. An asset of £138,512 (2003 £137,766) is included in prepayments and accrued income, being the difference between the pension cost calculated in accordance with SSAP24, and the amount of contributions made by the Society to the Scheme. The most recent actuarial valuation showed that the market value of the Scheme's assets were £16,491,553 and that the actuarial value of assets represented 126% of the benefits that had accrued to members, after allowing for expected future increases in earnings and pensions. The contributions of the employees represent 5% of their pensionable earnings and the contributions of the Society represent 5% of employees' pensionable earnings, being the rates recommended by the Scheme Actuary.

With effect from 1 January 2005 the employers' contribution will be 8.4%.

A full actuarial valuation was carried out as at 31 December 2001 which has been updated to 31 December 2004 by a qualified independent actuary.

The major assumptions used by the Actuary were:-

	2004	2003	2002
Discount Rate	5.3%	5.4%	5.5%
Inflation	2.9%	2.8%	2.3%
Increases to deferred benefits during deferment	2.9%	2.7%	2.4%
Increases to pensions in payment - LP1	2.7%	2.7%	2.4%
Increases to salaries	4.4%	4.3%	3.8%

The assets of the Scheme and long term rates of expected return on assets:

	2004	% Return	2003	% Return	2002	% Return
	£		£		£	
Equities	6,223,072	7.50%	5,783,847	7.75	5,803,695	7.5
Bonds	8,835,774	5.00%	8,391,852	5.10	7,130,399	5.5
Property	1,515,000	6.50%	1,851,750	6.75	1,725,000	6.5
Cash	489,220	4.75%	229,658	3.75	643,629	4.0
Total Market Value of assets	17,063,066		16,257,107		15,302,723	
Present value of scheme liabilities	(16,699,395)		(14,892,475)		(13,812,496)	
Surplus in the scheme	363,671		1,364,632		1,490,227	
Related deferred tax liability	(26,039)		(54,694)		(88,519)	
Net pension asset	£337,632		£1,309,938		£1,401,708	

Notes to the Accounts

If the above amounts had been recognised in the financial statements, the Society's Fund for Future Appropriations at 31 December, 2004 would be as follows:

	2004 £	2003 £	2002 £
Fund for Future Appropriations excluding pension asset	27,982,523	18,604,424	
Pension asset	337,632	1,309,938	
Fund for Future Appropriations including pension asset	28,320,155	19,914,362	
Analysis of the amount charged to operating profit			
Current Service Cost	341,179	305,107	
Past Service Cost	-	-	
Total operating charge	341,179	305,107	
Analysis of the amount charged to other financial costs			
Expected return on pension scheme assets	985,962	943,597	
Interest on pension scheme liabilities	(782,189)	(738,100)	
Net Return	203,773	205,497	
Analysis of amount recognised in the statement of total recognised gains and losses			
Actual return less expected return on pension scheme assets	329,898	595,941	
Experience gains and losses arising on the scheme liabilities	(460,750)	196,305	
Changes in assumptions underlying the present value of the scheme liabilities	(802,910)	(889,955)	
Actuarial (loss) recognised in the statement of total recognised gains and losses	(933,762)	(97,709)	
Movement in surplus during the year			
Surplus in scheme at beginning of year	1,364,632	1,490,227	
Current Service Costs	(341,179)	(305,107)	
Contributions	70,207	71,724	
Past Service Costs	-	-	
Other financial income	203,773	205,497	
Actuarial (loss) in the statement of total recognised gains and losses	(933,762)	(97,709)	
Surplus in scheme at end of year	363,671	1,364,632	
History of experience gains and losses			
Difference between the actual and expected return on scheme assets			
Amount	£329,898	£595,941	£(1,555,396)
Percentage of scheme assets	2%	4%	(10%)
Experience gains/(losses) on scheme liabilities			
Amount	£(460,750)	£196,305	£(656,438)
Percentage of the present value of the scheme liabilities	(3%)	1%	(5%)
Total amount recognised in statement of total recognised gains and losses			
Amount	£(933,762)	£(97,709)	£(4,280,554)
Percentage of the present value of the scheme liabilities	(6%)	(1%)	(28%)

Notes to the Accounts

Customs Annuity Benevolent Fund:-

A full actuarial valuation was carried out as at 5 April 2003 which has been updated to 31 December, 2004 by a qualified independent actuary.

The major assumptions used by the Actuary were:-

	2004	2003	2002
Discount Rate	5.16%	5.27%	5.32%
Inflation	2.82%	2.80%	2.60%
Increases to deferred benefits during deferment	2.82%	2.80%	2.60%
Increases to pensions in payment - LP1	2.82%	2.80%	2.60%
Increases to salaries	4.32%	4.30%	4.10%

The assets of the Scheme and long term rates of expected return on assets:

	2004 £	% Return	2003 £	% Return	2002 £	% Return
Equities	800,000	7.0%	775,251	7.0%	844,957	7.0%
Bonds	1,824,000	5.0%	1,853,558	5.0%	1,846,976	5.0%
Cash	269,000	2.5%	152,861	2.5%	53,067	2.5%
Total Market Value of assets	2,893,000		2,781,670		2,745,000	
Present value of scheme liabilities	(2,924,000)		(2,955,970)		(2,602,000)	
(Deficit)/Surplus in the scheme	(31,000)		(174,300)		143,000	
Related deferred tax liability	-		33,400		(27,400)	
Net pension (liability)/asset	(31,000)		(140,900)		115,600	

If the above amounts had been recognised in the financial statements, the Society's Fund for Future Appropriations at 31 December, 2004 would be as follows:

	2004 £	2003 £
Fund for Future Appropriations excluding pension asset	28,288,187	1,385,528
Pension (liability)	(31,000)	(140,900)
Fund for Future Appropriations including pension (liability)/asset	28,257,187	1,244,628
Analysis of the amount charged to operating profit		
Current Service Cost	11,000	36,000
Past Service Cost	111,000	-
Total operating charge	122,000	36,000
Analysis of the amount charged to other financial costs		
Expected return on pension scheme assets	149,000	147,000
Interest on pension scheme liabilities	(152,000)	(133,000)
Net Return	(3,000)	14,000
Analysis of amount recognised in the statement of total recognised gains and losses		
Actual return less expected return on pension scheme assets	42,000	(3,300)
Experience gains and losses arising on the scheme liabilities	165,000	(36,000)
Changes in assumptions underlying the present value of the scheme liabilities	(58,000)	(286,000)
Actuarial gain/(loss) recognised in the statement of total recognised gains and losses	149,000	(325,300)

Notes to the Accounts

	2004 £	2003 £	2002 £
Movement in (deficit)/surplus during the year			
Deficit in scheme at beginning of year	(174,300)	143,000	
Current Service Costs	(11,000)	(36,000)	
Contributions	119,000	30,000	
Past Service Costs	(111,000)	-	
Other financial income	(3,000)	14,000	
Actuarial gain/(loss) in the statement of total recognised gains and losses	149,000	(325,300)	
(Deficit) in scheme at end of year	(31,300)	(174,300)	
History of experience gains and losses			
Difference between the actual and expected return on scheme assets			
Amount	£42,000	£(3,300)	£(276,000)
Percentage of scheme assets	1.4%	(0.11%)	(10.05%)
Experience gains/(losses) on scheme liabilities			
Amount	£165,000	£(36,000)	£28,000
Percentage of the present value of the scheme liabilities	5.7%	(1.22%)	1.08%
Total amount recognised in statement of total recognised gains and losses			
Amount	£149,000	£(325,300)	£(343,000)
Percentage of the present value of the scheme liabilities	5.1%	(11%)	(13.18%)

Under the projected unit method the current service cost will increase as the members of the scheme approach retirement.

The combined effect of the Society and CABF pension schemes on the Fund for Future Appropriations, had FRS 17 been adopted in full is:

	2004 £	2003 £
Fund for Future Appropriations	28,121,035	18,742,190
Society pension asset	337,632	1,364,632
CABF pension (liability)	(31,000)	-
Deferred tax (liability)	(26,039)	(54,694)
Elimination of SSAP 24 net (prepayment)/creditor	28,640	(137,766)
Fund for Future Appropriations including net pension asset	28,430,286	19,914,362

(19) Assets attributable to the Long Term Business Fund

Other than assets of £1,721,885 used to match linked liabilities all of the assets shown on page 13 are attributable to the long term business fund.

(20) Segmental Reporting

The Society principally transacts long term assurance business throughout the United Kingdom. The assets of the Society are held in the United Kingdom.

List of Society Offices

● **Division 1 - SURREY & SUSSEX**

310 High Street, Croydon CR9 2QL.
Telephone 020 8688 0894

● **Division 2 - SEVERN THAMES**

4-5 Worcester Road, Clifton, Bristol BS8 3JL.
Telephone 0117 973 9003

● **Division 4 - NORTH MIDLANDS**

79 London Road, Leicester LE2 0PF.
Telephone 0116 255 1856

● **Division 5 - KENT**

310 High Street, Croydon CR9 2QL.
Telephone 020 8688 0894

● **Division 6 - SOUTH WEST**

15 Southernhay West, Exeter EX1 1PW.
Telephone 01392 274431

● **Division 8 - SOUTH & MID WALES**

4-5 Worcester Road, Clifton, Bristol BS8 3JL.
Telephone 0117 973 9003

● **Division 9 - LONDON & CROYDON**

310 High Street, Croydon CR9 2QL.
Telephone 020 8688 0894

● **Division 12 - MID PENNINE COUNTIES**

National Deposit House, 1 Waterdale, Doncaster,
Yorkshire DN1 3EY.
Telephone 01302 368363

● **Division 19 - EAST ANGLIA**

10 Old Foundry Road, Ipswich IP4 2AS.
Telephone 01473 254279

● **Division 22 - SOUTH MIDLANDS**

79 London Road, Leicester LE2 0PF.
Telephone 0116 255 1856

● **Division 24 - SHEFFIELD**

194 Norfolk Street, Sheffield S1 2JH.
Telephone 0114 272 5348

● **Division 25 - NORTHANTS & CHILTERN**

10 Old Foundry Road, Ipswich IP4 2AS.
Telephone 01473 254279

● **Division 28 - SOUTHERN COUNTIES**

15 Southernhay West, Exeter EX1 1PW.
Telephone 01392 274431

● **Division 31 - SCOTLAND & NORTHERN COUNTIES**

National Deposit House, 1 Waterdale, Doncaster,
Yorkshire DN1 3EY.
Telephone 01302 368363

● **Division 41 - LINCOLNSHIRE**

194 Norfolk Street, Sheffield S1 2JH.
Telephone 0114 272 5348

● **Division 44 - CUSTOMS FUND**

Dorset House, Stamford Street, London SE1 9PY.
Telephone: 020 8929 2900

Nominations

Members of a Friendly Society have the right to nominate a person or persons to whom payment shall be made on death of a member.

The amount the member may dispose by way of nomination is now £5,000, but this only applies to nominations made on or after 11 May, 1984.

Nominations made prior to that date in the amount of £100, £200, £500 or £1500 will apply unless a fresh nomination is made.

Members are advised to nominate. Forms may be obtained from the Head Office or the Divisional Secretary.

Head Office: 4-5 Worcester Road, Clifton, Bristol BS8 3JL, United Kingdom.
Telephone: 0117 973 9003 Fax: 0117 980 9358.
E-mail: enquiries@ndfs.co.uk www.nationaldeposit.co.uk

Established 1868. Registered and Incorporated Friendly Society No. 369F.
Chief Executive: Terry W. Trinder. General Secretary: G. F. Hicks

Member of the Association of Friendly Societies. Authorised and Regulated by the Financial Services Authority.