

Representative Church Body – Report 2003

APPENDIX E

UNIT TRUSTS

**FINANCIAL STATEMENTS
AND
INVESTMENT MANAGER'S REPORTS**

YEAR ENDED 30 JUNE 2002

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THE RB UNIT TRUST
INVESTMENT MANAGER'S REPORT

OVERVIEW

European interest rates had fallen to 3.25% by the end of November 2001 after the European Central Bank (ECB) cut rates by 1.25% since June 2001. This mirrored the easing of the Federal Reserve's monetary stance which saw US rates cut aggressively to historic levels of 1.75% as it sought to support the economy in the wake of the terrorist attacks of September 11, 2001. The Irish Government bond exchange programme, in the first quarter of 2002, marginally lengthened the duration of the portfolio.

Concerns over high levels of corporate debt, accounting scandals and the collapse of Enron and Worldcom all contributed to another year of positive returns for good quality fixed interest stocks as investors continued to seek refuge from punishing international equity markets.

The Irish financials and some good quality second line stocks managed to outperform in this environment. The equity portion of the Fund, which was invested mainly in the Irish market, made a valuable contribution to the capital return for the year as both Powergen (UK holding) and Green Property share prices rose on receipt of take-over bids. All of the shares in the portfolio appreciated in value with the exception of CRH. The proceeds of the Powergen offer were received after the year-end and reinvested in Scottish and Southern Energy plc. The equity/fixed income split remains approximately one third/two thirds.

THE RB UNIT TRUST

INVESTMENT MANAGER'S REPORT

PERFORMANCE

Over the period under review, the capital value of a unit in the trust appreciated by 5.0% whilst the total return (capital and income) was 9.3%.

<i>Goodbody Stockbrokers Gilt Indices:</i>	Index 30/06/02	Index 30/06/01	Capital Return	Total Return
Short Gilts	108.0	106.7	1.2%	4.9%
Medium Gilts	122.3	119.2	2.6%	7.0%
Long Gilts	132.1	127.5	3.6%	8.7%
Total Gilt Market	118.0	115.6	2.1%	6.4%

Equity Indices:

ISEQ Overall	4743.5	6435.2	-26.3%	-24.6%
ISEQ Financial	9271.7	8641.4	7.3%	10.7%
ISEQ Ex Elan	n/a	n/a	-1.0%	2.1%

INCOME DISTRIBUTION TO UNIT HOLDERS

The Trust marginally increased the interim income distribution to unit holders from 8.4438 cent to 8.5 cent and the final distribution from 8.3327 cent to 8.5 cent giving a total distribution of 17.0 cent per unit for the financial year ended 30 June 2002. The surplus income of €62,055 transferred to the dividend equalisation reserve as at 30 June 2002 is primarily accounted for by the bond exchange programme.

The distribution yield to unit holders at the financial year-end was 3.7%.

THE RB UNIT TRUST
INVESTMENT MANAGER'S REPORT

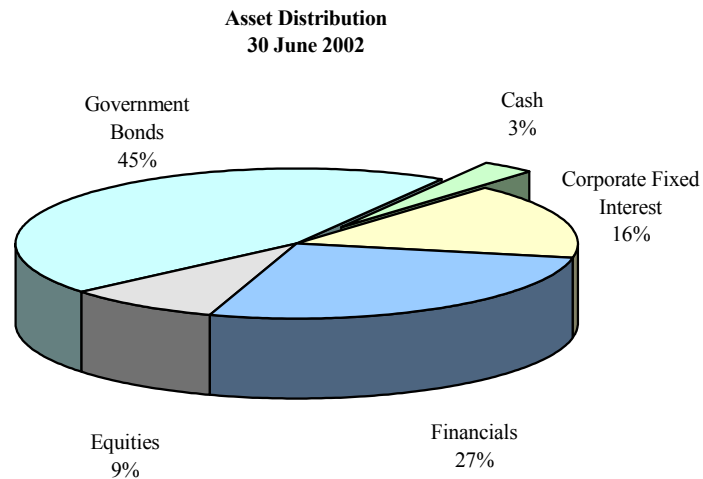
OBJECTIVES OF THE TRUST

The management of the Trust has been consistent with its aims, which are:

- to provide a higher level of income for endowments where a high income requirement is the predominant objective.
- to provide greater security of capital consistent with higher levels of income by means of a spread of short, medium and long dated Government bonds and fixed interest securities.
- to provide, within the overall strategy of the Trust, a prospect of capital growth by investing a proportion of the Trust in a spread of equities and convertibles.

TRUST ASSET DISTRIBUTION

The investment profile (by value) at 30 June 2002 is displayed in the chart below:



The market value of the investments at 30 June 2002 was €22,257,904.

THE RB UNIT TRUST

INVESTMENT MANAGER'S REPORT

OUTLOOK

The ECB is expected to, at least, leave rates on hold at 3.25% until the second half of 2003 due to continued economic weakness in the Eurozone and the abatement of inflationary pressures. It remains to be seen whether we are actually at the bottom of the interest rate cycle as there are indications that the US Federal Reserve might cut rates below 1.75% to underpin growth. Either way, it is difficult to see government bond yields falling too much further from current historically low levels.

The outlook for the Irish economy appears to be dependent on the successful renewal of the national pay agreement and serious cuts in government spending as the state of the public finances are causing concern. Inflation is set to remain higher than the Eurozone average with double-digit increases in healthcare insurance and energy approved recently.

P TALBOT
Head of Investments
12 August 2002

Representative Church Body – Report 2003

THE RB UNIT TRUST

STATEMENT OF TOTAL RETURN YEAR ENDED 30 JUNE 2002

	30-Jun-02	30-Jun-01
	€	€
Income	906,900	858,562
Expenses	(244)	(613)
Net income	<u>906,656</u>	<u>857,949</u>
Net gains/(losses) on investment activities		
- Net realised gains	385,423	419,711
- Net change in unrealised gains	673,153	2,528,511
Total return for the financial year	<u>1,965,232</u>	<u>3,806,171</u>
Distributions	(844,601)	(838,375)
Net increase in net assets from investment activities	<u>1,120,631</u>	<u>2,967,796</u>
Transfer (to) dividend equalisation reserve	(62,055)	(19,574)
Transfer of realised gains to trust capital account	(385,423)	(419,711)
Transfer of unrealised gains to trust capital account	(673,153)	(2,528,511)
	<u>-</u>	<u>-</u>

Signed on behalf of the Trustee: *WL Dermott*
TB McCormick

Date: 15 October 2002

Representative Church Body – Report 2003

THE RB UNIT TRUST

BALANCE SHEET AS AT 30 JUNE 2002

	30-Jun-02	30-Jun-01
	€	€
Investments	21,578,162	20,955,012
Current assets	<u> </u>	<u> </u>
Debtors	8,431	18,178
Cash at bank	803,994	380,895
	812,425	399,073
Current liabilities	<u> </u>	<u> </u>
Creditors (amounts falling due within 1 year)	34,403	72,781
Net current assets	778,022	326,292
Total assets	<u>22,356,184</u>	<u>21,281,304</u>
Trust capital fund	<u>22,356,184</u>	<u>21,281,304</u>

Signed on behalf of the Trustee: *WL Dermott*
TB McCormick

Date: 15 October 2002

Representative Church Body – Report 2003

THE RB UNIT TRUST

STATEMENT OF CHANGES IN NET ASSETS

	30-Jun-02 €	30-Jun-01 €
Net income	906,656	857,949
Net gains on investment activities	1,058,576	2,948,222
Total return for the financial year	<u>1,965,232</u>	<u>3,806,171</u>
Distributions	(844,601)	(838,375)
Proceeds from units issued	1,023	296,134
Cost of units redeemed	(46,774)	(380,416)
Net increase in net assets from unit transactions	<u>1,074,880</u>	<u>2,883,514</u>
Net assets		
At beginning of year	21,281,304	18,397,790
At end of year	<u><u>22,356,184</u></u>	<u><u>21,281,304</u></u>

Signed on behalf of the Trustee: *WL Dermott*
TB McCormick

Date: 15 October 2002

THE RB GENERAL UNIT TRUST (*REPUBLIC OF IRELAND*)

INVESTMENT MANAGER'S REPORT

OVERVIEW

It was a difficult twelve months for investors with the events of September 11, the collapse of Enron and another Latin American debt crisis all resulting in extraordinary swings in international equity markets. Aggressive interest rate cuts failed to raise market sentiment as accounting scandals, bankruptcies and profit warnings made investors far more cautious about the quality of corporate earnings.

Closer to home, the loss of \$691m by a 'rogue trader' in AIB's US operation and the disintegration of the Elan share price impacted on the previously resilient ISEQ. There were some strong performances in the good quality Irish second liners however and, despite a fall of over 14% by CRH, the ISEQ excluding Elan had a respectable total return of 2.1% for the period to 30 June 2002.

The depreciation of sterling by 7.7% against the euro worsened the impact of the negative UK equity returns that saw the FTSE 100 losing another 17.5% in value in sterling terms alone. The Representative Body's conservative stock selection and preference for higher yielding equities helped to minimise the Fund's exposure to the losses suffered by the wider market.

The higher than normal cash position also benefited the returns for the Fund, despite sharply lower interest rates, as did the substantial weighting in Irish equities, the Financials in particular.

PERFORMANCE

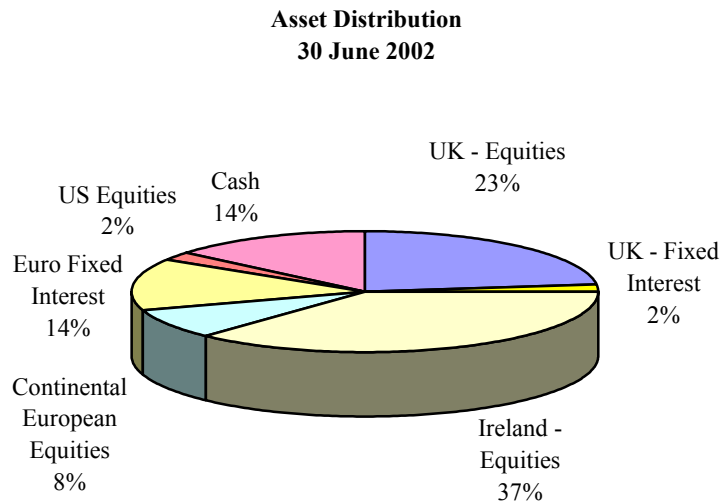
During the period under review, the capital value of a unit in the Trust fell by 6.6% whilst the total return (capital and income) was -3.4%.

Benchmarks:	Index 30/06/02	Index 30/06/01	Capital Return	Total Return
ISEQ Overall	4743.5	6435.2	-26.3%	-24.6%
ISEQ Financial	9271.7	8641.4	7.3%	10.7%
FTSE All-Share (in €)	2263.1	2728.1	-24.8%	-22.2%
DJ Eurostoxx 50	3133.4	4243.9	-26.2%	-24.4%
Goodbody Stockbrokers	118.0	115.6	2.1%	6.4%
Total Gilt Market				

THE RB GENERAL UNIT TRUST (*REPUBLIC OF IRELAND*)
INVESTMENT MANAGER'S REPORT

TRUST ASSET DISTRIBUTION

The investment profile in terms of geographic distribution of assets (by value) at 30 June 2002 is displayed in the following chart:



The market value of the investments at 30 June 2002 was €98,331,690 of which the value of Euro denominated securities (including International securities) and cash held by the Trust was €73,446,736 or 75% of the total value of the Fund.

The value of the UK holdings (denominated in Sterling) including Sterling cash was £16,170,243 (25% of the Fund). The closing exchange rate was Stg/€ .6498.

THE RB GENERAL UNIT TRUST (*REPUBLIC OF IRELAND*)

INVESTMENT MANAGER'S REPORT

The five largest equity holdings at 30 June 2002 were:

	% of fund
Bank of Ireland	10.8%
Allied Irish Banks	7.0%
CRH	6.6%
Irish Life & Permanent	2.6%
Anglo Irish Bank	1.9%
Total	28.9%

INCOME DISTRIBUTION TO UNIT HOLDERS

The Trust increased its interim distribution from 4.4441c to 4.6c and its final distribution from 6.7296c to 6.9c, giving a total distribution of 11.5 cent per unit for the financial year ended 30 June 2002, an increase of 2.9% over the previous year. The combination of a net input of €21m in the twelve months (made up of cash and transfers in specie), the high cash weighting in the Fund and the non-receipt of the final dividend on the holding of Bank of Ireland have all served to distort the income flow for this year.

A sum of €170,421 has been transferred from the dividend equalisation reserve in order for the total distribution of 11.5 cent to be declared. The Fund has seen increases in real terms coming through in the dividends of the Irish equities whilst the experience in the UK holdings has been that of flat dividend growth.

The distribution yield to unit holders at the financial year-end was 3.3%.

Notwithstanding the large inputs into the Fund with the consequent distortions of income it is anticipated that distributions will at least be maintained in the financial year commencing 1 July 2002.

THE RB GENERAL UNIT TRUST (*REPUBLIC OF IRELAND*)
INVESTMENT MANAGER'S REPORT

OBJECTIVES OF THE TRUST

The Trust aims:

- to maintain a balanced spread of investments primarily in Irish, UK and Continental European equities, or a mix of equities and fixed interest stocks, depending on market conditions.
- to generate a stable income base and, over the longer term, to seek to provide an increasing income stream with capital appreciation.

OUTLOOK

Recent economic indicators show that consumer and business confidence has been eroded by the continuing volatility in equity prices caused in part by continuing accounting scandals and the demise of WorldCom. There is increasing speculation of further interest rate cuts as economic growth falters and concerns emerge again over the possibility of a 'double dip' recession.

The appreciation of the euro against the dollar over the past few months is having an adverse effect on already weak European earnings growth. The state of the Irish public sector finances has come under scrutiny as tax receipts weaken and inflation remains stubbornly high at 4.2%. Government spending cuts and public sector pay restraint are seen as a necessity to ensure the continued health of the Irish economy.

UNITISATION OF DIOCESAN AND PAROCHIAL TRUSTS

The acceptance of cash and transfers in specie into the Fund from diocesan and parochial trusts has continued over the past 12 months with a value of approximately €16m being the input since 30 June 2001. A further €14.4m worth of Bank of Ireland and Allied Irish shares were transferred into the Fund on 1 July 2002 with the same amount again remaining for transfer as and when market conditions permit.

The exposure to Irish equities has materially increased as a result of the latest transfers, with approximately 28% of the Fund in Bank of Ireland and Allied Irish Banks shares at 1 July 2002. It is intended that the imbalance to the asset distribution of the Fund will be kept under review.

Under the circumstances the Fund will continue to focus on investing in companies with strong balance sheets, transparent accounts and genuine earnings growth diversified across a broad spectrum of industries so as to try and minimise stock and sector specific risk.

P TALBOT
Head of Investments
12 August 2002

Representative Church Body – Report 2003

THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)
STATEMENT OF TOTAL RETURN YEAR ENDED 30 JUNE 2002

	30-Jun-02 €	30-Jun-01 €
Income	2,955,394	2,654,291
Expenses	(2,764)	(4,227)
Net income	<u>2,952,630</u>	<u>2,650,064</u>
Net gains/(losses) on investment activities		
- Net realised gains	760,391	1,231,684
- Net change in unrealised (losses)/gains on euro investments	(2,835,914)	5,351,623
- Net change in unrealised (losses) on sterling investments	(2,276,631)	(206,655)
- Net change in currency exchange (losses)/gains	(2,026,806)	1,186,275
Total return for the financial year	<u>(3,426,330)</u>	<u>10,212,991</u>
Distributions	(3,123,051)	(2,460,030)
Net increase/(decrease) in net assets from investment activities	<u>(6,549,381)</u>	<u>7,752,961</u>
Transfer from/(to) dividend equalisation reserve	170,421	(186,834)
Transfer of realised gains to trust capital account	(760,391)	(1,231,684)
Transfer of unrealised losses/(gains) from/(to) trust capital account	5,112,545	(5,144,968)
Transfer of unrealised exchange losses/(gains) from/(to) trust capital account	2,026,806	(1,186,275)
Transfer of underwriting commission to trust capital	-	(3,200)
	<u>-</u>	<u>-</u>

Signed on behalf of the Trustee: *WL Dermott*
TB McCormick

Date: 15 October 2002

Representative Church Body – Report 2003

THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)

BALANCE SHEET AS AT 30 JUNE 2002

	30-Jun-02	30-Jun-01
	€	€
Investments	84,209,653	71,388,722
Current assets		
Debtors	247,890	146,573
Cash at bank	14,842,121	13,333,757
	<u>15,090,011</u>	<u>13,480,330</u>
Current liabilities		
Creditors (amounts falling due within 1 year)	-	-
Net current assets	<u>15,090,011</u>	<u>13,480,330</u>
Total assets	<u>99,299,664</u>	<u>84,869,052</u>
Trust capital fund	<u><u>99,299,664</u></u>	<u><u>84,869,052</u></u>

Signed on behalf of the Trustee: *WL Dermott*
TB McCormick

Date: 15 October 2002

Representative Church Body – Report 2003

THE RB GENERAL UNIT TRUST (REPUBLIC OF IRELAND)
STATEMENT OF CHANGES IN NET ASSETS

	30-Jun-02	30-Jun-01
	€	€
Net income	2,952,630	2,650,064
Net (losses)/gains on investment activities	(4,352,154)	6,376,652
Net (losses)/gains on currency movements	(2,026,806)	1,186,275
Total return for the financial year	(3,426,330)	10,212,991
Distributions	(3,123,051)	(2,460,030)
Proceeds from units issued	21,038,764	17,057,483
Cost of units redeemed	(58,771)	(145,482)
Net increase in net assets from unit transactions	14,430,612	24,664,962
Net assets		
At beginning of year	84,869,052	60,204,090
At end of year	<u>99,299,664</u>	<u>84,869,052</u>

Signed on behalf of the Trustee: *WL Dermott*
TB McCormick

Date: 15 October 2002

THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)

INVESTMENT MANAGER'S REPORT

OVERVIEW

During the year, the final realignments of the portfolio with the Representative Body's preferred stock selection were made following the transfer of the management on 1 July 2000. Most of the media holdings such as EMI, Carlton and Cordiant Communications were sold as were a number of telecom/technology stocks such as Cable & Wireless, Marconi and Pace Micro. New positions were opened in Royal Bank of Scotland, Cadbury Schweppes, Sainsbury, AMEC and Kingfisher as the bias of the Fund towards more traditional sectors increased.

The portion of the Fund in fixed interest stocks and cash has reduced to 28% from 36% with the maturing of the 2002 gilt and the repayment by the Bank of Ireland of their undated high coupon preference stock. Within the bond portfolio there has been a shift from gilts into good quality corporate/supra-national stocks. The MPC reduced base rates from 5.25% to 4.00% in the first half of the 12 months concerned and the fixed interest portion protected the Fund from the volatile equity markets.

Lower interest rates and resilient consumer spending were not sufficient to halt the continuing decline in international share prices. The tragic events of September 11 and corporate scandals involving Enron and Worldcom seriously affected investor confidence.

PERFORMANCE

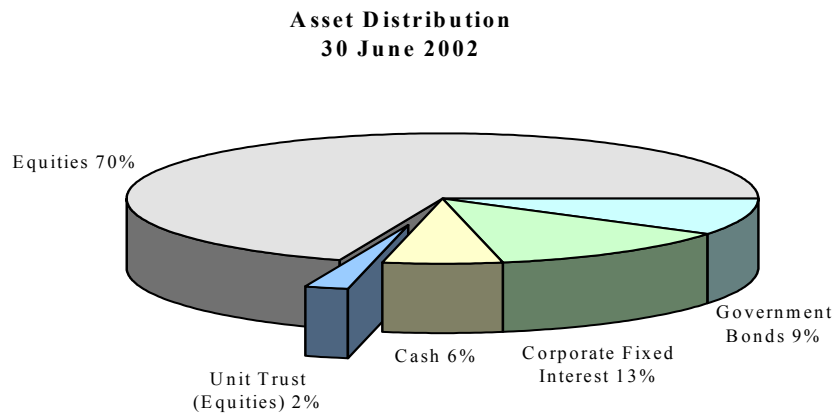
Over the period under review, the capital value of a unit in the Trust fell by 9.0% whilst the total return (capital and income) was -5.0%. Underweight positions in GlaxoSmithKline (-29.1%) and Vodafone (-42.9%) and a bias towards higher yielding stocks prevented the Fund falling as much as the FTSE100. The Fund's performance was negatively affected by the holdings in CGNU [now Aviva] (-46.3%), Royal & Sun Alliance (-55%), Prudential (-30.3%) and Abbey National (-38%) amongst others but on the positive side Royal Bank of Scotland (+18.7%), Northern Rock (+17.9%) and Wolseley (+25.2%) outperformed as the share prices of many blue chips collapsed.

Benchmarks:	Index 30/06/02	Index 30/06/01	Capital Return	Total Return
FTSE 100	4656.4	5642.5	-17.5%	-15.0%
FTSE All UK Gilts	152.2	151.4	0.6%	7.1%

THE RB GENERAL UNIT TRUST (*NORTHERN IRELAND*)
INVESTMENT MANAGER'S REPORT

TRUST ASSET DISTRIBUTION

The investment profile in terms of distribution of assets (by value) at 30 June 2002 is displayed in the following chart:



The market value of the investments at 30 June 2002 was £12,655,900.

INCOME DISTRIBUTION TO UNIT HOLDERS

The Trust increased its interim distribution from 3.4p to 3.5p and its final distribution from 4.0p to 4.1p, giving a total of 7.6p per unit for the financial year ended 30 June 2002, a rise of 2.7% over the previous year.

The distribution yield to unit holders at the financial year end was 4.1%.

THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)
INVESTMENT MANAGER'S REPORT

OBJECTIVES OF THE TRUST

The Trust aims:

- to maintain a balanced spread of investments in UK equity securities, or a mix of equities and fixed interest stocks, depending on market conditions.
- to generate a stable income base and, over the longer term, to seek to provide an increasing income stream with capital appreciation.

OUTLOOK

The Bank of England recently lowered its growth forecast for UK GDP to 2.5% for 2003. There are worries that falling equity prices could dampen consumer spending and discourage investment. However with inflation set to remain under the 2.5 % target level for the foreseeable future there is obvious scope to leave base rates at 4.00%, or even cut them further, as a faltering world economy impacts on UK exports. The Federal Reserve may also step in and cut its rate below the current 1.75% in order to prevent a 'double dip' recession occurring as growth stalls in the US.

Advantage was taken of extreme market weakness recently to add to the holdings in the resource sector at favourable prices and start new positions in Scottish and Southern Energy and Johnson Matthey. The asset distribution of the Fund is well positioned to benefit from an upturn in economic growth and investor confidence.

P TALBOT
Head of Investments
12 August 2002

Representative Church Body – Report 2003

THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)
STATEMENT OF TOTAL RETURN YEAR ENDED 30 JUNE 2002

	30-Jun-02 Stg£	30-Jun-01 Stg£
Income	540,685	532,336
Expenses	(1,211)	(1,034)
Net income	539,474	531,302
Net gains/(losses) on investment activities		
- Net realised (losses)/gains	(438,370)	250,067
- Net change in unrealised (losses)	(715,152)	(394,577)
Total return for the financial year	(614,048)	386,792
Distributions	(537,556)	(449,508)
Net (decrease) in net assets from investment activities	(1,151,604)	(62,716)
Transfer (to) dividend equalisation reserve	(1,918)	(81,794)
Transfer of realised losses/(gains) from/(to) trust capital account	438,370	(250,067)
Transfer of unrealised losses from trust capital account	715,152	394,577
	-	-

Signed on behalf of the Trustee: *WL Dermott*
TB McCormick

Date: 15 October 2002

Representative Church Body – Report 2003

THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)

BALANCE SHEET AS AT 30 JUNE 2002

	30-Jun-02 Stg£	30-Jun-01 Stg£
Investments	11,900,024	11,501,087
Current Assets		
Debtors	17,335	27,050
Cash at bank	942,089	1,240,015
	<u>959,424</u>	<u>1,267,065</u>
Current Liabilities		
Creditors (amounts falling due within 1 year)	-	-
	<u>959,424</u>	<u>1,267,065</u>
Net current assets	959,424	1,267,065
Total fund net assets	<u>12,859,448</u>	<u>12,768,152</u>
Trust Capital Fund	<u>12,859,448</u>	<u>12,768,152</u>

Signed on behalf of the Trustee: *WL Dermott*
TB McCormick

Date: 15 October 2002

Representative Church Body – Report 2003

THE RB GENERAL UNIT TRUST (NORTHERN IRELAND)

STATEMENT OF CHANGES IN NET ASSETS

	30-Jun-02 Stg£	30-Jun-01 Stg£
Net income	539,474	531,302
Net (losses) on investment activities	(1,153,522)	(144,510)
Total return for the financial year	<u>(614,048)</u>	<u>386,792</u>
Distributions	(537,556)	(449,508)
Proceeds from units issued	1,468,953	1,715,447
Cost of units redeemed	(226,053)	(124,612)
	<u> </u>	<u> </u>
Net increase in net assets from unit transactions	91,296	1,528,119
Net assets		
At beginning of year	12,768,152	11,240,033
At end of year	<u><u>12,859,448</u></u>	<u><u>12,768,152</u></u>

Signed on behalf of the Trustee: *WL Dermott*
TB McCormick

Date: 15 October 2002