

The Insurance Charities

Report & Financial Statements

Year ended 31 March 2011

Company Registration Number: 74461

Charity No: 206860

the insurance charities

Report & Financial Statements

Year Ended 31 March 2011

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Directors (the Board)

The following were Directors during the year, serving throughout the year except as stated:

Mrs Kirsten Watson **President**

Mr Graham Cave **Deputy President**

Professor David Bland **Chairman of the Finance & Investment Committee**

Mr Frank Smith **Chairman of the Grants Committee**

Mr David Worsfold **Chairman of the Marketing & Fundraising Committee**

Mr Anthony Alderman

Mr Ralph Bradshaw

Mr Roger Carr

Mr Ken Davidson (resigned 14.10.10)

Mrs Julia Graham

Mr John Greenway

Mr Peter Hutchinson

Mr Ron Iles

Mr Andrew Miller

Mr Ray O'Doherty

Ms Adrienne O'Sullivan

Mr Allen Prior

Mrs Mary Rogerson

Mr Peter Staddon

Mr Nick Starling **Immediate Past President**

Mr Ian Templeton

Mr Lindsay Williamson

Mr Richard Whitaker (resigned 31.03.11)

Mr Richard Wood

Vice-Presidents

The following were Vice-Presidents during the year:-

Mr Michael Bewes

Mr Peter Knight

Mr Bryan Kellett

Mr Patrick McGovern

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Advisers

Auditor

Baker Tilly UK Audit LLP, Statutory Auditor
12 Gleneagles Court Brighton Road Crawley RH10 6AD

Bankers

National Westminster Bank plc 1 Princes Street London EC2R 8PA
Ulster Bank Limited 33 College Green Dublin 2 Republic of Ireland

Solicitors

Maples Teesdale LLP 30 King Street London EC2V 8EE

Investment Managers

Investec Wealth & Investment Ltd 2 Gresham Street London EC2V 7QN

Custodian Trustees

Capita Trust Co Ltd 7th Floor Phoenix House 18 King William Street London EC4N 7HE

Administration

Chief Executive Officer and Company Secretary

Mrs Annali-Joy Thornicroft

Address & Registered Office

20 Aldermanbury London EC2V 7HY

Telephone

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Facsimile

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Website

www.theinsurancecharities.org.uk

Company Registration Number

74461

Registered Charity Number

206860

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Directors' Report

for the year ended 31 March 2011

The Board of Directors (the Board) of The Insurance Charities (the Charity) presents its annual report for the year ended 31 March 2011 under the Companies Act 2006, the Charities Act 1993, as updated at 2006, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), together with the audited financial statements for that year. The accounts comply with the Companies Act 2006, the Charity's governing document and the relevant Statement of Recommended Practice (the Charities SORP 2005).

Reference and Administrative Details

The Insurance Charities is a registered charity (no. 206860) and a company (no. 74461) limited by membership guarantees up to a maximum of £10 each. Its registered office is as shown on page 2.

Structure, Governance and Management

The Charity is governed by its Memorandum and Articles of Association adopted on 21 July 1902. The latest revision of the Memorandum and Articles of Association was approved on 23 September 2004.

The Board is responsible for the overall governance of the Charity. Directors are either elected by members or appointed by the Directors mid-term. Those appointed mid-term by the Directors must stand down at the following Annual General Meeting and may submit themselves for election by the members. The total number of Directors may not exceed 24. Elected Directors may remain in office for three years and offer themselves for re-election by the members. The Charity paid premiums of £1,291 for Directors & Officers Liability insurance during the period.

Effective partnership between Directors and staff continues to contribute significantly to the Charity's success. To ensure that Directors undertake their roles and responsibilities effectively each serves on one of the Charity's committees, requiring an understanding of, and responsibility for, specific aspects of the Charity's work. Directors must hold at least five meetings a year including four quarterly Board meetings, at which strategy, operational and investment performance are reviewed and operating plans and budgets set, and the Annual General Meeting. New Directors receive an information pack about the Charity, including a copy of its governing document and all that is needed in addition for effective and informed decision-making. Since 1 December 2005 Director training sessions, on at least an annual basis, have formed part of regular Board meetings.

Composition of the Board is reviewed, at least annually, to assess needs in terms of skills, knowledge and corporate and geographical representation. Suitable new Directors are selected by means of contacting insurance employers, industry bodies and individuals direct to complete the Board's needs. The Board has the following three standing committees to which it delegates the exercise of certain powers in conjunction with the management and administration of the Charity. This is controlled by regular reporting back to the Board, so that all decisions made under delegated powers are ratified by the Board in due course.

Grants Committee

The Grants Committee meets quarterly and is responsible for the allocation of charitable funds to eligible individuals. The Committee recommends to the Board changes to grant making policy and reports on trends in charitable payments.

the insurance charities

Directors' Report

for the year ended 31 March 2011

Finance and Investment Committee

The Finance and Investment Committee meets quarterly and is responsible for overseeing the management of the Charity's financial and investment activities. The Committee is also responsible for the periodic review of the Charity's financial and investment strategies and the investment process. The Committee recommends to the Board changes to these strategies and the adequacy of the Charity's reserves.

Marketing and Fundraising Committee

The Marketing and Fundraising Committee meets quarterly and is responsible for the promotion of the Charity to its supporters and beneficiaries and for securing financial support. The Committee recommends to the Board changes to Marketing and Fundraising strategy.

Chief Executive Officer and Company Secretary

The Chief Executive Officer and Company Secretary (CEO), Mrs Annali-Joy Thornicroft, is responsible for the day-to-day management of the Charity's affairs and for implementing the policies agreed by the Board (page 8). The CEO is assisted by a team of dedicated individuals.

Statement of Directors' Responsibilities and Corporate Governance

The trustees (who are also directors of The Insurance Charities for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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Directors' Report

for the year ended 31 March 2011

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly both by the management team and the Board. A programme of monitoring is in place, derived from a comprehensive risk management review.

The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. They include:

- regular consideration by the Directors of financial results;
- delegation of day-to-day management authority and segregation of duties; and
- identification and management of risks.

In accordance with company law, as the Charity's Directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the Charity's auditor is unaware; and
- all appropriate steps have been taken to make ourselves aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

Risk Management

The Directors have an active risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating such risks. During the year the Directors identified the most serious risks as the increased competition for donations and an increased level of requests for financial support which could not be financed by the charity. As part of the risk management process, the Directors review the adequacy of the Charity's internal controls. To strengthen these, one Director is specifically charged with monitoring responsibilities which are discharged by regular and irregular visits to the Charity's office to check receipts and payments and their internal recording. The monitoring Director reports to the Board, at least on a biannual basis.

Objects, Objectives and Principal Activities of the Charity

The Charity's objects are to provide financial assistance towards the education, training and relief of need, hardship, sickness, disability, old age or distress of persons who are or have been engaged in any aspect of the insurance industry and of children, spouses, partners, former spouses or partners and other relatives or dependants of such persons. The principal activities to achieve these objects are the provision of charitable payments and money advice. The objectives of the activities for the year and the Charity's achievements against them are discussed under **Achievements and Performance**.

Our vision is to achieve the situation where all past and present insurance employees and their dependent relatives can readily access the financial support available to them from the Charity in times of need.

Our mission to realise this vision is to:

- provide appropriate financial assistance and money advice to eligible applicants to improve their lives;
- work in partnership with individuals and corporate bodies to create and maintain effective communication channels with those eligible for help;
- work in partnership with individuals, appropriate organisations and corporate bodies to generate and sustain adequate income streams.

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Directors' Report

for the year ended 31 March 2011

Our strategic aim is to achieve all this through an ongoing programme of grant making and advice to individuals and various publicity and fundraising campaigns.

The Charity's current grant making policy is to assist individuals and their dependants whose service to the insurance industries of the British Islands and Republic of Ireland covers at least five years and is a significant part of their working life.

We rely heavily on a team of volunteers to operate effectively and efficiently. Each local and associated institute of the Chartered Insurance Institute (CII), covering the UK and Republic of Ireland, nominates one or more members to act as our local representative(s) to visit current and prospective beneficiaries and fundraise locally. A number of insurance employers provide services through their Human Resources or Welfare departments. The expenses of such volunteers are often financed by the local institutes or employers. The amount of time and resources donated in this way varies but the total is significant and substantially reduces the Charity's operating costs. The Charity is very grateful to those who provide such tangible support.

What we do

As a grant making organisation, we provide financial assistance and advice to individuals to ease financial pressure and improve quality of life. Individuals are advised on income maximisation and expenditure control as well as given practical support and reassurance in respect of day-to-day and one-off issues. Where appropriate, individuals are referred to specialist organisations such as those providing debt management.

Public Benefit

The principles of public benefit, as defined by the Charity Commission, were noted by the Board on 12 March 2008. At that time, the Directors confirmed having regard to the Charity Commission's guidance. Since then, Directors have been made aware of the Public Benefit discussions within the charitable sector and firmly believe that the Charity provides identifiable benefits to a significant section of the public. The Charity's support is available to past and present employees of the insurance industry. Correspondence from those in receipt of support regularly confirms the positive impact such help makes in their circumstances. Home visits by the Charity's volunteers are particularly valued.

Achievements and Performance

The key objectives agreed for the year ended 31 March 2011 and the impact of our achievements in delivering the public benefit are summarised as follows:

Provision of financial assistance and money advice

We aimed to carry out a review of our welfare function in order to establish best practice principles. The review was undertaken by a working party comprising two volunteer visitors, four Directors, the charity's CEO and an independent charity expert between November 2010 and February 2011 and included consideration of other charities' methods of working and experiences. Final recommendations were agreed by the Board in March 2011.

Financial assistance was authorised in 274 out of the 490 cases recorded as being active at the year end, with a number of cases being considered at more than one meeting. Help was authorised for the first time in 84 cases, a lower number than in the previous year. 135 cases received support solely by way of advice, an increase of over 20% on the previous year's total. Net outright grants payable fell by approximately 7% compared to the previous year, which may result from current practice of providing short term assistance only to those fit enough to look for work.

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Directors' Report

for the year ended 31 March 2011

Creation and maintenance of effective communication channels

We aimed to make Insurance Charities Day the most participated in to date. The total raised increased by £2,000 compared to the previous year and a more targeted mail shot resulted in a higher level of countrywide participation in the UK.

We also aimed to ensure that our most recent film was shown in every local institute area by the end of the year as well as made available to our major corporate supporters' employees via a link to our website. We have not been successful in arranging for the film to be shown in every local institute area and will continue this work over the coming year. Our major corporate supporters have been made aware that our film can be viewed online.

We also aimed to extend and deepen our partnerships with key industry bodies and trade associations to facilitate better communication channels with their members and increase opportunities for securing financial support. We have strengthened our relationships with the British Insurance Brokers Association (BIBA) and Association of Risk Managers in Insurance (AIRMIC) by exhibiting at their Annual Conferences, as well as at Broker Expo, and benefiting from fundraising at regional BIBA events.

We also aimed to work with at least one major corporate partner over the year to increase the Charity's profile in-house. We have not aligned ourselves with any one corporate partner over the past year but have carried out an increased number of visits to current and potential corporate supporters, most of whom have been happy to agree to an increased level of partnership moving forward.

Generation and sustenance of adequate income streams

We aimed to increase corporate and local institute fundraising by a total of £30,000 to represent a reasonable return on increased investment on marketing and fundraising. We did not achieve this increase; in fact an overall reduction in funds raised from these sources resulted during the year.

Financial Review and Results for the year

The Statement of Financial Activities (SoFA), on page 12, reflects all incoming resources receivable in the year irrespective of when income is spent. Total incoming resources increased by £456,000 to £1,579,000 and expenditure on charitable activities fell by £49,000 to £830,000. Total resources expended of £1,004,000 (2010: £1,082,000) resulted in a net inflow for the year of £575,000 (2010: inflow £41,000). After taking into account realised and unrealised gains on investments, total fund balances increased by £1,929,000 (2010: increase of £5,689,000) to £26,690,000 (2010: £24,761,000).

General Reserve

The General Reserve for use by the Charity is funds which are readily realisable, less those whose uses are restricted or designated for particular purposes. The calculation thus excludes fixed assets that will continue to be used in the day-to-day running of the Charity. The Directors keep in review the value of the reserves required to be held in investments and cash not restricted to any particular purpose.

The Board considers the Charity's exposure to the risk of significant loss of income and to the risk of unforeseen expenditure, which cannot be mitigated by executive action. The degree of risk ascribed to each such event is assessed.

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Directors' Report

for the year ended 31 March 2011

With income, the major risk is that of a decline in voluntary income, particularly due to increased competition for corporate donations and local institute fundraising. Budgetary and financial control continues to be exercised in order to reduce the risk of over-expenditure and mitigate the effect of a significant reduction in income in any one financial year. The Directors consider that the sum of £26,690,000 held by way of reserves as at the year end (2010: £24,761,000) is adequate, in view of the current economic climate and stock market activity, as it should enable the Charity to generate adequate future investment income to meet likely demands after other income is accounted for.

Investment policy and Performance

The present investment policy is subject to the risks normally associated with a balanced approach to portfolio management – subject to an ethical stance which excludes investment in loan providers who charge unacceptably high rates of interest and exert unreasonable pressure on borrowers for repayment. The performance of the funds is measured against the FTSE All Share Index and other relevant indices.

The twelve months under review saw global equity markets continue to build on last year's gains albeit at a much reduced scale of progress.

Interest rates broadly are still at or close to all time lows although, notably, Brazil, India, and China have all been raising rates to counter strong commodity-price fuelled inflation. The investment portfolio made good progress, retaining fairly low cash holdings all year, returning +10.1% for the twelve months compared to the benchmark's +8.1%.

Employees

The Charity aims to remain an organisation that employees enjoy working for and where they feel supported and motivated. Employees are informed about strategy, objectives, day-to-day news and events. The Charity supports equal opportunity. A policy of recruitment and promotion on the basis of aptitude and ability without discrimination is followed. The Charity is committed to the training, career development and promotion of all employees, within the constraints of a small company.

Connected Charities

The Charity administers the income from the Paul Golmick Fund (PGF), thus facilitating support for an increased number of children of insurance people in need. The Trustees for the PGF are two from the Charity, two from the PGF and one independent trustee. For the coming year the total funds available for distribution in cases of hardship and to cover related administrative costs will be restricted to £60,000.

Acknowledgements

The Charity's Directors are indebted to the many companies, individuals and local and associated institutes of the CII who have given both financial and practical support so generously over the year. In particular, they wish to record their sincere thanks to the representatives who give many hundreds of hours voluntarily in visiting beneficiaries and promoting the work of the Charity throughout the British Islands and Republic of Ireland.

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Directors' Report

for the year ended 31 March 2011

Future plans

The Charity has a robust planning mechanism including ongoing training sessions for Directors. Our future plans in order to deliver a public benefit are summarised below:

Provision of financial assistance and money advice

We aim to implement throughout the UK and Republic of Ireland the recommendations of the 2010/11 Welfare Review over the coming year. We aim to increase the number of cases we support, believing there to be many more individuals in need of financial assistance than we are currently helping.

Creation and maintenance of effective communication channels

We aim to build further on the success of previous Insurance Charities Days in the UK and Republic of Ireland. We aim to promote *Big Balloon day*, to be held in June across the UK, to engage more insurance people than ever before. We also aim to ensure that our 2010 film with illustrations of the types of support we provide has been shown in each local insurance institute area by the end of the year.

We aim to visit at least 15 major insurance employers over the coming year to develop more effective partnerships in terms of communication and financial support.

Generation and sustenance of adequate income streams

We will look to secure a total of at least £262,000 of corporate donations and local institute fundraising, to represent a reasonable return on investment on increased expenditure over the past three years on marketing and fundraising.

To assist with the above, we aim to have a significant presence at 25% of local institutes' Annual Dinners during the year.

Governance

We aim to carry out a review of Board Effectiveness with a view to addressing any concerns held by Directors; filling any knowledge or training gaps and improving overall efficiency.

The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption and was approved by the Directors on 15 June 2011 and signed on their behalf by:



Kirsten Watson
President

the insurance charities

Independent Auditor's Report to the members of The Insurance Charities

We have audited the financial statements of The Insurance Charities for the year ended 31 March 2011 on pages 12 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities, set out on page 4, the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other requirement of the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

the insurance charities

**Independent Auditor's Report
to the members of The Insurance Charities**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' report.

Baker Tilly UK Audit LLP

Nicholas Paul Sladden FCA DChA
For and on behalf of
BAKER TILLY UK AUDIT LLP, Statutory Auditor
12 Gleneagles Court
Brighton Road
Crawley RH10 6AD

Date *22 June 2011*

the insurance charities

Statement of Financial Activities including Income and Expenditure account

Year ended 31 March 2011

		Unrestricted funds	
	Notes	2011 £000	2010 £000
Incoming resources			
Incoming resources from generated funds			
Voluntary income	2	769	313
Investment income	3	784	780
Interest charged on loans	11	26	30
Total incoming resources		1,579	1,123
Resources expended			
Costs of generating funds			
Costs of generating voluntary income	4	95	130
Investment management costs	5	30	25
Charitable activities	6	830	879
Governance costs	7	49	48
Total resources expended	8	1,004	1,082
Net incoming resources before investment gains		575	41
Other recognised gains and losses			
Gain on investment assets	10	1,354	5,648
Net movement in funds		1,929	5,689
Reconciliation of funds			
Total funds brought forward		24,761	19,072
Total funds carried forward		26,690	24,761

There were no recognised gains or losses other than those included in the statement of financial activities.

All incoming resources and resources expended derive from continuing activities.

the insurance charities

Balance Sheet


Company number 74461

31 March 2011

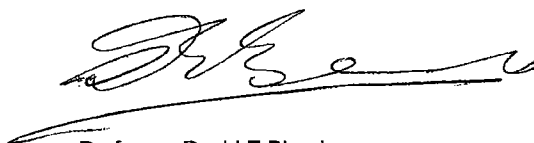
	Notes	2011 £000	2010 £000
Fixed assets			
Tangible assets	9	5	8
Investments:			
Investments	10	23,034	21,164
Loans to beneficiaries	11	3,715	3,874
		<u>26,754</u>	<u>25,046</u>
Current assets			
Debtors	12	170	188
Cash at bank and in hand		208	566
		<u>378</u>	<u>754</u>
Less: Creditors			
Amounts due within one year	13	(442)	(1,039)
Net current liabilities		<u>(64)</u>	<u>(285)</u>
Net assets		<u>26,690</u>	<u>24,761</u>
		2011	2010
		£000	£000
Total Charity Funds			
Unrestricted income funds	14	<u>26,690</u>	<u>24,761</u>

These accounts are prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The financial statements on pages 12 to 20 were approved by the Board of Directors and authorised for issue on 15 June 2011 and signed on its behalf by



Kirsten Watson
President



Professor David E Bland
Chairman of Finance & Investment Committee

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Notes to the Financial Statements

Year ended 31 March 2011

1 Accounting policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments to market value and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements comply with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (the Charities SORP 2005) issued in March 2005 and with the Companies Act 2006.

All activities of the Charity are classified as continuing.

Status of Company

The Company was incorporated pursuant to section Part 1 section 3(3) of the Companies Act 2006 and is limited by guarantee and does not therefore have a share capital. The maximum liability of each member is £10.

Incoming Resources

Donations, subscriptions, interest and dividends on listed investments and interest due on deposits are all accounted for on the accruals basis, at the earlier of notification or receipt.

Legacy income is recognised in the year in which the charity is entitled to receipt and the amount can be measured with reasonable certainty.

Compound interest, if charged, on loans secured by mortgages on private property owned by beneficiaries or made against promissory notes is accrued from the date of the advance, unless exceptionally deferred, and credited annually to the Statement of Financial Activities.

Resources expended

Costs are allocated directly to Charitable Activities, Costs of generating funds and Governance where appropriate, and proportionate to use, based on staff time, where resources are shared.

Grants payable

Grants payable are accrued when approved by the Grants Committee.

Governance costs

Governance costs include audit, legal advice to trustees and costs associated with constitutional and statutory requirements. Governance costs also include a fair proportion of costs not attributable to a specific activity.

The Paul Golmick Fund

The Paul Golmick Fund is a charity whose objects fall within those of The Insurance Charities.

It is of mutual benefit to both charities for The Insurance Charities to administer the grants of The Paul Golmick Fund. The Insurance Charities can direct some of its applicants to The Paul Golmick Fund leaving more funds available for other applicants. Also administration costs can be shared.

Grants payable are shown before and after contributions from The Paul Golmick Fund. The contribution of The Paul Golmick Fund to expenses is also shown separately.

Liabilities

Liabilities are classified according to the substance of the contractual arrangements entered into and are stated at their nominal value.

Foreign Currencies

Statement of Financial Activities transactions in foreign currencies are translated into sterling at the exchange rates ruling on the date of such transactions. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling on the balance sheet date.

Tangible fixed assets and depreciation

Fixed assets are stated at cost.

All equipment costing more than £500 has been capitalised and written off on a straight-line basis over its estimated useful life of three years. All equipment costing £500 or less is written off in the year of acquisition.

Notes to the Financial Statements

Year ended 31 March 2011

1 Accounting policies continued

Investments - Investments

Investments are stated at market value in the balance sheet, if listed, or at directors' valuation, if unlisted. The market value is based on the closing middle market price. Net gains and losses on revaluation and disposals of Investments are taken to the statement of financial activities. All movements in value are shown in note 10.

Investments - Loans to beneficiaries

Loans to beneficiaries are stated at the amount awarded. Loans are made predominately on a secured basis, with security being a charge on the beneficiaries properties, and occasionally on an unsecured basis (promissory notes) where the beneficiary does not own property or has insufficient capital.

Provision for doubtful loans is made based upon the likelihood of repayment and the ongoing level of contact with the beneficiary.

Pension Costs

The Charity participates in a multi-employer defined benefit pension scheme and a stakeholder pension scheme. The stakeholder pension scheme costs are charged on the accruals basis.

The defined benefit pension scheme is administered by trustees and is separate from the Charity. An independent qualified actuary completes a valuation triennially and, in accordance with his recommendations, contributions are paid to the scheme so as to secure the benefits set out in the rules and the periodic augmentation of current pensions. The present position in relation to this scheme is described in note 15.

2 Voluntary income	2011 £000	2010 £000
Insurance Charities Day	30	28
Fundraising by local and associated institutes	135	123
Membership subscriptions	13	13
Insurance employers' donations	82	98
Legacies	25	30
Other donations and income	484	21
	<u>769</u>	<u>313</u>
Percentage of income from non UK source	3%	9%

Included within other donations is an amount totalling £351,871 in respect of The Chartered Reinsurance Company Limited and members of The Royal Insurance Benevolent Fund £66,972 (see note 13).

3 Investment income	2011 £000	2010 £000
Listed investments		
Equity	621	562
Fixed interest	162	215
Deposit and bank interest	1	3
	<u>784</u>	<u>780</u>
4 Costs of generating voluntary income	2011 £000	2010 £000
Staff costs	67	66
Other costs	28	64
	<u>95</u>	<u>130</u>

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Notes to the Financial Statements

Year ended 31 March 2011

5	Investment management costs	2011	2010
		£000	£000
	Stockbroker's fees and commission	30	25

6	Charitable activities	2011	2010
		£000	£000
	Grantmaking		
	Total grants payable	674	764
	The Paul Golmick Fund (PGF) contribution to grants	(66)	(109)
	Net grants payable to individuals	608	655
	Support costs		
	Staff costs	176	178
	Other costs	58	66
	The Paul Golmick Fund contribution to expenses	(12)	(20)
		830	879

Net grants payable in support of 231 (2010: 266) 'hardship' cases.

7	Governance costs	2011	2010
		£000	£000
	Staff costs	24	24
	Other costs	25	24
		49	48

8	Total Resources Expended	2011	2010
		£000	£000
	Stockbrokers fees and commission	30	25
	Net grants payable to individuals	608	655
	Staff costs	267	268
	Other costs	99	134
		1,004	1,082
	Staff costs:	2011	2010
		£000	£000
	Staff remuneration	209	210
	Social Security costs	22	22
	Staff pension costs	36	36
		267	268

One employee received gross emoluments of between £60,000 and £70,000 (2010: one) and pension contributions were made on their behalf of £11,764.

The average number of full-time equivalents (administrative) during the financial year was five (2010: five).

None of the trustees received any remuneration during the year.

Travel and subsistence expenses reimbursed to six trustees amounted to £3,938 (2010: nine trustees £3,540).

Payments to the auditor comprise:	2011	2010
	£000	£000
Audit Services		
- Statutory Audit	13	13

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Notes to the Financial Statements

Year ended 31 March 2011

9 Tangible fixed assets

Information Technology - Software and equipment

	£000
Cost	
Opening balance - 1 April 2010	48
Additions	-
Disposals	(3)
Closing balance - 31 March 2011	<u>45</u>
Depreciation	
Opening balance - 1 April 2010	40
Charge for the year	3
Disposals	(3)
Closing balance - 31 March 2011	<u>40</u>
Net book value	
As at 31 March 2011	<u>5</u>
As at 31 March 2010	<u>8</u>

10 Investments

	£000
Market value at 1 April 2010	21,164
Acquisitions at cost	1,703
Disposals - Gross sale proceeds	(1,782)
Net movement in cash	595
Net gain	1,354
Market value at 31 March 2011	<u>23,034</u>
Historical cost at 31 March 2011	<u>18,910</u>

	Market value 2011 £000	Historical cost 2011 £000	Market value 2010 £000	Historical cost 2010 £000
UK listed - Equity	15,420	12,169	13,890	11,649
Overseas - Equity	2,873	2,012	2,644	2,003
UK listed - Fixed interest	2,661	2,550	3,337	3,219
Property	854	953	836	953
Infrastructure	290	290	116	117
Cash deposits	930	930	335	335
UK Loan stock (unlisted)	6	6	6	6
	<u>23,034</u>	<u>18,910</u>	<u>21,164</u>	<u>18,282</u>

The unlisted loan was made in previous years to a housing association which was made on a commercial basis and included in the Financial Statements at cost. This loan carries nomination rights for sheltered housing accommodation in furtherance of the aims of the Charity.

The unlisted loan has no fixed expiry and is on a rolling basis with notice.

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Notes to the Financial Statements

Year ended 31 March 2011

11 Loans to beneficiaries

	Secured loans £000	Unsecured loans £000	Total 2011 £000	Total 2010 £000
Loans before provisions				
Balance at 1 April	3,866	82	3,948	3,849
Transferred between classification	0	0	0	0
Advances	141	9	150	313
Write back of undrawn loans/ write offs	(114)	0	(114)	(53)
Interest	25	1	26	30
Repaid	(190)	(18)	(208)	(191)
Balance at 31 March	<u>3,728</u>	<u>74</u>	<u>3,802</u>	<u>3,948</u>

Less: Provision for doubtful loans

Balance at 1 April	18	56	74	57
Movement	20	(7)	13	17
Balance at 31 March	<u>38</u>	<u>49</u>	<u>87</u>	<u>74</u>

Loans after provisions at 31 March

	<u>3,690</u>	<u>25</u>	<u>3,715</u>	<u>3,874</u>
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	Interest rate	Secured loans £000	Unsecured loans £000	Total 2011 £000	Total 2010 £000
Capital	0%	2,833	46	2,879	2,955
Capital	3%	568	23	591	652
Accumulated interest	3%	327	5	332	341
		<u>3,728</u>	<u>74</u>	<u>3,802</u>	<u>3,948</u>

	Secured loans £000	Unsecured loans £000	Total 2011 £000	Total 2010 £000
Sterling based loans	3,627	69	3,696	3,841
Euro based loans	101	5	106	107
	<u>3,728</u>	<u>74</u>	<u>3,802</u>	<u>3,948</u>

Loans to beneficiaries are mainly secured by first mortgage charges with a few secured by second or subsequent charges and the remainder by promissory notes. They are repayable at death, or when property is not the place of residence or on disposal.

12 Debtors

	2011 £000	2010 £000
Amounts due within one year		
Other debtors	31	73
Accrued income	139	115
	<u>170</u>	<u>188</u>

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Notes to the Financial Statements

Year ended 31 March 2011

13 Creditors: Amounts falling due within one year

	2011 £000	2010 £000
Beneficiary year end commitments	404	553
Other creditors	0	432
Taxation and Social Security	6	6
Pension Contributions	3	3
Accruals	29	45
	<u>442</u>	<u>1,039</u>

During the year the amounts in other creditors comprising of amounts due to the creditors of The Charter Reinsurance Company Limited and members of The Royal Insurance Benevolent Fund were released to the SOFA.

Other creditors	2011 £000	2010 £000
Balance brought forward 1 April	432	451
Released to SOFA	(419)	0
Foreign exchange gain	(13)	(19)
Balance carried forward 31 March	<u>0</u>	<u>432</u>

14 Unrestricted income funds

	Balance 1 April 2010 £000	Net incoming resources £000	Investment gains £000	Transfers £000	Balance 31 March 2011 £000
General Reserve					
Total unrestricted funds	<u>24,761</u>	<u>575</u>	<u>1,354</u>	<u>0</u>	<u>26,690</u>

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Notes to the Financial Statements

Year ended 31 March 2011

15 Pension scheme - FRS 17

Defined benefit scheme

The Charity participates in the Chartered Insurance Institute Pension Scheme 1993, a multi-employer defined benefit scheme in the UK. The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the Scheme and hence contributions to the Scheme are accounted for as if it were a defined contribution scheme. The scheme was closed to future service accrual on 30 June 2006.

A full actuarial valuation of the Chartered Insurance Institute Pension Scheme 1993 was carried out at 30 June 2008 and updated to 31 December 2010 by a qualified independent actuary for the main employer's Financial Statements. The main assumptions were

	At year end 31.12.2010	At year end 31.12.2009	At year end 31.12.2008	At year end 31.12.2007
Rate of increase in salaries	n/a	n/a	n/a	n/a
Rate of increase to pensions in payment:				
Pension earned before 6/4/97	0.00%	0.00%	1.75%	1.75%
Pension earned after 6/4/97	3.30%	3.40%	3.00%	3.40%
Discount rate	5.30%	5.70%	6.00%	5.50%
Inflation assumption	3.40%	3.50%	3.00%	3.40%

At 31 December 2010, the market value of the assets of the Scheme was £27,084,000 and the value of past service liabilities was £26,174,000 leaving a surplus of assets of £910,000. The assets therefore were sufficient to cover 103% of the benefits that had accrued to members. However, due to the surplus cap under FRS17, this surplus is not shown on the balance sheet.

No additional payments (2010: £Nil) were made to purchase future services. It is not expected that service costs will increase as the members approach retirement age.

Stakeholder pension scheme

Employees whose pension provisions are not fully provided for in the above scheme can join the defined contributions scheme with Legal and General Assurance Association. The scheme provides benefits directly determined by the value of the contributions paid in respect of each member.

Employer's contributions during the year amounted to £35,843 (2010: £36,406).

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Schedule 1 – Insurance Employers' Donations

Year ended 31 March

	2011	2010	2009	2008	2007
	£	£	£	£	£
Abbey Life Assurance Co	-	500	-	-	-
Aegon UK plc (ex Scottish Equitable)	1,500	1,500	1,500	3,000	3,000
Ageas (ex Fortis)	5,000	5,000	5,000	5,000	600
Allianz Cornhill plc	2,000	1,500	1,500	1,500	1,000
Ansvar Insurance	500	500	500	500	350
AON Limited	3,000	3,000	3,000	8,000	13,000
Aviva	25,000	25,000	25,000	25,000	25,000
AXA UK plc	25,000	25,000	25,000	25,000	20,000
Benfield Group plc	-	-	2,000	2,000	2,000
Chartis Insurance UK (ex AIG)	-	750	-	750	750
Co-operative Insurance Society Limited	-	-	1,000	-	5,000
DAS Legal Expenses Insurance	-	1,000	-	-	-
Ecclesiastical Insurance plc	-	2,500	2,500	2,500	2,500
Friends' Provident Life Office	-	5,000	11,000	3,500	1,000
Griffiths & Armour	1,000	750	750	600	500
Institute of Insurance Brokers	500	500	500	500	500
Jardine Lloyd Thompson Group plc	-	-	-	500	500
Legal & General Group plc	-	6,000	5,500	5,500	5,500
Marsh Charities Fund & Marsh Corporate	-	-	-	-	2,500
Miller Insurance Group Limited	-	-	-	500	500
Pearl Group Management Services	-	1,000	-	-	-
Pearl/ Resolution Life	-	1,000	500	-	500
Provident Insurance	500	-	-	-	-
Prudential Corporation plc	1,500	1,500	1,500	1,500	1,500
RJ Hurst & Partners	-	-	500	500	500
Royal & Sun Alliance Insurance Group	10,000	10,000	10,000	10,000	10,000
Royal London Mutual Insurance Society Limited	1,000	1,000	1,000	-	2,000
Santander Foundation (ex Abbey National Ch Trust)	600	600	600	600	600
Standard Life	1,200	1,200	1,200	1,200	1,200
UIA (Insurance)	500	500	-	-	-
UNUM plc	500	500	500	250	250
Wesleyan Charitable Trust	500	500	-	-	2,500
Willis Group plc	1,000	1,000	1,000	1,000	1,000
Zurich Community Trust	500	-	-	-	-
Other donations under £ 500 threshold	620	1,070	1,484	1,670	2,380
Total	81,920	98,370	103,034	101,070	106,630

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Schedule 2 – Legacies	2011	2010	2009	2008	2007
Year ended 31 March	£	£	£	£	£
F Chesterman	10,190	-	-	-	-
G Sinclair	14,446	-	-	-	-
A Simco	-	1,000	-	-	-
J Skinner	-	15,000	-	-	-
G Stewart	-	5,000	-	-	-
M Goodes	-	-	1,000	-	-
D Clodd	-	-	500	-	-
F Harris	-	8,995	-	140,000	-
L Starks	-	-	-	-	500
Other legacies under £500 threshold	-	-	200	-	226
Total	24,636	29,995	1,700	140,000	726

Schedule 3 – Amounts Included within Other donations and income	2011	2010	2009	2008	2007
Year ended 31 March	£	£	£	£	£
Agriculture Special Interest Group - Balance of Funds	-	1,717	-	-	-
Ageas (ex Fortis) - Dress Down Days	1,683	1,337	-	-	-
Association of British Insurers	-	-	-	600	-
Association of Underwriters & Insurance Brokers	-	-	498	-	-
Assurance Insurance Experts & GBRW	-	1,000	-	-	-
BIBA	1,800	1,272	-	-	-
Black Sea & Baltic - Balance of Funds	-	-	19,004	-	-
Charles Ledsam Retirement Auction	-	-	-	-	5,805
Charter Reinsurance - Balance of funds	351,871	-	-	-	-
Chartered Insurance Institute's Platinum Card	-	2,087	3,806	4,270	6,305
Chartered Insurance Institute's Conference Dinner	-	-	-	-	4,694
Chartered Insurance Institute's Christmas Raffle	-	-	477	566	423
Crusader Benevolent Fund - Balance of Funds	-	-	-	-	36,383
Fire Loss Association - Balance of Funds	-	-	-	-	3,158
Freemont Reinsurance - Balance of Funds	-	-	317,605	-	-
Groupama re Dr Scott work carried out	-	-	1,000	-	-
Hertz Royal Pensioners	-	-	-	3,404	-
Impact Plus Skydive	-	-	-	495	1,478
Insurance Awards Manchester	-	-	8,000	-	-
Jacob Baker concert	450	-	923	-	-
Legal and General - Make a Difference Awards	-	2,112	-	-	-
Lloyds Meet the Market Dublin	17,234	-	-	-	-
Lutine Lineslip Regatta	-	1,533	-	-	-
Midland Life & Pensions Society - Balance of Funds	-	-	-	-	2,249
NHBC re N Starling	500	500	-	-	-
I Newman	1,000	-	-	-	-
Photoshoot at 20 Aldermanbury	-	-	500	-	-
Pitmans - Marathon	690	-	-	-	-
Post Magazine - Football competition	-	-	-	-	1,000
RSA - Adrian Brown fundraising event	5,245	-	-	-	-
RSA Pensioners	555	686	-	-	-
Royal Insurance Benevolent Fund - Balance of funds	66,972	-	-	464	-
Society of Fellows	-	1,089	-	-	-
Towergate Partnership	-	-	-	-	6,000
UIC Insurance Co Ltd - Balance of funds	30,110	-	-	-	-
Mrs W Cooper	-	-	-	-	600
Total	478,110	13,333	351,813	9,199	68,095
Other donations under £500 threshold	6,280	8,652	6,854	9,030	8,136
Other income	-	-	-	2,000	2,000
Total	484,390	21,985	358,667	20,229	78,231

the insurance charities

FIVE YEAR FINANCIAL SUMMARY

Year ended 31 March

	2011	2010	2009	2008	2007
	£000	£000	£000	£000	£000
STATEMENT OF FINANCIAL ACTIVITIES					
Fundraising by local and associated institutes	135	123	99	115	108
Donations from insurance employers	82	98	103	96	107
Legacies and other income	552	92	406	229	150
Investment income and interest income	810	810	973	929	852
Total Incoming Resources	1,579	1,123	1,581	1,369	1,217
Investment management costs	30	25	18	28	28
Charitable activities					
Grants	608	655	807	853	817
Other grant making activities	222	224	384	171	215
Costs of generating voluntary income	95	130	126	49	54
Governance costs	49	48	51	46	48
Total Resources Expended	1,004	1,082	1,386	1,147	1,162
Net Income / (Expenditure)	575	41	195	222	55
Other recognised Gains and Losses					
Gains/(Losses) on investments	1,354	5,648	(5,093)	(2,239)	1,019
Net Movement in Funds	1,929	5,689	(4,898)	(2,017)	2,856

BALANCE SHEET

as at 31 March

	2011	2010	2009	2008	2007
	£000	£000	£000	£000	£000
Fixed Assets					
Tangible Assets	5	8	4	2	4
Investments	23,034	21,164	15,440	19,375	22,692
Loans to beneficiaries	3,715	3,874	3,792	3,771	3,674
	26,754	25,046	19,236	23,148	26,370
Current Assets					
Debtors	170	188	168	279	200
Investments	-	-	-	1,169	-
Cash at bank and in hand	208	566	841	711	795
	378	754	1,009	2,159	995
Creditors:					
Amounts due within one year	(442)	(1,039)	(1,173)	(1,337)	(1,378)
	(442)	(1,039)	(1,173)	(1,337)	(1,378)
Net assets	26,690	24,761	19,072	23,970	25,987
The funds of the charity:					
Endowment funds	-	-	-	-	-
Unrestricted income funds	26,690	24,761	19,072	23,970	25,987
Total charity funds	26,690	24,761	19,072	23,970	25,987