



the insurance charities

Report & Financial Statements Year ended 31 March 2014

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Company Registration Number: 74461

Charity No: 206860



the insurance charities

Directors (the Board)

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

Mr John Greenway **President**

Ms Adrienne O'Sullivan **Deputy President**

Mr Graham Cave **Chairman of the Marketing & Fundraising Committee**

Mr Ken Davidson **Chairman of the Finance, Investment & Audit Committee**

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

Mr Anthony Alderman

Professor David Bland

Mr Ralph Bradshaw

Mr Roger Carr

Mr Peter Hutchinson

Mr Malcolm Hyde

Mr Ron Iles

Mr Andrew King (resigned 11.12.13)

Mr Andrew Miller (resigned 19.06.13)

Mr Ray O'Doherty

Mr Allen Prior

Mr Peter Staddon

Mr Nick Starling

Mr Ian Templeton **Immediate Past President**

Mr Paul Timmins (appointed 11.12.13)

Mr Massimo Vascotto (appointed 11.12.13)

Mrs Kirsten Watson

Mr Lindsay Williamson

Mr Richard Wood

Mr David Worsfold (resigned 11.12.13)

Ms Vanessa Young (appointed 11.12.13)

Vice-Presidents

The following were Vice-Presidents during the year:-

Mr Michael Bewes

Mr Bryan Kellett

Mr Patrick McGovern



Advisers

Auditor

Baker Tilly UK Audit LLP, Statutory Auditor
25 Farringdon Street, London, EC4A 4AB

Bankers

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

Solicitors

Hunters 9 New Square Lincoln's Inn London WC2A 3QN

Investment Managers

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

Administration

Chief Executive Officer and Company Secretary

Mrs Annali-Joy Thornicroft

Address & Registered Office

20 Aldermanbury London EC2V 7HY

Telephone

020 7606 3763 & 020 7726 6482

Facsimile

020 7600 1170

Email

info@theinsurancecharities.org.uk

Website

www.theinsurancecharities.org.uk

Company Registration Number

74461

Registered Charity Number

206860



the insurance charities

Directors' Report

for the year ended 31 March 2014

The Board of Directors (the Board) of The Insurance Charities (the Charity) presents its annual report for the year ended 31 March 2014 under the Companies Act 2006, the Charities Act 2011, 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 £1,200 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 Directors discharge their roles and responsibilities effectively, each serves on one of the Charity's committees with 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 and all that is needed 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. When Board vacancies arise, Directors are selected by contacting insurance employers, industry bodies and individuals direct to complete the Board's needs. The Board has three standing committees to which it delegates 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.

Finance, Investment and Audit Committee

The Finance, Investment and Audit Committee (previously the Finance and Investment Committee) meets quarterly and is responsible for overseeing the management of the Charity's financial and investment activities and the effectiveness of the Charity's internal controls.



Directors' Report

for the year ended 31 March 2014

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 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 implementing policies agreed by the Board (page 7). 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.

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.



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Directors' Report

for the year ended 31 March 2014

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 reduced income from industry contraction 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, monitoring responsibilities have been allocated to members of the Finance, Investment and Audit Committee, who have specific and relevant knowledge and expertise and who make regular and irregular visits to the Charity's office. The activities undertaken include checking receipts and payments and their internal recording. The Board is then briefed, 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 dependants can readily access the Charity's support 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.



Directors' Report

for the year ended 31 March 2014

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 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 visitors to current and prospective beneficiaries and to fundraise locally. Some insurance employers provide services through their Human Resources or Welfare departments. Visitors are CRB checked and provided with training and support in their role. 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 for 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 2014 and the impact of our achievements in delivering the public benefit are summarised as follows:

Provision of financial and practical assistance

We have continued with our partnerships with three charitable organisations which were well placed to provide practical support and expertise to those living with depression, autism and the effects of a stroke. With Depression Alliance (Charity no. 10967401) we agreed funding for a micro community to benefit existing and potential beneficiaries in the wider insurance community. The micro community went live in September 2013 and the insurance group is gaining followers. With the Stroke Association (Charity no. 211015) and Autism Alliance (Charity no. 1112897) and its member charities we continue to distribute marketing materials to seek out potential beneficiaries from their pools of contacts.

We hosted two *Lifting the Lid on Depression* events during the year; the first of which included a dedicated forum for our visitors to update them on developments within the Charity and enable them to discuss issues face to face with the Charity's staff and Directors. The events focussed on the support the Charity could provide to insurance people facing depression through its work with Depression Alliance.



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Directors' Report

for the year ended 31 March 2014

Financial assistance was authorised in 270 out of the charity's 450 active cases, with a number of cases considered at more than one meeting. Help was authorised for the first time in 84 cases, a slightly higher number than in the previous year. 174 cases received support solely by way of advice; a higher number than the previous year's total. Net outright grants payable decreased by approximately 13% compared to the previous year.

Creation and maintenance of effective communication channels

New marketing and information packs were produced in the year. The packs included posters, case studies and promotional giveaways. These were distributed to all the local institute representatives and used at insurance industry conferences.

Generation and sustenance of adequate income streams

Despite increased fundraising from local institutes, we were unable to maintain the same level of total donations from corporate giving and local institute fundraising.

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 decreased by £567,000 to £1,259,000 and expenditure on charitable activities increased by £108,000 to £1,429,000. Total resources expended of £1,600,000 (2013: £1,495,000) resulted in a net outflow for the year of £341,000 (2013: inflow £331,000). After taking into account realised and unrealised gains on investments, total fund balances increased by £1,073,000 (2013: increase of £3,482,000) to £31,250,000 (2012: £30,177,000).

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.

With income, the major risk is that of a decline in voluntary income due to industry contraction. 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 £31,250,000 held by way of reserves as at the year end (2013: £30,177,000) is adequate, in view of the current economic climate and stock market activity, as it should generate adequate future investment income to meet likely demands after other income is accounted for.

Investment Policy and Performance

The twelve months to 31 March 2014 was another good year for investment markets. The background to this good return was the continuing recovery in the economies of the developed world whilst the developing economies (including emerging markets) suffered weakness as investors focussed their fire power on the former and Japan's massive monetary stimulus programme weakened the yen so providing damaging price competition to its regional exporting rivals. Interest rates in both the UK and the USA are expected to see rises towards the end of 2014 but these events have been well trailed so are unexpected to derail equity markets, which generally speaking do not like surprises. The Charity's investments returned +9.3% over the twelve month period compared to the benchmark's return of +6.9%.



Directors' Report

for the year ended 31 March 2014

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 £90,000. The Charity is aware of the PGF's discussions with the Charity Commission to confirm whether its funds can be transferred to the Charity for it to hold as a designated fund.

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. Some employers provide significant practical support in place of or in addition to the financial support recorded in these financial statements. The Charity also wishes to record its 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 Ireland.

Future plans

Our future plans to continue delivering public benefit are summarised below:

Provision of financial and practical assistance

Following the Trustees' decision in 2012 to extend the benefits provided by The Insurance Charities we are developing partnerships with external charitable bodies. Our financing of the Friends in Need project with Depression Alliance will be completed during the year. Over the months ahead we will continue to signpost those with depression to Depression Alliance and look at ways in which the partnerships with The Stroke Association and Autism Alliance can deepen to benefit our beneficiaries. Towards the end of the year we will approach other organisations with a view to developing similar partnerships.

We will look to facilitate more Lifting the Lid on Depression Conferences for senior executives and HR professionals in the insurance industry during the year, building on the success of the two events held over the past year. These will promote the 'Friends in Need' micro community initiative with Depression Alliance and the significant financial help we provide to individuals in need.

We will strive to increase the number of cases we support; still believing there to be many more individuals in need of financial assistance than we are currently helping.



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Directors' Report

for the year ended 31 March 2014

Creation and maintenance of effective communication channels

We aim to reach a wider range of individuals across the UK on our Insurance Charities Awareness Day in June. We will continue to implement the recommendations of the marketing and fundraising strategy review in 2012. These include the appointment of charity champions responsible for servicing the communication needs of insurance employers across the UK and Ireland following a pilot in selected geographical and professional areas.

We will be putting on two events over the year ahead; a concert performed by The London Phoenix Orchestra and a luncheon at The House of Commons to celebrate the Charity's achievements to date and bring its work to the attention of a wider audience.

Generation and sustenance of adequate income streams

We will look to secure at least the same level of corporate donations and local institute fundraising as well as investigate ways in which costs can be underwritten in place of finance being secured.

We will undertake a review of the Charity's governance to develop further its efficiency and ensure sector best practice principles are being followed.

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 25 June 2014 and signed on their behalf by:

John Greenway
President



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 2014 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 2014 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.



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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.

Nicholas Sladden FCA DChA

For and on behalf of
BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Date



Statement of Financial Activities including Income and Expenditure account

Year ended 31 March 2014

		Unrestricted	Restricted	Total	Total
	Notes	2014	2014	2014	2013
		£000	£000	£000	£000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	248	6	254	386
Investment income	3	969	25	994	917
Interest charged on loans	11	11	0	11	13
		<u>1,228</u>	<u>31</u>	<u>1,259</u>	<u>1,316</u>
Other incoming resources		<u>0</u>	<u>0</u>	<u>0</u>	<u>510</u>
Total incoming resources		<u>1,228</u>	<u>31</u>	<u>1,259</u>	<u>1,826</u>
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	4	82	0	82	91
Investment management costs	5	36	1	37	32
Charitable activities	6	1,429	0	1,429	1,321
Governance costs	7	51	0	51	51
		<u>1,598</u>	<u>1</u>	<u>1,599</u>	<u>1,495</u>
Total resources expended	8	<u>1,598</u>	<u>1</u>	<u>1,599</u>	<u>1,495</u>
Net (outgoing)/ incoming resources before investment gains		<u>(370)</u>	<u>30</u>	<u>(340)</u>	<u>331</u>
Other recognised gains and losses					
Gain on investment assets	10	1,389	24	1,413	3,151
		<u>1,019</u>	<u>54</u>	<u>1,073</u>	<u>3,482</u>
Net movement in funds		<u>1,019</u>	<u>54</u>	<u>1,073</u>	<u>3,482</u>
Reconciliation of funds					
Total funds brought forward		<u>29,500</u>	<u>677</u>	<u>30,177</u>	<u>26,695</u>
Total funds carried forward		<u>30,519</u>	<u>731</u>	<u>31,250</u>	<u>30,177</u>

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.



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Balance Sheet

Company number 74461
31 March 2014

	Notes	2014 £000	2013 £000
Fixed assets			
Tangible assets	9	21	6
Investments:			
Investments	10	28,055	26,875
Loans to beneficiaries	11	3,313	3,524
		<u>31,389</u>	<u>30,405</u>
Current assets			
Debtors	12	244	123
Cash at bank and in hand		255	265
		<u>499</u>	<u>388</u>
Less: Creditors			
Amounts due within one year	13	(638)	(616)
Net current liabilities			
		<u>(139)</u>	<u>(228)</u>
Net assets			
		<u>31,250</u>	<u>30,177</u>
Restricted funds	14	731	677
Unrestricted income funds	14	23,016	22,557
Investment revaluation reserve	14	7,423	6,575
Designated funds	14	80	368
Total Charity Funds			
		<u>31,250</u>	<u>30,177</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 25 June 2014 and signed on its behalf by

John Greenway
President

Ken Davidson
Chairman of Finance, Investment and Audit Committee



Notes to the Financial Statements

Year ended 31 March 2014

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 an estimated exchange rate ruling on the date of such transactions. Assets and liabilities denominated in foreign currencies are translated into sterling 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 2014

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 16.

Fund Accounting

Funds held by the charitable company are:

Unrestricted

Unrestricted funds are funds that can be used in accordance with the charitable objects at the discretion of the Trustees. The investment revaluation reserve represents the difference between the historical cost of investments and their revalued amount at the balance sheet date.

Designated reserves have been allocated by the Trustees from general reserves towards certain particular projects.

Restricted

These are funds that can only be used for particular restricted purposes within the objects of the charitable company. The restrictions arise by the donor or when funds are raised for a specific purpose.

2 Voluntary income	2014	2013
	£000	£000
Insurance Charities Day	16	9
Fundraising by local and associated institutes	139	143
Membership subscriptions	12	11
Insurance employers' donations	39	59
Legacies	29	80
Other donations and income	19	84
	254	386
Percentage of income from non UK source	3%	2%
3 Investment income	2014	2013
	£000	£000
Listed investments		
Equity	846	767
Fixed interest	147	149
Deposit and bank interest	1	1
	994	917
4 Costs of generating voluntary income	2014	2013
	£000	£000
Staff costs	48	75
Other costs	34	16
	82	91



Notes to the Financial Statements

Year ended 31 March 2014

5 Investment management costs	2014	2013
	£000	£000
Stockbroker's fees and commission	37	32
	<hr/>	<hr/>
6 Charitable activities	2014	2013
	£000	£000
Grantmaking		
Total grants payable	920	1,057
The Paul Golmick Fund (PGF) contribution to grants	(58)	(95)
	<hr/>	<hr/>
Net grants payable to individuals	862	962
Support costs		
Staff costs	199	210
Other costs	383	170
The Paul Golmick Fund contribution to expenses	(15)	(21)
	<hr/>	<hr/>
	1,429	1,321
	<hr/>	<hr/>
Net grants payable in support of 251 (2013: 259) 'hardship' cases.		
7 Governance costs	2014	2013
	£000	£000
Staff costs	27	28
Other costs	24	23
	<hr/>	<hr/>
	51	51
	<hr/>	<hr/>
8 Total Resources Expended	2014	2013
	£000	£000
Stockbroker's fees and commission	37	32
Net grants payable to individuals	862	962
Staff costs	274	313
Other costs	426	188
	<hr/>	<hr/>
	1,599	1,495
	<hr/>	<hr/>
Staff costs:	2014	2013
	£000	£000
Staff remuneration	204	219
Social Security costs	23	24
Staff pension costs	47	38
	<hr/>	<hr/>
	274	281
	<hr/>	<hr/>
One employee received gross emoluments of between £60,000 and £70,000 (2013: one) and pension contributions were made on their behalf of £12,540.		
The average number of full-time equivalents (administrative) during the financial year was five (2013: five).		
None of the trustees received any remuneration during the year.		
Travel and subsistence expenses reimbursed to eleven trustees amounted to £5,083 (2013: eight trustees £3,928).		
Payments to the auditor comprise:	2014	2013
	£000	£000
Audit Services		
- Statutory Audit	15	14
	<hr/>	<hr/>



Notes to the Financial Statements

Year ended 31 March 2014

9 Tangible fixed assets

Information Technology – Software and equipment

	£000
Cost	
Opening balance – 1 April 2013	51
Additions	21
Disposals	(24)
Closing balance – 31 March 2014	<u>48</u>
Depreciation	
Opening balance – 1 April 2013	45
Charge for the year	6
Disposals	(24)
Closing balance – 31 March 2014	<u>27</u>
Net book value	
As at 31 March 2014	<u>21</u>
As at 31 March 2013	<u>6</u>

10 Investments

	£000
Market value at 1 April 2013	26,875
Acquisitions at cost	4,030
Disposals – Gross sale proceeds	(4,179)
Net movement in cash	(85)
Net gain	1,414
Market value at 31 March 2014	<u>28,055</u>
Historical cost at 31 March 2014	<u>20,632</u>

	Market value	Historical cost	Market value	Historical cost
	2014	2014	2013	2013
	£000	£000	£000	£000
UK listed – Equity	20,612	14,323	18,773	13,721
Overseas – Equity	2,909	1,957	3,638	2,330
UK listed – Fixed interest	3,007	2,811	2,979	2,689
Property	896	953	843	953
Infrastructure	460	415	383	348
Cash deposits	165	167	253	253
UK Loan stock (unlisted)	6	6	6	6
	<u>28,055</u>	<u>20,632</u>	<u>26,875</u>	<u>20,300</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.

The investment revaluation reserve represents the difference between the market value and the historical cost as shown above.



Notes to the Financial Statements

Year ended 31 March 2014

11 Loans to beneficiaries

		Secured loans £000	Unsecured loans £000	Total 2014 £000	Total 2013 £000
Loans before provisions					
Balance at 1 April		3,550	43	3,593	3,775
Advances		86	0	86	127
Write back of undrawn loans/ write offs		(14)	0	(14)	(21)
Interest		11	0	11	13
Repaid		(258)	(11)	(269)	(301)
Balance at 31 March		<u>3,375</u>	<u>32</u>	<u>3,407</u>	<u>3,593</u>
Less: Provision for doubtful loans					
Balance at 1 April		35	34	69	72
Movement		29	(4)	25	(3)
Balance at 31 March		<u>64</u>	<u>30</u>	<u>94</u>	<u>69</u>
Loans after provisions at 31 March		<u>3,311</u>	<u>2</u>	<u>3,313</u>	<u>3,524</u>
	Interest rate	Secured loans £000	Unsecured loans £000	Total 2014 £000	Total 2013 £000
Capital	0%	3,049	32	3,081	3,209
Capital	3%	211	0	211	248
Accumulated interest	3%	115	0	115	136
		<u>3,375</u>	<u>32</u>	<u>3,407</u>	<u>3,593</u>
		Secured loans £000	Unsecured loans £000	Total 2014 £000	Total 2013 £000
Sterling based loans		3,260	28	3,288	3,489
Euro based loans		115	4	119	104
		<u>3,375</u>	<u>32</u>	<u>3,407</u>	<u>3,593</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

	2014 £000	2013 £000
Amounts due within one year		
Other debtors	116	32
Accrued income	128	91
	<u>244</u>	<u>123</u>



Notes to the Financial Statements

Year ended 31 March 2014

13 Creditors: Amounts falling due within one year

	2014 £000	2013 £000
Beneficiary year end commitments	579	555
Taxation and Social Security	6	6
Pension Contributions	3	3
Accruals	49	52
Deferred income	1	0
	<u>638</u>	<u>616</u>

14 Income funds

	Balance 1 April 2013 £000	Net incoming resources £000	Investment gains £000	Transfers £000	Balance 31 March 2014 £000
General Reserve	22,557	(371)	1,390	1,136	24,712
Investment Revaluation Reserve	6,575	0	0	848	7,423
Designated Funds	368	0	0	(288)	80
Total unrestricted funds	<u>29,500</u>	<u>(371)</u>	<u>1,390</u>	<u>1,696</u>	<u>32,215</u>

The investment revaluation reserve represents the difference between the historical cost of investments and their revalued amount at the balance sheet date.

In the prior year a designated fund was created to identify funds for the development of Friends in Need with Depression Alliance. Funds are drawn down quarterly as funding is required.

CILA Benevolent Fund

Total restricted funds	<u>677</u>	<u>30</u>	<u>24</u>	<u>0</u>	<u>731</u>
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In the prior year the trustees of the CILA Benevolent Fund transferred their assets to the insurance charities. Awards made to members of CILA are fully allocated against the restricted funds. A contribution towards administration is charged based on the value of the awards granted.

Portfolio income and charges are allocated based on the percentage on transfer date that the CILA value was compared to the value of the combined portfolio and cash holdings.

At the financial year end the investment gain for the period has been allocated based on the same percentage as the income and charges.

15 Analysis of net assets between funds

	Restricted £000	General £000	Revaluation £000	Designated £000	2014 £000	2013 £000
Tangible assets	0	21	0	0	21	6
Investments	701	23,244	7,423	0	31,368	30,399
Current assets	30	389	0	80	499	388
Current liabilities	0	(638)	0	0	(638)	(616)
Total net assets	<u>731</u>	<u>23,016</u>	<u>7,423</u>	<u>80</u>	<u>31,250</u>	<u>30,177</u>



Notes to the Financial Statements

Year ended 31 March 2014

16 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 2011 and updated to 31 December 2013 by a qualified independent actuary for the main employer's Financial Statements. The main assumptions were

	At year end 31.12.2013	At year end 31.12.2012	At year end 31.12.2011	At year end 31.12.2010
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%	0.00%	0.00%
Pension earned after 6/4/97	3.20%	2.80%	2.90%	3.30%
Discount rate	4.50%	4.30%	4.70%	5.30%
Inflation assumption	3.30%	2.90%	3.00%	3.40%

At 31 December 2013, the market value of the assets of the Scheme was £31,077,000 and the value of past service liabilities was £28,373,000 leaving a surplus of assets of £2,704,000. The assets therefore were sufficient to cover 110% 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 (2013: £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 £35,520 (2013: £37,747).



the insurance charities

Schedule 1 – Insurance Employers’ Donations

Year ended 31 March

	2014 £	2013 £	2012 £	2011 £	2010 £
Abbey Life Assurance Co	500	500	1,000	-	500
Aegon UK plc	-	1,000	1,500	1,500	1,500
Ageas (ex Fortis)	5,000	5,000	5,000	5,000	5,000
Allianz Cornhill plc	-	5,000	5,000	2,000	1,500
Ansvar Insurance	500	500	500	500	500
AON Limited	6,000	-	3,000	3,000	3,000
Aviva	25,000	25,000	25,000	25,000	25,000
AXA UK plc	-	2,500	25,000	25,000	25,000
Chartis Insurance UK	-	-	-	-	750
DAS Legal Expenses Insurance	-	-	-	-	1,000
Ecclesiastical Insurance plc	-	-	12,500	-	2,500
Friends’ Provident Life Office	-	-	1,000	-	5,000
Griffiths & Armour	-	1,000	1,000	1,000	750
Institute of Insurance Brokers	-	-	-	500	500
Legal & General Group plc	-	-	-	-	6,000
Phoenix (ex Pearl)	-	750	2,000	-	1,000
Pearl/ Resolution Life	-	-	-	-	1,000
Provident Insurance	-	500	-	500	-
Prudential Corporation plc	-	-	-	1,500	1,500
Royal & Sun Alliance Insurance Group	-	10,000	10,000	10,000	10,000
Royal London Group	-	2,000	1,000	1,000	1,000
Santander Foundation	600	600	600	600	600
Standard Life	-	1,500	1,200	1,200	1,200
UIA (Insurance)	-	-	-	500	500
UNUM plc	-	-	500	500	500
Wesleyan Charitable Trust	-	500	500	500	500
Willis Group plc	1,000	1,000	1,000	1,000	1,000
Zurich Community Trust	-	500	500	500	-
Other donations under £ 500 threshold	620	670	970	620	1,070
Total	39,220	58,520	98,770	81,920	98,370



Schedule 2 – Legacies	2014	2013	2012	2011	2010
Year ended 31 March	£	£	£	£	£
K Tinkler	26,284	80,000	-	-	-
G Wagstaff	2,000	-	-	-	-
B Smith	1,000	-	-	-	-
S Miller	-	-	1,227	-	-
G Sinclair	-	-	(1,017)	14,446	-
F Chesterman	-	-	6	10,190	-
A Simco	-	-	-	-	1,000
J Skinner	-	-	-	-	15,000
G Stewart	-	-	-	-	5,000
F Harris	-	-	-	-	8,995
Other legacies under £500 threshold	-	-	-	-	-
Total	29,284	80,000	216	24,636	29,995
Schedule 3 – Amounts included within Other donations and income	2014	2013	2012	2011	2010
Year ended 31 March	£	£	£	£	£
Agriculture Special Interest Group – Balance of Funds	-	-	-	-	1,717
Ageas (ex Fortis) – Dress Down Days	435	-	-	1,683	1,337
Assurance Insurance Experts & GBRW	-	-	-	-	1,000
BIBA	-	-	927	1,800	1,272
Butler Assurance re watch sale	-	2,650	-	-	-
Charter ReInsurance – Balance of funds	-	-	-	351,871	-
Chartered Insurance Institute's Platinum Card	2,631	5,051	8,851	-	2,087
Chartered Insurance Institute's Conference Dinner	-	-	752	-	-
Chartered Insurance Institute's Christmas Raffle	311	197	246	-	-
Chartered Institute of Loss Adjusters – Annual Dinner	6,077	-	-	-	-
Chubb Insurance – staff fundraising	-	-	571	-	-
Golf competition sponsorship – Enterprise	1,500	-	-	-	-
Golf competition sponsorship – Fully Furnished	243	257	-	-	-
Golf competition sponsorship – Rainbow	-	1,500	1,500	1,000	-
Golf competition sponsorship – Hawkins	-	1,500	-	-	-
In memory of Mrs Mary Cox	-	550	-	-	-
Jacob Baker concert	-	-	-	450	-
Legal and General – Make a Difference Awards	-	-	-	-	2,112
Lloyds Meet the Market Dublin	-	-	-	17,234	-
Lutine Lineslip Regatta	-	-	-	-	1,533
Marathon – Andrew Warrender	-	1,962	468	-	-
NHBC re N Starling	500	500	500	500	500
I Newman	-	-	-	1,000	-
Pearl Officer Guild Ben Trust – Balance of funds	-	64,987	-	-	-
Pitmans – Marathon	-	-	-	690	-
RSA – Adrian Brown fundraising event	-	-	-	5,245	-
RSA Pensioners	507	958	646	555	686
Royal Insurance Benevolent Fund – Balance of funds	-	-	-	66,972	-
Society of Fellows	-	-	-	-	1,089
TEn Insurance – dinner	-	-	1,000	-	-
UIC Insurance Co Ltd – Balance of funds	-	-	-	30,110	-
	12,204	80,112	15,461	479,110	13,333
Other donations under £500 threshold	6,780	4,200	4,611	5,280	8,652
Total	18,984	84,312	20,072	484,390	21,985



the insurance charities

FIVE YEAR FINANCIAL SUMMARY

Year ended 31 March

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
STATEMENT OF FINANCIAL ACTIVITIES					
Fundraising by local and associated institutes	139	143	127	135	123
Donations from insurance employers	39	59	99	82	98
Legacies and other income	76	184	48	552	92
Investment income and interest income	1,005	930	946	810	810
Other incoming resources	0	510	0	0	0
Total Incoming Resources	1,259	1,826	1,220	1,579	1,123
Investment management costs	37	32	31	30	25
Charitable activities					
Grants	862	962	695	608	655
Other grant making activities	567	359	220	222	224
Costs of generating voluntary income	82	91	98	95	130
Governance costs	51	51	50	49	48
Total Resources Expended	1,599	1,495	1,094	1,004	1,082
Net Income / (Expenditure)	(340)	331	125	575	41
Other recognised Gains and Losses					
Gains/(Losses) on investments	1,413	3,151	(121)	1,354	5,648
Net Movement in Funds	1,073	3,482	4	1,929	5,689

BALANCE SHEET

as at 31 March

	2014 £000	2013 £000	2012 £000	2011 £000	2010 £000
Fixed Assets					
Tangible Assets	21	6	2	5	8
Investments	28,055	26,875	23,187	23,034	21,164
Loans to beneficiaries	3,313	3,524	3,703	3,715	3,874
	<u>31,389</u>	<u>30,405</u>	<u>26,892</u>	<u>26,754</u>	<u>25,046</u>
Current Assets					
Debtors	244	123	134	170	188
Cash at bank and in hand	255	265	127	208	566
	<u>499</u>	<u>388</u>	<u>261</u>	<u>378</u>	<u>754</u>
Creditors:					
Amounts due within one year	(638)	(616)	(458)	(442)	(1,039)
	<u>(638)</u>	<u>(616)</u>	<u>(458)</u>	<u>(442)</u>	<u>(1,039)</u>
Net assets	31,250	30,177	26,695	26,690	24,761
The funds of the charity:					
Restricted income funds	731	677	0	0	0
Unrestricted income funds	23,016	22,557	23,063	22,566	21,879
Investment revaluation reserve	7,423	6,575	3,632	4,124	2,882
Designated income funds	80	368	0	0	0
	<u>80</u>	<u>368</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total charity funds	31,250	30,177	26,695	26,690	24,761