



the **insurance** charities

14/15

**113th directors' report
& financial statements**

for the year ended 31 March 2015
company registration no: 74461 charity no: 206860



the insurance charities

Report & Financial Statements Year ended 31 March 2015

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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:

Ms Adrienne O'Sullivan **President**

Mr Allen Prior **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 John Greenway **Immediate Past President**

Mr Peter Hutchinson (resigned 17.09.14)

Mr Malcolm Hyde

Mr Ron Iles

Mr Ray O'Doherty

Mr Peter Staddon

Mr Nick Starling (resigned 17.09.14)

Mr Ian Templeton

Mr Paul Timmins

Mr Massimo Vascotto

Mrs Kirsten Watson

Mr Lindsay Williamson

Mr Kevin Wood (appointed 17.09.14)

Mr Richard Wood

Ms Vanessa Young

Vice-Presidents

The following were Vice-Presidents during the year:-

Mr Michael Bewes

Mr Bryan Kellett (deceased 02.01.15)

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



Directors' Report

for the year ended 31 March 2015

The Board of Directors (the Board) of The Insurance Charities (the Charity) presents its annual report for the year ended 31 March 2015 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 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 2015

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.



Directors' Report

for the year ended 31 March 2015

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 mainly 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 2015

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 normally covers at least five years and is a significant part of their most recent 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 and publicise our work locally. Some insurance employers provide services through their Human Resources or Welfare departments. Visitors are DBS checked and provided with resources to support them 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 helped access support from organisations with expertise in areas such as money management and health issues such as depression, autism and the effects of a stroke.

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 2015 and the impact of our achievements in delivering the public benefit are summarised as follows:

Provision of financial and practical assistance

We have developed our existing partnerships, particularly through our ongoing support for Depression Alliance's Friends in Need micro community and by joining the Autism Champions Network. We have invested in a project with Aware, the Irish Depression Charity, to promote positive mental health in the Irish Insurance industry and opened a dialogue with a charity supporting those with dementia, to develop resources for insurance people facing concerns in this area.

Financial assistance was authorised in 253 out of the Charity's 423 active cases, with a number of cases considered at more than one meeting. Help was authorised for the first time in 53 cases, a lower number than in the previous year. 117 cases received support solely by way of advice; a lower number than the previous year's total. Net outright grants payable decreased by approximately 9% compared to the previous year.



Directors' Report

for the year ended 31 March 2015

Creation and maintenance of effective communication channels

We have continued to build Insurance Charities Awareness Week into a more effective publicity vehicle by securing the support of an increased number of major insurance employers and distributing higher volumes of publicity materials. The digital campaign also reached a higher number of individuals. As well as ongoing communications with employers, the Charity benefits from complimentary exhibition space at various industry events, for which it is very grateful. This enables us to speak face to face with the wider industry. To further promote our work, The London Phoenix Orchestra held a concert in April and a successful Luncheon was held in June at the House of Commons. The Charity Champions pilot has continued in Scotland and London. Outcomes will give the Board useful guidance on the most appropriate way forward with respect to the project.

Generation and sustenance of adequate income streams

The Charity saw an increase in its voluntary income during the year mainly due to securing the support of additional insurance employers and legacies. Despite significant efforts by many individuals, local institute fundraising has proved more challenging over the year and total funds from this source have fallen.

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 £34,000 to £1,225,000 and expenditure on charitable activities decreased by £339,000 to £1,090,000. Total resources expended of £1,341,000 (2014: £1,599,000) resulted in a net outflow for the year of £116,000 (2014: outflow £340,000). After taking into account realised and unrealised gains on investments, total fund balances increased by £1,419,000 (2014: increase of £1,073,000) to £32,669,000 (2014: £31,250,000).

General Reserve

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

Budgetary and financial control continues to be exercised to reduce the risk of over-expenditure and mitigate the effect of a significant reduction in income in any financial year. The Directors consider that the sum of £32,669,000 held by way of reserves as at the year end (2014: £31,250,000) 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 2015 was another good year; marking six years in a row of positive returns. With interest rates still close to zero in the developed world, equities seem good value, despite being close to all time highs, as they offer generally superior yields (that are better than any easily accessible cash rate), and some growth. Rises in interest rates have been put back to an expected end of 2015 for the USA and early 2016 for the UK. Bond yields are exceptionally low, although rising in those domiciles where there are planned interest rate rises. The Charity's investments returned +9.0% over the twelve month period compared to the benchmark's return of +8.9%. For the three years to 31 March 2015 the return was +40.7% compared to the benchmark's +33.1%.



Directors' Report

for the year ended 31 March 2015

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. During the year the Trustees agreed to transfer total funds to the Charity to be held as a restricted fund. It is expected that formalities will be completed early in the new financial year.

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

We will continue to seek out ways in which the Charity's funds can be released to benefit insurance people in hardship due to misfortune. 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.

Following the Trustees' decision in 2012 to extend the benefits provided by The Insurance Charities we are developing partnerships with external charitable bodies. Over the months ahead we will continue to signpost those to the charities with whom we have developed partnerships. We will look at how best to support those within the industry who face particular challenges in respect of depression, stroke and autism as well as finalise our plans to support insurance families affected by dementia. Towards the end of the year we will approach other organisations with a view to developing similar partnerships.



the insurance charities

Directors' Report

for the year ended 31 March 2015

Creation and maintenance of effective communication channels

We will extend the reach of Insurance Charities Awareness Week so as to reach a wider number of individuals across the UK in June. We will hold a Charities Luncheon at the Royal Automobile Club in Pall Mall at the end of the Awareness Week as part of our efforts to increase awareness. We will agree how to service the need for improved communication within the industry whether by the appointment of additional charity champions or by other means. We will continue to promote the Charity at industry events.

Generation and sustenance of adequate income streams

We will be looking to our investments to continue to return essential income to fund the Charity's operations. We will encourage support from individuals and companies, recognising that the Charity's total income from these sources has been steadily falling whilst investment return has been so strong.

We will finalise the 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 2 July 2015 and signed on their behalf by:

Adrienne O'Sullivan
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 2015 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 2015 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.

Nicholas Sladden FCA DChA (Senior Statutory Auditor)

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

Date 7 July 2015

Statement of Financial Activities including Income and Expenditure account

Year ended 31 March 2015

	Notes	Unrestricted 2015 £000	Restricted 2015 £000	Total 2015 £000	Total 2014 £000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	2	261	6	267	254
Investment income	3	925	24	949	994
Interest charged on loans	11	9	0	9	11
Total incoming resources		1,195	30	1,225	1,259
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	4	152	0	152	82
Investment management costs	5	37	1	38	37
Charitable activities	6	1,090	0	1,090	1,429
Governance costs	7	61	0	61	51
Total resources expended	8	1,340	1	1,341	1,599
Net (outgoing)/ incoming resources before investment gains		(145)	29	(116)	(340)
Other recognised gains and losses					
Gain on investment assets	10	1,522	13	1,535	1,413
Net movement in funds		1,377	42	1,419	1,073
Reconciliation of funds					
Total funds brought forward		30,519	731	31,250	30,177
Total funds carried forward		31,896	773	32,669	31,250

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 2015

	Notes	2015 £000	2014 £000
Fixed assets			
Tangible assets	9	13	21
Investments:			
Investments	10	29,756	28,055
Loans to beneficiaries	11	3,030	3,313
		<u>32,799</u>	<u>31,389</u>
Current assets			
Debtors	12	130	244
Cash at bank and in hand		256	255
		<u>386</u>	<u>499</u>
Less: Creditors			
Amounts due within one year	13	(485)	(638)
Net current liabilities		<u>(99)</u>	<u>(139)</u>
Less: Creditors			
Amounts due over one year	14	(31)	0
Net assets		<u>32,669</u>	<u>31,250</u>
Restricted funds	15	773	731
Unrestricted income funds	15	23,552	23,016
Investment revaluation reserve	15	8,309	7,423
Designated funds	15	35	80
Total Charity Funds		<u>32,669</u>	<u>31,250</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 2 July 2015 and signed on its behalf by

Adrienne O'Sullivan
President

Ken Davidson
Chairman of Finance, Investment and Audit Committee

Notes to the Financial Statements

Year ended 31 March 2015

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 2015

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 17.

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 projects and committed expenditure.

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	2015	2014
	£000	£000
Insurance Charities Awareness Week	14	16
Fundraising by local and associated institutes	99	139
Membership subscriptions	10	12
Insurance employers' donations	55	39
Legacies	69	29
Other donations and income	20	19
	267	254
Percentage of income from non UK source	2%	3%
3 Investment income	2015	2014
	£000	£000
Listed investments		
Equity	791	846
Fixed interest	157	147
Deposit and bank interest	1	1
	949	994
4 Costs of generating voluntary income	2015	2014
	£000	£000
Staff costs	56	48
Other costs	96	34
	152	82

Notes to the Financial Statements

Year ended 31 March 2015

5 Investment management costs	2015	2014
	£000	£000
Stockbroker's fees and commission	38	37
	<hr/>	<hr/>
6 Charitable activities	2015	2014
	£000	£000
Grantmaking		
Total grants payable	846	920
The Paul Golmick Fund (PGF) contribution to grants	(105)	(58)
	<hr/>	<hr/>
Net grants payable to individuals	741	862
Support costs		
Staff costs	238	199
Other costs	135	383
The Paul Golmick Fund contribution to expenses	(24)	(15)
	<hr/>	<hr/>
	1,090	1,429
Net grants payable in support of 224 (2014: 251) 'hardship' cases.		
7 Governance costs	2015	2014
	£000	£000
Staff costs	32	27
Other costs	29	24
	<hr/>	<hr/>
	61	51
8 Total Resources Expended		
	2015	2014
	£000	£000
Stockbroker's fees and commission	38	37
Net grants payable to individuals	741	862
Staff costs	325	274
Other costs	236	426
	<hr/>	<hr/>
	1,340	1,599
Staff costs:	2015	2014
	£000	£000
Staff remuneration	207	204
Social Security costs	23	23
Staff pension costs	60	47
	<hr/>	<hr/>
	290	274
One employee received gross emoluments of between £60,000 and £70,000 (2014: one) and pension contributions were made on their behalf of £13,043 (2014: £12,540).		
The average number of full-time equivalents (administrative) during the financial year was five (2014: five).		
None of the trustees received any remuneration during the year.		
Travel and subsistence expenses reimbursed to 10 trustees amounted to £5,695 (2014: eleven trustees £5,083).		
Payments to the auditor comprise:	2015	2014
	£000	£000
Audit Services		
- Statutory Audit	15	15
Other services	3	-
	<hr/>	<hr/>
	18	15



Notes to the Financial Statements

Year ended 31 March 2015

9 Tangible fixed assets

Information Technology – Software and equipment

	£000
Cost	
Opening balance – 1 April 2014	48
Additions	-
Disposals	-
Closing balance – 31 March 2015	<u>48</u>
Depreciation	
Opening balance – 1 April 2014	27
Charge for the year	8
Disposals	-
Closing balance – 31 March 2015	<u>35</u>
Net book value	
As at 31 March 2015	<u>13</u>
As at 31 March 2014	<u>21</u>

10 Investments

	£000
Market value at 1 April 2014	28,055
Acquisitions at cost	5,105
Disposals – Gross sale proceeds	(5,017)
Net movement in cash	78
Net gain	1,535
Market value at 31 March 2015	<u>29,756</u>
Historical cost at 31 March 2015	<u>21,446</u>

	Market value 2015 £000	Historical cost 2015 £000	Market value 2014 £000	Historical cost 2014 £000
UK listed – Equity	19,855	13,127	20,612	14,323
Overseas – Equity	3,693	2,451	2,909	1,957
UK listed – Fixed interest	3,847	3,642	3,007	2,811
Property	988	953	896	953
Infrastructure	1,124	1,024	460	415
Cash deposits	243	243	165	167
UK Loan stock (unlisted)	6	6	6	6
	<u>29,756</u>	<u>21,446</u>	<u>28,055</u>	<u>20,632</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 2015

11 Loans to beneficiaries

		Secured loans £000	Unsecured loans £000	Total 2015 £000	Total 2014 £000
Loans before provisions					
Balance at 1 April		3,375	32	3,407	3,593
Advances		78	12	90	86
Write back of undrawn loans/ write offs		(18)	(8)	(26)	(14)
Interest		9	0	9	11
Repaid		(368)	(6)	(374)	(269)
Balance at 31 March		<u>3,076</u>	<u>30</u>	<u>3,106</u>	<u>3,407</u>
Less: Provision for doubtful loans					
Balance at 1 April		64	30	94	69
Movement		(10)	(8)	(18)	25
Balance at 31 March		<u>54</u>	<u>22</u>	<u>76</u>	<u>94</u>
Loans after provisions at 31 March		<u>3,023</u>	<u>8</u>	<u>3,030</u>	<u>3,313</u>
	Interest rate	Secured loans £000	Unsecured loans £000	Total 2015 £000	Total 2014 £000
Capital	0%	2,793	30	2,823	3,081
Capital	3%	195	0	195	211
Accumulated interest	3%	88	0	88	115
		<u>3,076</u>	<u>30</u>	<u>3,106</u>	<u>3,407</u>
		Secured loans £000	Unsecured loans £000	Total 2015 £000	Total 2014 £000
Sterling based loans		3,000	25	3,025	3,288
Euro based loans		76	5	81	119
		<u>3,076</u>	<u>30</u>	<u>3,106</u>	<u>3,407</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

	2015 £000	2014 £000
Amounts due within one year		
Other debtors	26	116
Accrued income	104	128
	<u>130</u>	<u>244</u>



Notes to the Financial Statements

Year ended 31 March 2015

13 Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Beneficiary year end commitments	435	579
Taxation and Social Security	6	6
Pension Contributions	7	3
Accruals	36	49
Deferred income	1	1
	<u>485</u>	<u>638</u>

14 Creditors: Amounts falling due over one year

	2015 £000	2014 £000
Pension Contributions	31	0

15 Income funds

	Balance 1 April 2014 £000	Net (out)/ incoming resources £000	Investment gains £000	Transfers £000	Balance 31 March 2015 £000
General Reserve	23,016	(145)	1,522	(841)	23,552
Investment Revaluation Reserve	7,423	0	0	886	8,309
Designated Funds	80	0	0	(80)	0
Designated Funds	0	0	0	35	35
Total unrestricted funds	<u>30,519</u>	<u>(145)</u>	<u>1,522</u>	<u>0</u>	<u>31,896</u>

The investment revaluation reserve represents the difference between the historical cost of investments and their revalued amount at the balance sheet date. In prior years a designated fund was created to identify funds for the development of Friends in Need with Depression Alliance. Funds were drawn down quarterly and were fully utilised in the year. In the current year a designated fund was created to identify funds for the Defined Benefit Pension Scheme Recovery Plan. Funds are to be drawn down on an annual basis over the period 2015 – 2023.

CILA Benevolent Fund

Total restricted funds	<u>731</u>	<u>29</u>	<u>13</u>	<u>0</u>	<u>773</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.

16 Analysis of net assets between funds

	Restricted £000	General £000	Revaluation £000	Designated £000	2015 £000	2014 £000
Tangible assets	0	13	0	0	13	21
Investments	743	23,734	8,309	0	32,786	31,368
Current assets	30	321	0	35	386	499
Current liabilities	0	(485)	0	0	(485)	(638)
Long term liabilities	0	(31)	0	0	(31)	0
Total net assets	<u>773</u>	<u>23,583</u>	<u>8,309</u>	<u>35</u>	<u>32,699</u>	<u>31,250</u>

Notes to the Financial Statements

Year ended 31 March 2015

17 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 2014 and updated to 31 December 2014 by a qualified independent actuary for the main employer's Financial Statements. The main assumptions were

	At year end 31.12.2014	At year end 31.12.2013	At year end 31.12.2012	At year end 31.12.2011
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	2.90%	3.20%	2.80%	2.90%
Discount rate	3.70%	4.50%	4.30%	4.70%
Inflation assumption	3.00%	3.30%	2.90%	3.00%

At 31 December 2014, the market value of the assets of the Scheme was £33,151,000 and the value of past service liabilities was £30,740,000 leaving a surplus of assets of £2,411,000. The assets therefore were sufficient to cover 108% 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.

As part of the Recovery Plan, employers contributions of £23,340 (2014: £Nil) were payable in respect of employees of The Insurance Charities for the period ended 31 March 2015. Additional future amounts payable under the Recovery Plan have been identified in the Designated Fund.

No additional payments (2014: £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 £35,900 (2014: £35,520).

18 Post Balance Sheet Events

During April 2015 £2,579,310 was received from The Paul Golmick Fund, which will be held as a restricted fund.



the insurance charities

Schedule 1 – Insurance Employers’ Donations

Year ended 31 March

	2015 £	2014 £	2013 £	2012 £	2011 £
Abbey Life Assurance Co	-	500	500	1,000	-
Aegon UK plc	750	-	1,000	1,500	1,500
Ageas (ex Fortis)	5,000	5,000	5,000	5,000	5,000
Allianz Cornhill plc	10,000	-	5,000	5,000	2,000
Ansvar Insurance	500	500	500	500	500
AON Limited	-	6,000	-	3,000	3,000
Assicurazioni Generali	1,000	-	-	-	-
Aviva	25,000	25,000	25,000	25,000	25,000
AXA UK plc	5,000	-	2,500	25,000	25,000
Covea (Provident) Insurance	500	-	500	-	500
Ecclesiastical Insurance plc	2,500	-	-	12,500	-
Friends’ Provident Life Office	-	-	-	1,000	-
Griffiths & Armour	1,000	-	1,000	1,000	1,000
Institute of Insurance Brokers	-	-	-	-	500
Miller Charitable Fund	1,000	-	-	-	-
Phoenix (ex Pearl)	-	-	750	2,000	-
Prudential Corporation plc	-	-	-	-	1,500
Royal & Sun Alliance Insurance Group	-	-	10,000	10,000	10,000
Royal London Group	-	-	2,000	1,000	1,000
Santander Foundation	600	600	600	600	600
Standard Life	-	-	1,500	1,200	1,200
UIA (Insurance)	-	-	-	-	500
UNUM plc	-	-	-	500	500
Wesleyan Charitable Trust	-	-	500	500	500
Willis Group plc	1,000	1,000	1,000	1,000	1,000
Zurich Community Trust	500	-	500	500	500
Other donations under £ 500 threshold	720	620	670	970	620
Total	55,070	39,220	58,520	98,770	81,920

Schedule 2 – Legacies

Year ended 31 March	2015 £	2014 £	2013 £	2012 £	2011 £
M Fuller	52,672	-	-	-	-
M Kuiken	16,000	-	-	-	-
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
Other legacies under £500 threshold	-	-	-	-	-
Total	68,672	29,284	80,000	216	24,636

**Schedule 3 – Amounts included
within Other donations and income**

Year ended 31 March	2015 £	2014 £	2013 £	2012 £	2011 £
Ageas (ex Fortis) – Dress Down Days	315	435	-	-	1,683
BIBA	-	-	-	927	1,800
Butler Assurance re watch sale	-	-	2,650	-	-
Charter Reinsurance – Balance of funds	-	-	-	-	351,871
Chartered Insurance Institute's Platinum Card	4,344	2,631	5,051	8,851	-
Chartered Insurance Institute's Conference Dinner	-	-	-	752	-
Chartered Insurance Institute's Christmas Raffle	-	311	197	246	-
Chartered Insurance Institute's Fines Imposed	1,666	-	-	-	-
Chartered Institute of Loss Adjusters – Annual Dinner	5,747	6,077	-	-	-
Chubb Insurance – staff fundraising	-	-	-	571	-
Golf competition sponsorship – Enterprise	-	1,500	-	-	-
Golf competition sponsorship – Fully Furnished	228	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	-	-	-	-	-
Lisa Berry – Fins story	1,253	-	-	-	-
Lloyds Meet the Market Dublin	-	-	-	-	17,234
LV Treasure Hunt	1,800	-	-	-	-
Marathon – Andrew Warrender	-	-	1,962	468	-
NHBC re N Starling	-	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	583	507	958	646	555
Royal Insurance Benevolent Fund – Balance of funds	-	-	-	-	66,972
TEn Insurance – dinner	-	-	-	1,000	-
UIC Insurance Co Ltd – Balance of funds	-	-	-	-	30,110
Other donations under £500 threshold	15,936	12,204	80,112	15,461	478,110
Total	19,945	18,984	84,312	20,072	484,390



the insurance charities

FIVE YEAR FINANCIAL SUMMARY

Year ended 31 March

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
STATEMENT OF FINANCIAL ACTIVITIES					
Fundraising by local and associated institutes	99	139	143	127	135
Donations from insurance employers	55	39	59	99	82
Legacies and other income	113	76	184	48	552
Investment income and interest income	958	1,005	930	946	810
Other incoming resources	0	0	510	0	0
Total Incoming Resources	1,225	1,259	1,826	1,220	1,579
Investment management costs	38	37	32	31	30
Charitable activities					
Grants	741	862	962	695	608
Other grant making activities	349	567	359	220	222
Costs of generating voluntary income	152	82	91	98	95
Governance costs	61	51	51	50	49
Total Resources Expended	1,341	1,599	1,495	1,094	1,004
Net Income / (Expenditure)	(116)	(340)	331	125	575
Other recognised Gains and Losses					
Gains/(Losses) on investments	1,535	1,413	3,151	(121)	1,354
Net Movement in Funds	1,419	1,073	3,482	(4)	1,929
BALANCE SHEET					
as at 31 March					
	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Fixed Assets					
Tangible Assets	13	21	6	2	5
Investments	29,756	28,055	26,875	23,187	23,034
Loans to beneficiaries	3,030	3,313	3,524	3,703	3,715
	32,799	31,389	30,405	26,892	26,754
Current Assets					
Debtors	130	244	123	134	170
Cash at bank and in hand	256	255	265	127	208
	386	499	388	261	378
Creditors:					
Amounts due within one year	(485)	(638)	(616)	(458)	(442)
Amounts due over one year	(31)	0	0	0	0
	(516)	(638)	(616)	(458)	(442)
Net assets	32,669	31,250	30,177	26,695	26,690
The funds of the charity:					
Restricted income funds	773	731	677	0	0
Unrestricted income funds	23,552	23,016	22,557	23,063	22,566
Investment revaluation reserve	8,309	7,423	6,575	3,632	4,124
Designated income funds	35	80	368	0	0
Total charity funds	32,669	31,250	30,177	26,695	26,690



the insurance charities
for the things you can't insure against