Volunteers

As an actuary you can volunteer for the Profession in a number of ways:

- Organise an event
- Get involved in research
- Join a practice executive committee
- Become an ambassador or a career mentor
- Become an examiner or an assistant examiner

If you think that volunteering is for you, then please email volunteering@actuaries.org.uk to find out more.
Volunteers are the life-blood of our profession. They bring their wide-ranging experience, enthusiasm and commitment to joint working with the organisation’s Executive.

This annual report focuses on how our volunteers have supported the Institute and Faculty through a period of considerable change and how they are responding to the ongoing challenges facing national and international markets.

It also shows the many professional and personal benefits that our volunteers receive from getting involved at the very heart of their profession.
Volunteers are our greatest asset – in education, in supporting their fellow members through seminars and other means, on committees, in research groups and in many other ways.

This annual report is a celebration of the Institute and Faculty of Actuaries’ volunteers.

Volunteers are our greatest asset – in education, in supporting their fellow members through seminars and other means, on committees, in research groups and in many other ways. The time given by these many hundreds of volunteers, and the effort they put into their role, makes our profession stronger and more vibrant than it could possibly otherwise be. It is only because of that rich source of volunteers that our small profession makes such an important impact.

Yet volunteers are under pressure. As our professional body becomes larger, so too does the risk that individual members may feel remote from their professional body. As business and family life become more intense and complex, the time that members have available for volunteering is reduced.

We must therefore, more than ever, cherish and value the precious time that our volunteers so willingly and freely commit for the benefit of their fellow members.

And we must use that time wisely. We must increasingly look to the Executive to make things happen, using the experience and knowledge of the volunteers to ensure that the finished product is relevant and fit for purpose. It is also increasingly important to use the pool of talent in universities and elsewhere to do the basic research so that the volunteers have a sound evidence base on which to add value. We should be prepared to partner with others to find solutions to the challenges we face in today’s economic environment and to meet the ever increasing demands of the clients we advise.

Work to develop these supporting mechanisms is well under way. As this support builds, we believe that volunteers will find their contribution more rewarding, both for their fellow members and for themselves.

Meantime we are gratified by the number of individual members who, seeing the Institute and Faculty now modernising and pushing forward, are re-engaging with the Profession in a variety of volunteer roles.

Our profession is blessed with a strong level of loyalty, pride and engagement among its members. Volunteers are key to that engagement. We are personally grateful for all their help and salute their individual contribution to the success of our distinguished profession.
Acting Chief Executive’s statement

As we come to the end of our first year as a merged body, we reflect on what we have achieved and what more we can do to ensure the Profession’s growth, as we tackle the issues that matter to our members.

After considerable debate, our members voted by a large majority for the new organisation and I would like to thank them all for their participation. I would also like to take this opportunity to thank our outgoing Chief Executive, Caroline Instance, for all her efforts in making the merger a success. We are now looking at how best to build on Caroline’s work to ensure that the Profession goes from strength to strength.

The Management Board and the Executive have been examining how we deliver our services and how these can be improved. We have over 100 skilled staff and a 1,000 strong volunteer force that are the key to our future success.

With that in mind, this year’s annual report focuses on the Profession’s volunteers. We believe that the vital relationship between volunteers and the Executive will provide us with a great platform to offer the first class support that our members rightly expect and deserve. We intend to make the best use of the time that volunteers offer us to develop a successful Profession for the future.

Clarifying the responsibilities of the Executive and volunteers will ensure that policy, strategy and operational delivery are more clearly defined and effective, enabling us to become more forward thinking and able to react quickly to internal and external developments.

A key element in our 2011/2012 programme will be a more active approach to public affairs. We have a newly formed team who will be working with volunteers to speak out and facilitate debate on relevant matters of public interest where actuaries’ expertise can add value. We aim to promote public trust in actuaries and the value they add to society. We are also increasing resources for our research programme and developing stronger links with like-minded bodies.

Our 8,000 overseas members are rapidly increasing in number and we are reviewing our international presence as part of the Profession’s strategy review. Developing our close relationships even further with the Groupe Consultatif (GC), the International Actuarial Association (IAA) and other actuarial bodies worldwide will be an important step in cementing our position on the international stage. We will also develop our technology to provide higher levels of support to our members, including a new and more user-friendly customer relationship management system.

We will continue to deliver a cutting edge educational syllabus that promotes lifelong learning and ongoing career success. We recognise the importance of ensuring that our examinations and Continuous Professional Development (CPD) opportunities continue to be held in high esteem and that they cater for the needs of members worldwide. We will want to ensure that our members are inspired to gain new skills and ensure that they are fully equipped, with qualifications such as the Chartered Enterprise Risk Actuary (CERA) qualification, to move into new practice areas.

These are exciting times for the Profession and its members as we evolve and respond to the changing landscape of work and study. This annual report demonstrates how we are working together to ensure the Profession’s success for many years to come.

Derek Cribb
Acting Chief Executive
Institute and Faculty of Actuaries
Volunteers

Our volunteers are drawn from all areas of the Profession, providing us with a wide range of knowledge, skills and viewpoints.

Volunteering offers our members the chance to give something back and enables them to learn new skills, tap into valuable networks and keep up-to-date with the latest developments.

Here are some of our volunteers’ experiences in their own words…

Stuart Jarvis

Volunteer since: 2004
Specialist in: Finance and investment

Stuart, who qualified in 2001, has limited contact with other actuaries through his role with BlackRock, which is why he values the networking that comes with his volunteering role.

“My first involvement with the Profession as a volunteer was while I was a student when I co-authored a paper for the Staple Inn Actuarial Society (SIAS). I was part of a pensions working party on discount rates in 2004 and joined a number of finance and investment working parties from 2007 onwards.

“I now serve on the Finance and Investment Practice Executive Committee and the Finance and Investment Education and CPD Committee.

“My role at BlackRock is within a research team, seeking to improve the solutions we deliver to our clients. Research benefits from the exchange of ideas with a network of peers – membership of the Actuarial Profession fills that space.

“In my role in finance and investment, I am often not in day-to-day contact with other actuaries. Volunteering for the Profession has been highly important for me personally in understanding the challenges institutions face. I support the Profession’s collegiate approach of looking at a problem from multiple perspectives and thereby designing robust practical solutions.

“I agree about the sentiment of giving something back – but in my case I believe the more I put in, the more I get back.”

“To those thinking about getting involved with the Profession, just do it! If you want to help innovate and to push the boundaries of what we do as actuaries (and who wouldn’t), then it’s a fairly straightforward decision.”
Katie Low

Volunteer since: 2008
Specialist in: Pensions

Katie, who qualified in 2005 and works for Mercer, is a third generation actuary – her father is a Fellow and her grandfather is an ex-President.

“I first got involved with the Profession in 2008 when I got a call out of the blue from Stuart Ritchie, the then President of the Faculty, suggesting I stood for election to Faculty Council. Since then I have certainly been kept busy – as well as Council, I serve on the Management Board, Scottish Board, the Member Support Executive Committee and more recently I have been involved in the Profession’s strategy sub-group.

“I enjoy getting a different perspective and experiences than from the ‘day job’. Through the Management Board I see the challenges of running an organisation. I have met a variety of great people from other practice areas, who have different approaches, which gives me a broader outlook.

“I think Mercer is supportive of my involvement, as many of the advantages to me are advantages to them also. I am also probably more aware of new developments in the industry than I would be otherwise.

“I have a sense of loyalty to the Profession and with it comes a feeling of responsibility to help, where I can, to improve things.

“I enjoy meeting new people and being presented with different challenges.”

David Hare

Volunteer since: 1989
Specialist in: Life insurance

David feels that getting involved has made him a better actuary and he finds the networking opportunities very useful. He qualified in 1988 and now works for Standard Life.

“When I first qualified, employers encouraged their young actuaries to volunteer and get involved in working parties and even Council,” he says.

“We were ‘tapped on the shoulder’ by more senior colleagues to replace them on certain committees – it was considered part of staff development.

“I have been involved in research groups, Careers Committee, Education Committee, ECPD Board, Faculty Council, Chair of Life Practice Executive Committee and a ‘Membre Suppleant’ for the Group Consultatif, representing UK views in an international forum. I’m now also a member of the Board for Actuarial Standards (BAS).

“I am able to ring up and chat about issues with those in my network in a natural way. Many who I have met from being involved in working parties, committees or Council are now friends.

“On a personal note, I have enjoyed learning new things and developing professionally and I enjoy speaking at conferences and sessional meetings and helping younger actuaries develop.

“Actuaries play an important role in business and society as a whole, helping firms meet their customers’ needs and do the right thing by them.

“A lot of us need to take part to help support the younger generation to maintain the quality of the Actuarial Profession going forward: promoting best practice, engaging with younger actuaries.”

“Don’t be intimidated by working with those with more experience; I believe all you need is common sense and the ability to speak your mind to contribute to the Profession.”

“I am a better actuary and advisor as a result of being involved. I have developed my leadership and strategic thinking capability – I set priorities, objectives and focus on delivery – enhanced by a broad external perspective.”
Volunteers

Liz Davis

Volunteer since: 2009
Specialist in: Life insurance

Regionally-based Liz, who qualified in 2007 and now works for life consultancy Towers Watson, has got involved in developing the Enterprise Risk Management (ERM) section of the website.

“My first involvement with the Profession was a couple of years ago, serving on the Life Insurance Working Group for Solvency II. More recently I have become interested in the ERM sector. I am a member of the ERM Communications and Marketing Committee and, in that role, I have been actively involved in developing pages devoted to ERM activity on the Profession’s website.

“I originally became involved through word-of-mouth, which is quite common.

“My employer encourages me and others to become involved in the Profession’s volunteer force. The benefits to my employer are the broader skills I pick up, including communication and networking skills and the fact that it enables me to keep up to date on key issues and developments in my sector.

“What I really enjoy about volunteering is meeting other people from different firms and different areas of work. Committees and working parties provide great opportunities to swap ideas. I am based in Manchester. This does not present a problem if meetings are in London as I can always join by conference call, but I would say if you are regionally-based, you perhaps need to be extra proactive about finding volunteer opportunities.”

Alex Marcuson

Volunteer since: 1999
Specialist in: General insurance

Alex’s career started with Bacon and Woodrow in 1994 and has included three years in Australia. In 2010 he established Marcuson Consulting Ltd., a specialist general insurance actuarial advisory firm.

“My first involvement with the Profession was in the mid-1990s getting stuck into the vibrant GIRO working party culture” he says. “During my time in Australia, HIH had collapsed and a new insurance regime was being introduced, so there was a great opportunity for me, a young actuary, to participate in solving the challenges of the day. Back in the UK my volunteering is a mix of working parties and serving on the General Insurance Practice Executive Committee, where I have responsibility for the Professional Standards Committee.

“Volunteering has given me a chance to work with people from a wide range of backgrounds. It’s a great chance to grow your network, meeting peers from clients, competitors and regulators alike. You learn from working alongside industry experts and in turn share your knowledge with the leaders of the future.

“Last year I embarked on a new stage in my career, establishing my own consulting business. My volunteering network has been of enormous value in getting me off to a good start. Even now, it’s important to me to give something back to the profession.

“Volunteering lets you develop skills that differ from the normal workplace. When you are collaborating with clients and competitors on an issue, you don’t always see a problem in the same way. As a volunteer, you need a greater degree of sensitivity and compromise to find a solution.”

“ERM is an original and relatively new area for actuaries and I think it offers great prospects for employment in the future.”

“I agree with the sentiment of giving something back – it is a defining characteristic of us as actuaries.”
As soon as he finished taking his exams in 1986, Tim, who works for Reliance Mutual Insurance Society, started marking them. He estimates he has marked 2,000 papers over the last 25 years.

“My employers have been supportive in terms of giving me the time to attend meetings and to get the marking done. Though there is not much direct benefit to an employer, especially a large one, it does enable a small company to find out what is going on, to exchange ideas and learn best practice through a network of actuaries in other organisations. Despite this, it is often the larger organisations that support volunteering because they have a large staff and it is more difficult for the smaller companies to justify the trade-off between time and fees.

“Many people volunteer for the Profession to give something back. However I volunteer because I enjoy doing it. I have been involved in writing core reading – which requires creativity – counselling those who are going through the exam process and marking scripts.

“More recently I have been involved in universities’ actuarial science courses as an independent examiner and an occasional guest lecturer. The academic challenge and limited overlap with the requirements of my day job stretch me in a different way.”

Jean, who qualified in 2009 and has been a volunteer for five years, says that as a student she was given the same chance to voice her views as more senior colleagues. She currently works for SCOR.

“I first got involved in 2006 through the Momentum Conference (known then as the Younger Members’ Convention)” she says. “I have since served on the organising committee for five years – finishing my term as chair.

“In 2006 I was also the student page editor and later deputy features editor for The Actuary magazine. I was freshfaced and liked the idea of writing.

“On a personal level it has exposed me to people in the same field as well as outside. It has provided a network of other professionals outside where I work – giving me a better perspective of what is going on in the world.

“When I first started working on a committee, I only had five months’ work experience, but the chair ensured I was involved and he gave me an equal voice among those far more senior to me. This was far different to my work environment as a new graduate.

“There is a sense of belonging and fulfilment that comes with other people finding your contributions useful. When someone says that they enjoyed the conference, or that they found an article helpful, I feel as if I have done some good.”

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Professional community support

Professional community support has organised a wide variety of CPD events over the last year, including open forums, networking evenings and webinars.

The professional community support area is split into six Practice Executive Committees (PECs), each one looking after a particular sector of actuarial activity. Each is made up of volunteers, supported by the Executive.

Enterprise risk management

The Research and Thought Leadership Committee responded to Management Board’s offer to fund ERM-related research by identifying a number of exciting bids, including research on: risk appetite (Neil Cantle working with Bath and Bristol Universities) and communicating tail dependencies (Paul Sweeting, with the University of Kent).

The emphasis given to ERM in papers presented at recent sessional research events underlines the increasingly strong emphasis on ERM disciplines in the Profession’s activities at a time of growing emphasis of ERM within Solvency II and, more generally, across the financial community.

The PEC has also actively supported Alan Botterill’s project to help Council develop its strategy in the risk management space. Two key elements of this project have been: assessing potential demand – through market research with senior management at major financial organisations – and research and analysis into the competitive landscape, in relation to risk management qualifications.

Finance and investment

We focused on delivering CPD as a key support to actuaries working in the finance and investment field. The 2010 Risk and Investment Conference delivered six working parties on schedule to report at the June 2011 event on investing in risk. A working party explored ways of applying actuarial techniques to the banking sector.

In July, three MSc alumni of Imperial College Business School presented their work on the Influence of Pensions Risk on Equity and Bond Prices at Staple Inn. The event will be repeated in summer 2011, with plans under way for an open forum in September.

Articles in The Actuary explored topics such as whether pension schemes could exploit liquidity requirements, Sterling Overnight Interbank Average swaps and the future of retail investments.

We have introduced a finance and investment research bulletin and the CPD pages on the finance and investment area of the website provide useful links to publications. The introduction of wikis stimulated debate among members.

Our mentoring service has continued to support actuaries thinking about moving to finance and investment.

General insurance

The Microinsurance Working Party, led by Agrotosh Mookerjee, won the 2010 Brian Hey Prize for the best paper presented to GIRO for their work on crop microinsurance in developing countries. The project is building an actuarial toolkit and will be contributing to the 2011 ASTIN Colloquium.

The Third Party Working Party, led by David Brown, undertook pioneering research on the impact of injury claims on the cost of motor insurance and the impact of claims management firms. David Brown and Duncan Anderson presented evidence to the Commons Transport Select Committee on the cost of motor insurance.

The UK Asbestos Working Party, led by Brian Gravelsons, issued an update on its estimate of the future cost of UK asbestos-related claims to the insurance industry.

The main priority for the coming year remains Solvency II. The Profession’s joint strategy working group, led by Richard Bulmer, will be contributing to responses from EIOPA ahead of the implementation date of 1 January 2013.

The Profession is represented on all the Casual Actuarial Society’s (CAS’s) standing research committees and contributes to international research, such as ASTIN.
Life insurance

Nearly 50 people signed up to assist working parties at the 2010 Life Conference in Birmingham. The output from these working parties will be presented at the 2011 Conference, seminars throughout the year or at the Sessional research event programme.

Representatives from the Life PEC were involved in the Discount Rate Project Report, presented in Edinburgh and London.

The Life ECPD Committee put together the Technical Actuarial Standard (TAS) awareness seminars and are looking at taking shorter versions to regional societies in 2011.

The Life PEC responded to the BAS, the Financial Services Authority (FSA) and the International Accounting Standards Board (IASB), on a number of consultations. Sessional research events on the IASB insurance project took place in April and June 2011.

The first Life Actuarial Practice Standard to replace information not included in the TASs, issued by the BAS, is being prepared, together with supporting material to help actuaries carry out their roles.

Health and care

At the 2010 Health and Care Conference in Newport, there was a great response from volunteers signing up for research working parties in long-term care, critical illness, permanent medical insurance and income protection.

Working parties were set up to look at differences in critical illness cover and incidence rates at regional level and to examine the risks and pricing issues associated with cardiac-related illnesses and surgical procedures.

The Health and Care PEC sponsored a sessional research event, ERM for Health Insurance from an Actuarial Perspective, by George Otros and John Smith in January 2011. A successful open forum was held the same month on permanent medical insurance reserving under Solvency II, organised by Joanne Buckle and John Smith.

Discussions are underway to set up a funded research project on long-term care that will assist the Dilnot Commission on Funding of Long-Term Care and allow the Profession to provide valuable input to this debate in the future.

Pensions

The Pensions Consultations Group represented the views of the Profession in response to public consultations and engaged in discussion with bodies such as the BAS, the Department for Work and Pensions, the Pensions Regulator and the Pension Protection Fund. The aim is to ensure that legislation and guidance is workable and effective and that the position of the pensions actuary is understood.

The Pensions CPD Group worked with the Profession’s events team to provide a full programme of CPD events and online CPD opportunities to keep members abreast of current developments in the pensions field. The Pensions Conference, in Southport in June 2011, has the theme Moving Ahead of the Curve and promises to be better than ever.

Mark Hoban MP, Financial Secretary to the Treasury, spoke at Staple Inn in December 2010 at the launch of the research paper commissioned by the Profession from the Pensions Policy Institute on The Impact of Tax Policy on Employer Sponsored Pension Provision.
Learning

Syllabus developments
- ST3, the specialist technical subject in general insurance, was split in two to reflect the many developments occurring in this practice area
- ST7 now focuses on reserving and capital modelling and ST8 on pricing
- there were some consequential changes to SA3, the specialist applications subject in general insurance
- a new specialist technical subject, ST9, has been introduced in ERM to reflect the growing interest in this area, following the credit crunch. The subject encompasses both the regulatory aspects of risk management and the quantitative tools for managing risk across organisations.

CERA qualification
As one of the initial signatories of the treaty to establish a new international qualification for actuaries working in risk management – the CERA qualification – the UK Profession has taken a leading role in the development of this important qualification. It became the first association among the 14 treaty signatories to gain award signatory status in June 2010. This means that qualified actuaries who pass ST9, or newly qualifying actuaries who have passed ST9, gain the CERA qualification in addition to their professional Associate or Fellowship award.

Actuarial associations in Australia, South Africa and the Netherlands have now gained signatory status and several others are in the pipeline, including France, Germany and Canada. There are already over 700 holders of the CERA award worldwide.

University links
We now have 13 accredited university programmes. A number of universities are developing masters level provision, which will include the new ST9 subject. This means that successful graduates can achieve the CERA award, in addition to qualifying as an actuary, if they pass the subsequent professional examinations.

Research

The Profession has developed its research strategy over the last year, focusing on building links with universities and supporting volunteer-led working parties.

Our external efforts have responded to the priorities identified by our last member survey – mortality and longevity and risk management – by working closely with volunteers to ensure the calls remain relevant to academics and practitioners alike. This led to two ERM projects and three mortality/longevity projects with five different universities.

A major thought-leadership project in discount rates was initiated by the Management Board in late 2009, resulting in two papers in 2010, one commissioned and one produced by the volunteer steering committee. The initial recommendations were presented at meetings in Edinburgh and London and the debate continues.

A scheme to provide more help to volunteer research parties under the auspices of the Member Support Executive Committee started in mid-2010. This included helping the Resource and Environment Member Interest Group put the final touches to their first literature review on climate change and resource depletion, launched last November.
Events

Working in partnership with 88 CPD-focused volunteers has enabled us to offer a robust and varied portfolio of more than 100 events, featuring more than 425 speakers and attracting over 8,000 delegates.

These have included 24 low-cost or free CPD events, three webinars, 42 one-day events, six residential conferences and a number of special events, including ceremonies for new qualifiers, the Biennial Dinner and a VIP dinner with a focus on ERM.

Raising our profile

The team organised a series of events that raised the Profession’s profile internationally. These included a Presidential roundtable with Presidents of the IAA, and a number of special overseas events in Barbados, Cape Town, Hong Kong, Mumbai and Zurich.

They also developed a vibrant programme of events for Scottish members that included seven sessional meetings, five open fora, a residential conference and four one-day CPD conferences.

Maintaining standards

Our challenge for the coming year is to support the needs of our membership at a time of great change within the Profession. We also need to ensure that all the events maintain the highest standards possible.

Regulation

The Profession aims to build a system of first-class professional regulation, recognised by actuaries and those they serve.

The Professional Regulation Executive Committee delivered a number of projects including:

• preparing standards and resource material to support the Actuaries’ Code
• reviewing the practising certificate regime
• establishing an international sub-committee to ensure that regulatory policy does not impact adversely on international members, with a consultation focus group and a guide for international members on which regulations they are subject to.

Priorities for the year ahead are:

• developing proposals for an outcomes-based CPD scheme to succeed the current inputs-based system
• reviewing and developing a new suite of professionalism events to replace the current mandatory events
• increasing the support available to members, to resolve professionalism issues.

James Orr

Volunteer since: 1996
Specialist in: General insurance

When James Orr qualified in 1994 he said it was “instinctive” to become involved with, and promote, the work of the Profession.

“The rationale is to create value for the Profession and see it grow in terms of strength and influence”, he says. But he acknowledges that volunteering is not for everyone, adding: “The fact that someone is totally committed to their day job, also contributes to the success of the Profession in its own way.”

James, who works for the FSA, is involved with the Mortality Research Steering Group, which includes lay specialists. “This multi-disciplined approach has the added value of linking the Actuarial Profession with other professional bodies and provides a more diverse and rewarding approach to the knowledge transfer process.”
International affairs

From 1 October until 31 December 2010 an unprecedented situation existed, one which may never be witnessed again: past Presidents of the Institute of Actuaries held the top leadership positions in both international actuarial bodies.

During this period, Paul Thornton was President of the IAA and Chris Daykin was Chairman of the GC. They took up their appointments at a time of significant change for the actuarial profession and each inherited an ambitious agenda, which they helped to develop en-route to the top positions.

There are now 63 full member associations of the IAA and 26 associate member associations. Between them they represent around 55,000 fully qualified actuaries.

The GC has 35 member associations in 33 countries, representing more than 18,000 actuaries. Actuaries in the EU have a great opportunity with the implementation of the Solvency II Directive for Insurance Regulation, albeit accompanied by many challenges.

Key areas of activity and development for GC in 2010/2011, to strengthen the actuarial profession in Europe, include:

- establishing a permanent office in Brussels
- developing a proactive public affairs role within the secretariat

Achievements of the International Actuarial Association over the last year include:

- working with the IASB on the exposure draft of IFRS4 – the insurance contracts standard – and with the IAIS on solvency and systemic risk issues
- agreeing to a strategic goal of developing model international actuarial standards of practice for member associations to adopt, adapt or confirm congruence with, on a voluntary basis in future
- agreeing to promote the role of the actuary in ERM
- admitting the China Actuarial Association to full IAA membership.

Paul Thornton
President, International Actuarial Association

Chris Daykin
Chairman, Groupe Consultatif

- implementing Solvency II
- promoting the role of the insurance actuary in, and beyond, Solvency II
- starting work on the development of professional standards for Solvency II
- working with the European Commission on ideas to take forward the Green Paper Towards Adequate, Sustainable and Safe European Pension Systems
- promoting actuaries for key roles in the EIOPA stakeholder groups
- establishing a Social Security Sub-Committee to interact with the Commission on public policy in relation to the ageing population and social protection.

- contributing to several other influential supranational organisations, including IOPS, World Bank, IMF, OECD, ILO and ISSA
- agreeing to a strategic goal of developing model international actuarial standards of practice for member associations to adopt, adapt or confirm congruence with, on a voluntary basis in future
- agreeing to promote the role of the actuary in ERM
- admitting the China Actuarial Association to full IAA membership.
International award ceremonies

During the year award ceremonies were held in Barbados, Beijing, Mumbai, Shanghai and Sydney.

Cathy Lyn is one of our international volunteers. She qualified in 1993 and is currently working for Duggan Consulting in Jamaica.

“Over the years I have served in many roles on various committees, most recently as President of the Caribbean Actuarial Association, which gained full membership of the IAA in December 2008” she says.

“We have a lot of competition from related professionals and it is important to keep in touch and prepare the younger generations as the high profile actuaries work to open up employment for future actuaries. It is even more important to keep reminding the actuarial students that image is important for the growth of the profession, so that as they progress they have a successful career.”

Cathy Lyn

Volunteer since: 1986
Specialist in: Retirement consulting
Corporate Governance Statement

Merger of the Faculty of Actuaries in Scotland and the Institute of Actuaries

At Special General Meetings held in Edinburgh and London on 25 May 2010, members voted in favour of a merger of the Faculty of Actuaries in Scotland and the Institute of Actuaries.

The Queen in Council granted an amendment effective 1 August 2010 to the Charter of the Institute of Actuaries in terms that converted it to the Charter for the Institute and Faculty of Actuaries. The assets, liabilities and membership rights of the Faculty of Actuaries in Scotland were transferred on this same day to the Institute and Faculty of Actuaries and the Charter of the Faculty of Actuaries in Scotland was surrendered. Essential elements of the merger arrangements, such as the Scottish constituency and its representation on the Council of the Institute and Faculty of Actuaries, have been incorporated into new Bye-laws to protect their existence.

Prior to merger, the Councils met jointly on a regular basis as Joint Councils.

Constitutional framework

Authority for the governance, control and strategic direction of the Institute and Faculty of Actuaries sits with the Council which will in turn delegate to various boards, committees and staff.

The Council will be elected by voting members (Fellows, Associates and Honorary Fellows), in accordance with the governing documents (Charter, Bye-laws, Rules and Regulations). Each member of Council will normally serve for a term of three years before being required to stand for re-election and must stand down for a year after two terms. In 2011 a third of the Council members for each constituency will retire (6 representing the general constituency and 3 representing the Scottish constituency) and the first elections to elect members to the Council will take place in 2011. Any Fellow or Associate may stand as a candidate for the constituency of which they are a member. Unless members have chosen to switch constituencies, previous Faculty members are members of the Scottish constituency and previous Institute members are members of the General constituency.

Council has adopted the provisions of Section 1 of the Combined Code prepared by the Committee on Corporate Governance, to the extent appropriate.

In accordance with Bye-law 54, the Institute and Faculty of Actuaries will give its members at least 60 days’ notice for the Annual General Meeting which must be held within 15 months of the previous AGM.

Office Holders

Council members choose the Office Holders – the President, President-elect and Treasurer. The outgoing President is invited to become the Immediate Past President. The President, President-elect and Immediate Past President will normally serve for a term of one year. In March 2011, Council elected Philip Scott as the President-elect from 27 June 2011.

The first Council of the Institute and Faculty of Actuaries was formed from 20 members of the predecessor Institute Council and 10 members of the predecessor Faculty Council (marked with an asterisk below).

Ronnie Bowie*: President
Nigel Masters: Immediate Past President
Jane Curtis: President-elect
Robert Hails: Honorary Treasurer

Adrian Baskir
Gordon Bagot*
Andrew Chamberlain
Mike Codron*
Seamus Creedon
Helen Crofts
Mike Dick*
Ralph Frankland
Peter Gatenby
Justyn Harding
Malcolm Kemp
Paul King
Mike Kipling
Trevor Llanwarne
Katie Low*
Martin Lowes
David Martin*
Keith Miller*
Fiona Morrison
Stuart Shepley
Elaine Stevenson*
Mark Stocker
Paul Sweeting
Peter Tompkins
Alan Watson*
Gordon Wood*

The following members served on the predecessor Councils for the period from 1 March 2010 until 1 August 2010:

David Bowie*
Kathy Byrne
Sally Bridgeland
Deborah Cooper
Gerry Devenney*
John Dickson*
Nick Dumbreck

Donald Duval
Dermot Grenham
Chris Hancorn*
John Hylands*
Julian Leigh
Bruce Macdonald*
Derek Newton

Henry Pollock*
Ian Reynolds
Stewart Ritchie*
Nick Salter
Kenny Tindall*
Howard Waters*

Council (and the predecessor Joint Councils) consider strategy and policy, and develop key areas of thought leadership. In the last financial year, Council and Joint Councils met six times – 19 May, 28 June, 12 July, 20 September, 18 November and 12 January. Topics covered were development of new strategy for the Profession, merger and governance related issues, employer engagement and member support matters, risk management and international standard setting.
Management Board

The Management Board runs the Profession, under delegated authority from Council, on an operational basis in accordance with the Profession’s scheme of delegations, powers and principles and with the strategy set by Council.

The Management Board has direct management responsibility for all matters related to the development and implementation of the Profession’s strategy, corporate plan, policy and operational plans, and all matters related to the Profession’s resources. The Management Board reports regularly to Council through newsletters and, if necessary, formal reports requiring decisions required by Council, during the financial year. Management Board delegates some tasks to the Executive.

The Management Board reviewed, on behalf of Council, the remuneration packages provided for staff, including the Chief Executive. Staff are remunerated with reference to their annual performance rating and to market benchmark salaries. None of the members of Council receives remuneration for services to the Profession, other than reimbursement of out-of-pocket expenses and, very rarely, payments on a normal commercial basis.

Management Board met thirteen times in the last financial year. The members of the Management Board since 1 March 2010 are given below along with their attendance from this date to the end of February 2011. Members are appointed by Council:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Attendance: actual/possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sally Bridgeland</td>
<td>Chairman since August 2010 &amp; past Council member</td>
<td>12/13</td>
</tr>
<tr>
<td>John Hylands</td>
<td>Chairman &amp; Council member until August 2010</td>
<td>5/5</td>
</tr>
<tr>
<td>Gordon Bagot</td>
<td>Scottish Board Leader</td>
<td>3/8</td>
</tr>
<tr>
<td>Ronnie Bowie</td>
<td>President</td>
<td>12/13</td>
</tr>
<tr>
<td>Derek Cribb</td>
<td>Interim Chief Operating Officer</td>
<td>6/6</td>
</tr>
<tr>
<td>Ralph Frankland</td>
<td>Council member</td>
<td>7/8</td>
</tr>
<tr>
<td>Robert Hails</td>
<td>Honorary Treasurer</td>
<td>13/13</td>
</tr>
<tr>
<td>Caroline Instance</td>
<td>Chief Executive</td>
<td>7/12</td>
</tr>
<tr>
<td>Katie Low</td>
<td>Council member</td>
<td>10/13</td>
</tr>
<tr>
<td>Nigel Masters</td>
<td>Past President</td>
<td>11/13</td>
</tr>
<tr>
<td>Paul Sweeting</td>
<td>Council member</td>
<td>8/8</td>
</tr>
</tbody>
</table>

Top row, from left to right: Peter Tompkins, Fiona Morrison, Derek Cribb, Gordon Wood.
Second row, from left to right: Trevor Llanwarne, Jane Curtis, Ronnie Bowie, Nigel Masters, Malcolm Kemp.
Third row, from left to right: Seamus Creedon, Mark Stocker, Martin Lowes, Ralph Frankland, Katie Low, Andrew Chamberlain, Robert Hails, Mike Kipling, Paul King.
Front row, from left to right: Alan Watson, David Martin, Stuart Shepley, Mike Dick, Adrian Basker, Elaine Stevenson.
Not present: Gordon Bagot, Mike Codron, Helen Crofts, Peter Gatenby, Justyn Harding, Keith Miller and Paul Sweeting.
Audit and Governance Committee met four times in the last year and its members and attendance levels in this period are given below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Attendance: actual/possible</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ian Cherry FCA</td>
<td>Lay Chairman</td>
<td>4/4</td>
</tr>
<tr>
<td>Huw Evans</td>
<td>Past Faculty Council member</td>
<td>1/1</td>
</tr>
<tr>
<td>Dermot Grenham</td>
<td>Institute Council member</td>
<td>1/1</td>
</tr>
<tr>
<td>Keith Miller</td>
<td>Council member</td>
<td>3/3</td>
</tr>
<tr>
<td>Ian Reynolds</td>
<td>Institute Council member</td>
<td>0/1</td>
</tr>
<tr>
<td>Irene Robinson</td>
<td>Lay member</td>
<td>4/4</td>
</tr>
<tr>
<td>Peter Tompkins</td>
<td>Council member</td>
<td>3/3</td>
</tr>
<tr>
<td>Peter Wright</td>
<td>Past Institute Council member</td>
<td>4/4</td>
</tr>
</tbody>
</table>

Audit and Governance Committee
Responsibility for overseeing governance and financial management lies with the Audit and Governance Committee, which is chaired by a qualified accountant, and reports to Council.

The main role of the Committee is to ensure that the Profession practises good governance and sound financial management. The Committee has an oversight role rather than direct responsibility for financial and governance matters. The Committee gives its views to management on the financial statements, external and internal audits, risk management and internal controls, governance matters and other ad hoc issues. Our internal auditors have conducted audits in the following areas: procurement and contracting arrangements, finance and IT, examination administration, communications, membership, events and HR and payroll. Actions from the internal audits are reported on at each committee meeting.

In December 2010, members of the Committee met the external auditor, reviewed and discussed his planned basis and scope of audit work. This included his quality control processes and independence requirements. The Committee was content that these were satisfactory and approved the audit plan for the year. The external auditor’s performance of his duties was considered by the Committee at the year end and it had no specific concerns or recommendations.

The Audit and Governance Committee formally reports to Council on an annual basis and a report was submitted to the Joint Councils’ meeting on 19 May 2010.

During the year a focus has been on strengthening the organisation’s risk management processes.

Chief Executive
The Chief Executive is responsible to Council through the Management Board for the development, promotion and management of the Institute and Faculty to achieve the strategy set by Council. The Chief Executive is responsible for the management of staff and for ensuring the Institute and Faculty operate effectively and efficiently, supported by the heads of divisions reporting directly to the Chief Executive. Caroline Instance stepped down as Chief Executive at the end of February 2011. Derek Cribb was appointed interim Chief Operating Officer from October 2010 and took over as Acting Chief Executive from 1 March 2011.

Audit and Governance Committee
Responsibility for overseeing governance and financial management lies with the Audit and Governance Committee, which is chaired by a qualified accountant, and reports to Council.

The main role of the Committee is to ensure that the Profession practises good governance and sound financial management. The Committee has an oversight role rather than direct responsibility for financial and governance matters. The Committee gives its views to management on the financial statements, external and internal audits, risk management and internal controls, governance matters and other ad hoc issues. Our internal auditors have conducted audits in the following areas: procurement and contracting arrangements, finance and IT, examination administration, communications, membership, events and HR and payroll. Actions from the internal audits are reported on at each committee meeting.

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The Audit and Governance Committee formally reports to Council on an annual basis and a report was submitted to the Joint Councils’ meeting on 19 May 2010.

During the year a focus has been on strengthening the organisation’s risk management processes.

Employees
During the year a major restructure of the staff executive functions was initiated. The processes throughout the restructure have followed best practice with the staff representative body (Staff Forum) being consulted throughout. Organisational changes commenced with a period of voluntary redundancy, followed by an extended consultation period before compulsory redundancies were confirmed. Applications were received from staff for 14 of the newly-created positions within the Profession, with 11 of these applications being successful.

Consultation has started with staff and the Staff Forum regarding standardising terms and conditions of employment and benefits.

The Profession is committed to equal opportunities for all its staff and it is policy not to discriminate on the grounds of age, race, religion, sex, sexual orientation or disability. Should an employee suffer a disability, the Profession will do all it can to accommodate that disability and to assist the employee to continue his or her career, either in an existing role where possible, or in an alternative position. The Profession will provide flexible working arrangements for staff wherever practicable.

The Profession is committed to developing each member of its staff. This is achieved through regular discussions about performance and learning and development needs with opportunities to realise potential. The organisation is accredited with the Investor in People award.
Employees are updated regularly on developments through the Profession’s in-house staff bulletin and intranet. A staff forum meets regularly to give staff representatives a further opportunity to be consulted and involved, and feeds back staff views directly to the Chief Executive and Head of People Matters. Staff are involved in change projects through focused action teams.

**Creditor payment policy**

The Profession’s policy is to agree and communicate clearly the terms of payment as part of the commercial arrangements negotiated with suppliers and then to pay according to those terms upon the timely receipt of an accurate invoice. At year end this was on average 25 days.

**Going concern**

The financial statements of the merged body, the Institute and Faculty of Actuaries, have been prepared on a going concern basis. Council has made relevant enquiries and has a reasonable expectation that the Institute and Faculty have adequate resources to continue in operational existence for the foreseeable future.

**Internal control**

Council is responsible for the systems of internal control and for reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. They can therefore only provide reasonable and not absolute assurance against material misstatement or loss.

**Wider aspects of internal control**

Council, through the Management Board, has established an ongoing process to identify, evaluate and manage the significant risks faced by the Profession. The Management Board sets the risk appetite for the Profession – that is the acceptable limit of risk that the Executive may take in its day-to-day activities. The risk policy statement specifies the detailed approach to risk management endorsed by the Management Board and adopted by the Executive.

Each division identifies and reviews the risks faced and assesses the controls in place and any actions that may be required to manage those risks. The key risk assessments are reported on six-monthly by the heads of division and reviewed by the Management Board, and there is oversight of this from the Audit and Governance Committee.

All staff are responsible for risk management in their day-to-day roles. Heads of division are ultimately accountable for ensuring that their risks are managed appropriately and that controls are used to ensure that no risk exceeds the risk appetite defined by the Management Board. To this end, heads of division self-monitor compliance with the Profession’s risk policy and provide regular reports to the Management Board on the degree of compliance with internal controls, mitigated and emerging risks and any required reviews of the risk registers.

The ongoing assessment of the risks is linked with the Corporate Plan.

A high-level corporate risk register, together with the operational, divisional risk registers, have been integrated into a system process to allow for review and monitoring, linking with internal controls and actions. This system is accessible by members of the Audit and Governance Committee for the purposes of fulfilling their assurance role.

The key elements in the system of internal control during the last financial year were:

**Delegation**

The overall objectives are agreed by Councils, which assigned operational management responsibility to the Management Board and staff. There is a clear organisational structure, detailing lines of authority and control responsibilities. There are defined revenue and capital spend authorisation limits in place. There is a published Scheme of Delegations in place.

**Budgets**

Detailed annual budgets were prepared by the staff for approval by the Management Board and Council. Actual results are compared to approved budgets on a monthly basis and reported to the Management Board. Revised annual forecasts are also prepared and reported quarterly.

**Competence**

Staff skills are maintained and reviewed by both a formal recruitment process and a performance management system. Together, they provide regular opportunities for feedback on performance and identify training and development needs.

**Internal Audit**

Crowe Clark Whitehill provide an internal audit function for the Profession.

**Review**

Council, through reports from the Management Board and the Audit and Governance Committee, review the effectiveness of the Institute and Faculty’s system of internal control in operation during the financial year.
Responsibilities of Council

Bye-law 62 requires Council to prepare annual accounts for each financial year. These give a true and fair view of the state of affairs of the Institute and Faculty and of the surplus or deficit for that period.

In addition to the statutory accounts for the merged body and the final accounts of the Faculty of Actuaries, summary financial information is provided in the annual review for the Profession (see pages 22-23).

Council delegated the responsibilities to the Management Board to select suitable accounting policies and applied them consistently taking into account the views and advice of the Audit and Governance Committee.

In preparing the financial statements on behalf of Council, the Management Board:
• made judgements and estimates that are reasonable and prudent;
• followed applicable accounting standards; and
• prepared the financial statements on the going concern basis in the case of the merged body.

The Council, through the Management Board and staff, were responsible for ensuring proper accounting records were kept, which disclose with reasonable accuracy the final financial position of the Faculty of Actuaries, and the financial position of the merged Institute and Faculty of Actuaries. They were also responsible for safeguarding the assets of the Institute and Faculty and, therefore, for taking reasonable steps to prevent and detect fraud and other irregularities.
Attendance of Faculty Council members for the financial year 1 March 2010 to 28 February 2011

The attendance record at meetings of Faculty Council (to 31 July) and Joint/Merged Council is shown alongside each member (actual/possible).

<table>
<thead>
<tr>
<th>Faculty</th>
<th>Joint/Merged</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAGOT, Gordon</td>
<td>2/2</td>
</tr>
<tr>
<td>BOWIE, David</td>
<td>2/2</td>
</tr>
<tr>
<td>BOWIE, Ronnie</td>
<td>2/2</td>
</tr>
<tr>
<td>CODRON, Mike</td>
<td>2/2</td>
</tr>
<tr>
<td>DEVENNEY, Gerry</td>
<td>2/2</td>
</tr>
<tr>
<td>DICK, Mike</td>
<td>1/2</td>
</tr>
<tr>
<td>DICKSON, John</td>
<td>1/2</td>
</tr>
<tr>
<td>HANCORN, Chris</td>
<td>2/2</td>
</tr>
<tr>
<td>HYLANDS, John</td>
<td>2/2</td>
</tr>
<tr>
<td>LOW, Katie</td>
<td>2/2</td>
</tr>
<tr>
<td>MACDONALD, Bruce</td>
<td>2/2</td>
</tr>
<tr>
<td>MARTIN, David</td>
<td>2/2</td>
</tr>
<tr>
<td>MILLER, Keith</td>
<td>2/2</td>
</tr>
<tr>
<td>POLLOCK, Henry</td>
<td>1/2</td>
</tr>
<tr>
<td>RITCHIE, Stewart</td>
<td>2/2</td>
</tr>
<tr>
<td>STEVENSON, Elaine</td>
<td>1/2</td>
</tr>
<tr>
<td>TINDALL, Kenneth</td>
<td>1/2</td>
</tr>
<tr>
<td>WATERS, Howard</td>
<td>1/2</td>
</tr>
<tr>
<td>WATSON, Alan</td>
<td>2/2</td>
</tr>
<tr>
<td>WOOD, Gordon</td>
<td>1/2</td>
</tr>
</tbody>
</table>

NB: Not all meeting venues had conference call facilities available and some meetings were called at relatively short notice.

Attendance of Institute Council members for the financial year 1 March 2010 to 28 February 2011

The attendance record at meetings of Institute Council (to 31 July) and Joint/Merged Council is shown alongside each member (actual/possible).

<table>
<thead>
<tr>
<th>Institute</th>
<th>Joint/Merged</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASKIR, Adrian</td>
<td>2/2</td>
</tr>
<tr>
<td>BRIDGELAND, Sally</td>
<td>1/2</td>
</tr>
<tr>
<td>BYRNE, Kathleen</td>
<td>1/2</td>
</tr>
<tr>
<td>CHAMBERLAIN, Andrew</td>
<td>1/2</td>
</tr>
<tr>
<td>COOPER, Deborah</td>
<td>1/2</td>
</tr>
<tr>
<td>CREDON, Seamus</td>
<td>1/2</td>
</tr>
<tr>
<td>CROFTS, Helen</td>
<td>1/2</td>
</tr>
<tr>
<td>CURTIS, Jane</td>
<td>2/2</td>
</tr>
<tr>
<td>DUMBRICK, Nick</td>
<td>1/2</td>
</tr>
<tr>
<td>DUVAL, Donald</td>
<td>1/2</td>
</tr>
<tr>
<td>FRANKLAND, Ralph</td>
<td>2/2</td>
</tr>
<tr>
<td>GATENBY, Peter</td>
<td>2/2</td>
</tr>
<tr>
<td>GRENHAM, Dermot</td>
<td>2/2</td>
</tr>
<tr>
<td>HAILS, Robert</td>
<td>1/2</td>
</tr>
<tr>
<td>HARDING, Justyn</td>
<td>0/2</td>
</tr>
<tr>
<td>KEMP, Malcolm</td>
<td>2/2</td>
</tr>
<tr>
<td>KING, Paul</td>
<td>1/2</td>
</tr>
<tr>
<td>KIPLING, Mike</td>
<td>0/2</td>
</tr>
<tr>
<td>LEIGH, Julian</td>
<td>1/2</td>
</tr>
<tr>
<td>LLANWARNE, Trevor</td>
<td>2/2</td>
</tr>
<tr>
<td>LOWES, Martin</td>
<td>2/2</td>
</tr>
<tr>
<td>MASTERS, Nigel</td>
<td>2/2</td>
</tr>
<tr>
<td>MORRISON, Fiona</td>
<td>2/2</td>
</tr>
<tr>
<td>NEWTON, Derek</td>
<td>2/2</td>
</tr>
<tr>
<td>REYNOLDS, lan</td>
<td>1/2</td>
</tr>
<tr>
<td>SALTER, Nick</td>
<td>2/2</td>
</tr>
<tr>
<td>SHEPLEY, Stuart</td>
<td>1/2</td>
</tr>
<tr>
<td>STOCKER, Mark</td>
<td>1/2</td>
</tr>
<tr>
<td>SWEETING, Paul</td>
<td>1/2</td>
</tr>
<tr>
<td>TOMPKINS, Peter</td>
<td>2/2</td>
</tr>
</tbody>
</table>

NB: Not all meeting venues had conference call facilities available and some meetings were called at relatively short notice.
### Income and expenditure total for Profession

<table>
<thead>
<tr>
<th></th>
<th>Total 2011</th>
<th>Restated Total 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Income £000</td>
<td>Expenditure £000</td>
</tr>
<tr>
<td><strong>Subscriptions and other income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscriptions, admissions and certificate fees</td>
<td>9,030</td>
<td>9,030</td>
</tr>
<tr>
<td>Actuary magazine fees</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td>List of actuarial advisors</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>FTSE fees and other royalties</td>
<td>55</td>
<td>55</td>
</tr>
<tr>
<td>Management services fees</td>
<td>148</td>
<td>148</td>
</tr>
<tr>
<td>Lettings</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>9,310</td>
<td>9,310</td>
</tr>
<tr>
<td><strong>Membership body activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional/ethical standards</td>
<td>18</td>
<td>1,247</td>
</tr>
<tr>
<td>Member services</td>
<td>10</td>
<td>448</td>
</tr>
<tr>
<td>International and research</td>
<td>11</td>
<td>462</td>
</tr>
<tr>
<td><strong>Central activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive</td>
<td>24</td>
<td>2,456</td>
</tr>
<tr>
<td>People Matters incl. Pension arrangements</td>
<td>2,532</td>
<td>2,532</td>
</tr>
<tr>
<td>Core Services</td>
<td>4,390</td>
<td>(4,390)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>63</td>
<td>11,535</td>
</tr>
<tr>
<td><strong>Activities supported by contributions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DPB regulation</td>
<td>273</td>
<td>102</td>
</tr>
<tr>
<td>Pre-qualification learning and professional development</td>
<td>7,087</td>
<td>4,306</td>
</tr>
<tr>
<td>Post-qualification learning and professional development</td>
<td>3,148</td>
<td>2,249</td>
</tr>
<tr>
<td>Practice areas and member interest groups</td>
<td>13</td>
<td>639</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,521</td>
<td>7,296</td>
</tr>
<tr>
<td>Participation in other bodies</td>
<td>(531)</td>
<td></td>
</tr>
<tr>
<td>Gifts/donations</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td><strong>Operating surplus/(deficit)</strong></td>
<td>527</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>299</td>
<td></td>
</tr>
<tr>
<td><strong>Result before taxation</strong></td>
<td>826</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>(60)</td>
<td></td>
</tr>
<tr>
<td><strong>Net result after taxation – surplus/(deficit)</strong></td>
<td>766</td>
<td></td>
</tr>
<tr>
<td>General and other reserves at beginning of year i.e. accumulation of past surpluses and deficits</td>
<td>14,764</td>
<td></td>
</tr>
<tr>
<td><strong>General reserves at the end of the year</strong></td>
<td>15,530</td>
<td></td>
</tr>
</tbody>
</table>

Results for 09/10 have been restated to account for the service cost of the defined benefit scheme; multi-employer reporting exemption applied prior to the merger.

Central costs are not allocated to activities, so all contribution reported for any activity is gross of these costs.
## Balance sheet total for Profession

<table>
<thead>
<tr>
<th></th>
<th>Actual 2011 £000</th>
<th>Actual 2010 £000</th>
<th>Restated £000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>449</td>
<td>618</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>761</td>
<td>683</td>
<td></td>
</tr>
<tr>
<td>Historical books and assets</td>
<td>994</td>
<td>984</td>
<td></td>
</tr>
<tr>
<td>Stock</td>
<td>35</td>
<td>25</td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>872</td>
<td>1,033</td>
<td></td>
</tr>
<tr>
<td>Cash at bank</td>
<td>517</td>
<td>363</td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>22,477</td>
<td>20,811</td>
<td></td>
</tr>
<tr>
<td>Current assets</td>
<td>23,901</td>
<td>22,232</td>
<td></td>
</tr>
<tr>
<td>Creditors</td>
<td>2,044</td>
<td>1,387</td>
<td></td>
</tr>
<tr>
<td>Members credit balances</td>
<td>32</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>Taxation</td>
<td>54</td>
<td>44</td>
<td></td>
</tr>
<tr>
<td>Deferred income</td>
<td>7,885</td>
<td>7,521</td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>10,015</td>
<td>8,978</td>
<td></td>
</tr>
<tr>
<td>Net current assets</td>
<td>13,886</td>
<td>13,254</td>
<td></td>
</tr>
<tr>
<td>Pension asset/(liability)</td>
<td>3,237</td>
<td>(316)</td>
<td></td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td><strong>19,327</strong></td>
<td><strong>15,223</strong></td>
<td></td>
</tr>
<tr>
<td>Represented by:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General fund excluding actuarial gain/(loss)</td>
<td>15,530</td>
<td>14,764</td>
<td></td>
</tr>
<tr>
<td>Cumulative actuarial gain/(loss)</td>
<td>2,820</td>
<td>(440)</td>
<td></td>
</tr>
<tr>
<td>Investment revaluation reserve</td>
<td>977</td>
<td>899</td>
<td></td>
</tr>
</tbody>
</table>

**19,327**  **15,223**

Results for 09/10 have been restated to account for the liability and actuarial deficit of the defined benefit scheme; multi-employer reporting exemption applied prior to the merger.
