



Institute  
and Faculty  
of Actuaries

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# Promoting actuaries and actuarial science globally

## Annual report of the Institute and Faculty of Actuaries 2015/2016

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# Welcome

Throughout this review we celebrate growth, technological advancement and the IFoA's ever-strengthening position within the global world of actuarial science. Our focus has been to promote how the technical and business skills actuaries possess add value to businesses, governments and society.

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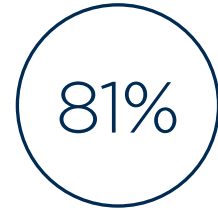
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The IFoA has over 28,000 members



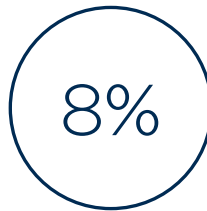
68% of members are men, 32% are women



81% of members are 45 years of age or younger



56% of our members are based within the United Kingdom



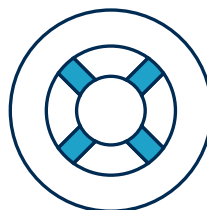
8% of our members are based within the rest of Europe



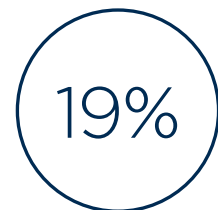
36% of our members are based across the rest of the world



731 people passed the examination requirement for Fellowship



44% of members work for an insurance or reinsurance company



Our membership has grown by 19% from 2012 to 2015

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# President's statement

## Actuarial skills continue to add value to business, governments and society.



Fiona Morrison, President

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As actuaries, we have highly relevant skills and expertise. This year, we've raised our heads above the parapet to ensure that those outside of the profession know of the value we can add.

As President, I wanted to encourage us all to focus on promoting the actuarial skillset and the value that we add. There are many new and fast growing industries which can benefit from our skills and expertise. But these industries will only benefit from our professional input if they know that we exist. Many of you have told me that you agree.

This is why it is vital that we promote the ways in which our technical and business skills can add value to businesses, governments and society. If we are successful in demonstrating our relevance in this way, we will help to ensure the long term sustainability of the profession of which we are all so passionate. It echoes the public interest objective in our Royal Charter, as working for the good of others is at the very core of what we are about as a profession. It is therefore vital that we get out there and show the world what we can do.

One of the wonderful privileges of the role of President is meeting so many members. I have been inspired by the creative and imaginative areas in which many of you apply your actuarial skills. Keep pushing those boundaries!

I am delighted by the progress made over the past year. The refresh of our strategy, which Council has been working so hard on this year, will ensure that we remain current and relevant to the wider world, and in a strong position to deliver our overarching mission over the coming years. We have also continued Immediate Past President Nick Salter's good work on the value that diversity brings. In short, and in line with our values of community, integrity and progress, we have been working with others to drive the profession forward for the greater good.

We leverage the brilliant work of our army of over 3,500 volunteers by working alongside our exceptionally professional Executive staff. I'd like to thank you all – volunteers and staff alike – for all of your hard work. Together we can deliver our vision for the profession.

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# Chief Executive's statement

## Refreshed strategies will ensure we live up to our Royal Charter.



Derek Cribb, Chief Executive

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We have spent much of the time since our merger bringing the IFoA to a point where it is regarded as a high-quality actuarial professional body that serves both the public interest and its members.

In the coming year, we will embed our strategy, building on our excellent work to date and taking us to a position where we will be regarded as a pre-eminent global professional body by comparison with any benchmark. When we achieve this, we will truly be able to live up to our Royal Charter, promoting actuarial science and serving the public interest.

The IFoA's strategy will be published this summer and will outline what the future holds, so let me reflect here on the journey we have undertaken.

Our strategy has five separate threads and the first is member support. We have a new responsive website, which incorporates a platform to help deliver our ambitious digital strategy, and our conferences have been a great success, with the exceptional quality reaching as far as our first Asia Conference in Beijing.

The IFoA's regulatory activity has positioned it as a credible self-regulating professional body, reinforced by the recent review led by the Financial Reporting Council (FRC) on our joint regulatory arrangements. We have also seen the launch of the Quality Assurance Scheme (QAS), with 22 firms becoming accredited in the initial round.

Our education offering is the jewel in the crown of the IFoA, with its high regard evidenced by the salary premiums our members attract and by the ever-increasing number of student members. With the introduction of the Certified Actuarial Analyst (CAA) qualification, the IFoA has cemented its position as a leader and innovator in that sphere.

The IFoA prides itself on its thought leadership and in the last year we have taken this to a new level through the Research and Thought Leadership Committee, by appointing a leading academic as the lay chair. The Committee's call for research in 2015 resulted in applications from 100 institutions spanning 20 countries.

Through this call the IFoA has underwritten a minimum of £3 million of funded research over the next five years.

One of the many advantages of our research capability is that we can use it to inform our public affairs strategy. Our members have often called for the IFoA to become more influential among key stakeholders and decision makers. We have invested time and expertise in developing key policy priorities, ensuring our contributions to public policy debates are focused, consistent and make a greater, measurable impact. As a result of our efforts, we are now in a position where the IFoA is increasingly sought out by the Government and by the media for our expert contributions.

Between the Executive and the volunteers we have the scope and capability to grow and mature as an organisation. We've had five great years transforming the organisation, but we must continue to push the boundaries and move forward to truly be a leading, innovative professional body.

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# Volunteers

Our volunteer numbers and opportunities reveal our vision is on track.

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*86% of the 400 Club support a trial newsletter to showcase this work*



*97% of our volunteers enjoy volunteering for the IFoA*

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Volunteering is an integral part of the IFoA. In the last year more than 3,500 volunteers worked with our Executive staff, to support and enhance our membership and use their intellectual expertise to advance our research and thought leadership.

The IFoA wouldn't exist without its dedicated volunteers. We fully recognise the value this brings to our organisation, ensuring that we remain relevant to our membership and as a profession, to business and society. That is why we are committed to offering appropriate opportunities for members to volunteer.

During the period we promoted more than 250 types of new or replacement volunteer vacancies and received almost 1,300 offers of support. These included over 300 from outside the UK.

### Volunteer survey

We commissioned a review of our volunteer recruitment and engagement, which comprised an online survey sent to all current volunteers and in-depth telephone interviews with over 20 volunteers. A key performance indicator was to measure volunteer satisfaction and, of the 1,555 volunteers who responded, more than 80% were

either very satisfied or satisfied with their volunteer engagement. This shows that the IFoA is on track to deliver its volunteer vision. Other highlights of the survey included:

- 97% of volunteers who responded to our survey said they enjoyed volunteering for the IFoA
- 99% of volunteers who responded to the survey either strongly agreed or agreed that the way volunteer vacancies were advertised was a positive step forward
- 91% of survey respondents felt that they either worked partly or completely in partnership with the IFoA's Executive staff in a collaborative way
- 94% of respondents agreed that the IFoA was "providing members with appropriate opportunities for volunteering".

### Raising awareness of volunteering

Improvements that were identified included raising awareness of the benefits and support available to volunteers and of the Volunteer Induction Pack. These will be taken forward and developed, as we

continue to improve the effectiveness of volunteer engagement and embed the Governance Manual. As a result of the feedback, we have provided new guidance for chairs and for working party chairs, tailored to their distinct requirements. We will also trial a newsletter, a move favoured by 86% of the 400 Club, our online feedback group who help us track progress against strategic objectives. This newsletter will be made available to all members to showcase the work of our volunteers and the support available to them.

### Areas of improvement

Other areas of improvement included closer work with key organisations who employ our members, plus promoting an even wider range of volunteering opportunities. We will ensure that we continue to encourage diversity by creating more roles and tasks suitable for less experienced members, overseas members and those with less time available. Delivering the improvements, and our volunteer vision, will ensure that we maintain a sustainable resource for the future and one that allows volunteers and staff to work in partnership to deliver our future corporate plans.

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## Member Support

Launching a range of digital content helps keep our membership better informed and connected.

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We are aware we need to meet members' evolving needs in a rapidly changing business environment. A recent 400 Club survey told us that more than 84% were satisfied with the services that they received from us.

### Digital projects

Our digital team's vision is to deliver digital projects that enhance our members' learning, engagement and knowledge, including our new website. The project is the first phase of ongoing upgrades to our digital services.

Members have made extensive use of our video content this year, with more than 8,500 hits, and our Virtual Learning Environment will further enhance this experience, by enabling members to watch video content that automatically updates their Continuing Professional Development (CPD) record.

Introducing an app for The Actuary magazine, our most effective means of communication, is just one of the many digital enhancements we have made. The magazine is the benefit most valued by IFoA members, with 86% of members providing positive feedback on it.

### Careers

We have worked with the CERA Global Association since 2013 to develop a marketing programme and delivered a new website that promotes the qualification and actuaries as risk experts. CERA qualified actuaries increased by 57% during that time.

The CAA has gained momentum, particularly in the UK, with the *Love Maths* campaign and registrations were 200% higher than the previous year.

### Conference programme

Our landmark conference in Asia enabled us to achieve a number of firsts as we engaged members from 12 countries in our highest rated conference to date and welcomed Myron Scholes, our first Nobel Laureate speaker.

Attendance at our flagship GIRO and Life conferences increased by 30%. Research working parties remain core contributors to the programme.

Member events were streamed online allowing members to access them across the globe.

Use of Twitter at conferences is actively encouraged to capture questions and opinion and to conduct polls.

We expanded our eco-friendly conference apps to include the conference brochure and delegate and speaker information. Use of the Life conference app rose by 94% to 148,244 views and the GIRO conference app rose by 49% to 96,917 views.

### Member benefits

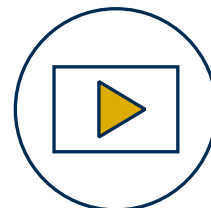
Members received a Value of Membership guide, based on membership research, when they renewed their subscription. This highlights the key areas that members value most, including: professional recognition, regulation, employability, community, access to learning and research opportunities, promotion and support.

### Diversity research

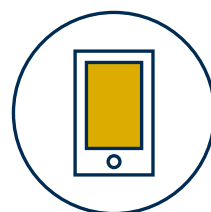
We also built on last year's Presidential theme of diversity by conducting research to improve our understanding of the issues around diversity, to enable us to develop a diversity strategy for the organisation, deliver unconscious bias awareness training for all members and launch the Monica Allanach Lecture in June 2015.

### UK Regional societies

We have 18 regional societies which held over 150 events and delivered over 188 hours of CPD. This included 15 Knowledge Sharing Scotland (KSS) events, delivered by the Scottish Board. The second Regions Workshop was held in February, this time in Manchester.



*Our video content attracted more than 8,500 hits during the year*



*Use of our Life conference app rose by 94%*

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Public affairs and promotion  
Developing a multi-channel  
approach helps grow the  
IFoA's global voice on research  
and thought leadership.

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*45 press releases  
generated 570  
pieces of coverage*



*We responded to  
56 consultations  
during the year*

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Our public affairs work focussed on five key priorities: public policy events, effective consultation responses, core narratives for our key policy priorities, a structured stakeholder programme and media relationships.

#### Hosting events

We hosted a number of events that attracted a broad spectrum of external parties, ranging from civil servants to think tanks and regulators, and promoted the IFoA and actuaries as key contributors in important public policy debates. These focussed on our key policy priorities of the ageing population, resource and environment, the future of investment policy and regulatory policy. The highlights included events on: pension reforms, pensions and long-term care research, major global risks (with the Global Challenges Foundation), climate risk (with the UK's Prudential Regulatory Authority) and procyclicality.

#### Consultations

With the help of the Practice Boards, we responded to 56 consultations compared to 39 consultations the previous year. Tangible impact was demonstrated in 82% of final reports compared to 80% last year. A key objective was to use our consultation

responses to obtain meetings with departmental officials where the consultations originated, which led to new relationships with eight stakeholder organisations.

#### Core narratives

We worked with volunteers on the Practice Boards to develop a suite of core narratives, covering: longevity risk, pensions and the funding of long-term care, managing the risk and uncertainties of climate change, saving for retirement, infrastructure investment and deficiencies in UK deafness claims. These were used as hooks to engage key stakeholders, including politicians, policy makers and journalists.

#### Stakeholder engagement

We continued to enjoy excellent working relationships with key Whitehall departments and regulators. Our work in the resource and environment space opened new doors, in the UK and overseas, with IFoA actuaries approached for their expert opinions and perspectives. This included our work with the UK Foreign Office and the Committee on Climate Change in China, which included presentations at the World Business Council's meeting on the margins of the COP21 Climate Change Conference in Paris.

The IFoA continues to play an active role in the International Actuarial Association, alongside our sister associations. We also participated in two trade missions to Africa, organised through the Lord Mayor of London, and participated in the UK Trade and Investment trade mission to India to promote UK professional qualifications.

#### Media relations

The IFoA issued 45 press releases that generated 570 items of coverage, compared to 34 press releases and 500 items the previous year. We also increased our pool of trained spokespeople, who now cover pensions, resource and environmental issues, flooding, third party motor insurance claims and mortality trends. Media awareness also increased, with 98 unsolicited press enquiries compared to 71 the previous year.

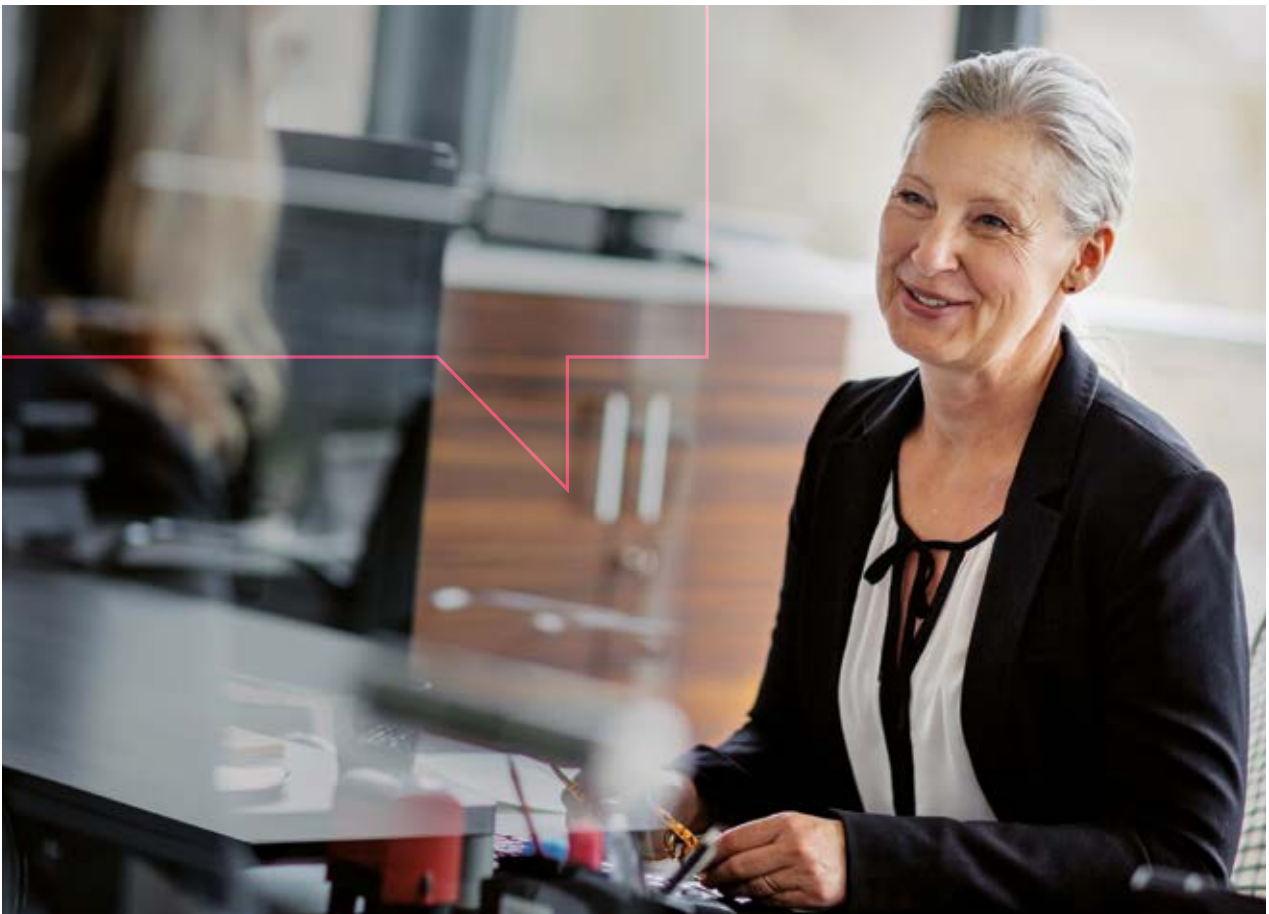
Our greatest media successes were achieved when we promoted our research and thought leadership rather than reacting to breaking news. We will continue to work with the Practice Boards to identify research outputs for external promotion and potential gaps.

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# Learned Society and Thought Leadership

Our varied research promotes  
the relevance of actuarial  
science globally.

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Highlights of our year included publishing *The Key Questions for Actuarial Science* discussion document and issuing a call for large research programmes to address some of the bigger, global issues in actuarial science.

We received 25 proposals, involving 100 different institutions from 20 different countries and total funding requests of £17 million. We subsequently agreed to underwrite three programmes totalling £3.1 million.

### Collaborative research

Highlights include collaborative research with the Society of Actuaries, Canadian Institute of Actuaries and the Universities of Kent and Waterloo (Canada) on the impact of population ageing on asset values. Other research projects commissioned ranged from the Actuaries Climate Index to secondary annuities.

The IFoA is now supporting seven PhD students, through the Actuarial Research Centre (ARC), who delivered 15 presentations throughout the year to academic and industry audiences at internally and externally sponsored events.

During the year, the Council approved that ARC would be expanded to deliver mechanisms for all IFoA commissioned research and appointed three leading academics, Professors Andrew Cairns, Steve Haberman and Shaun Wang, to support the delivery of the research programme.

### Dissemination

Eleven sessional events were held during the year showcasing nine new research papers from volunteer working parties. These attracted more than 1,400 attendees with around 3,400 online views.

The Spring and Autumn Lectures present to increasing numbers of physical and virtual attendees. Dr Andrew Sentance, former member of the Bank of England's Monetary Policy Committee, delivered the Spring Lecture on sustainable business in the

21st Century and Lady Susan Rice, Chair of Scottish Water and former Managing Director of Lloyds Banking Group Scotland, spoke about the role that banking and business play in society.

### Journals and publications

Two issues of the *Annals of Actuarial Science* were published during the year, which included 15 articles from international authors. Three issues of the *British Actuarial Journal* were published, as well as a special 20th anniversary issue. We now have 5,500 non-member subscriptions for these publications, an increase of more than five per cent on the previous year.

The seventh issue of the *Longevity Bulletin* was published to coincide with the 30th anniversary of the Life conference in Dublin and attracted more than 2,000 readers from over 50 countries.

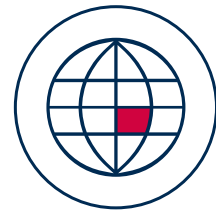
### Library services

Library services provided physical and virtual resources for members researching masters' degrees, doctorates, books, papers and the IFoA's professional examinations. More than 1,000 enquiries were received and our online resources were accessed over 5,000 times as a result.

### Prizes and awards

Celebrating success and recognising those who have made significant contributions to the profession is an important aspect of our work and we awarded Honorary Fellowships to: Karel Goosens (Belgium), Dave Pelletier (Canada), Andrew D Smith (UK) and Thomas Behar (France).

We also awarded 55 individual prizes in recognition of commitment and achievement in demonstrating excellence in actuarial learning and research.



*The Longevity Bulletin attracted 2,000 readers from over 50 countries*



*We awarded 55 prizes for excellence in actuarial learning and research*

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# Education

Renowned professional relevance and academic rigour furthers global interest in our educational programmes.

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*14,000 individuals registered to study with us, 58% from outside the UK*



*Our qualifications are now being studied in more than 100 countries*

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The IFoA offers globally competitive qualifications across the actuarial skill-set and we are expanding the global recognition of actuarial sciences and the potential of actuarial careers.

Our qualifications are recognised by professional learners and employers across the globe. In 2015/2016, the number of individuals registered for study with us reached 14,000, a 5% increase on the previous year, and 58% of these were located outside the UK.

Employers recognise the rigour of our examinations and how they prepare learners for their future careers. The international currency of our qualifications is also highly valued and our learners are now located in more than 100 countries, with significant communities in India, SE Asia, China and southern and western Africa. The key to this success is our suite of globally competitive qualifications, which we ensure are fit for purpose, meet the current and future needs of employers and expand the fields of employment for those with distinctive actuarial skillsets.

#### [Fellowship curriculum review](#)

During the year we moved towards finalising a review of the curriculum and examinations for the IFoA Fellowship. We have created a new draft curriculum covering our core technical, core application and specialist areas, informed by current developments in actuarial science and the future needs of employers. The new curriculum assures the continuing rigour of our qualification framework, while drawing on modern approaches to learning and assessment. This ensures that our offer is in line with best educational practice and addresses the growing internationalisation of our learner community.

We have also taken the opportunity to review our examination processes, to ensure that they too meet best contemporary practice, including the assessment of work-based skills and the introduction of rigorous on-line examinations.

Initial feedback to the consultation on the new draft curriculum suggests that there is strong support from employers and that a carefully planned transition in syllabi will be required to

manage student expectations.

The full introduction of the new curriculum is likely to take place in 2019, which will provide time for our partner, ActEd, to develop new educational materials and for our accredited universities to adapt their courses to the new curriculum.

#### [Certified Actuarial Analyst](#)

Our CAA qualification continues to gain momentum with businesses and learners around the globe. During the year we awarded the first of these technician-level qualifications, which initially aim to professionalise actuarial support roles. There is growing recognition that the CAA offers an opportunity for qualifiers to use their new skillset beyond traditional actuarial domains in areas such as IT, finance, banking and corporate risk. Interest in the qualification is developing in India and sub-Saharan Africa, as well as in the UK, and early discussions are taking place to develop face-to-face tuition for the CAA in key international markets. We are also exploring integrating the CAA curriculum into the degree courses of key university partners around the world.

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# Regulation

Improving futures by establishing the highest levels of quality standards.

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### Regulatory strategy

Over the last twelve months, the Council and Regulation Board have worked together to refresh the IFoA's current regulatory strategy, ensuring its continued relevance. Importantly, our strategy now incorporates a regulatory risk outlook for the IFoA, which will inform regulatory initiatives in areas of public interest risk. Our work on risk also supports our ongoing contribution to the Joint Forum on Actuarial Regulation (the JFAR).

### Lifelong learning and professional skills

We developed further practical and relevant online material as part of our Professional Skills Training programme. Our train the trainer events, for those delivering professional skills sessions using the IFoA materials, were phenomenally successful with more than 1,700 members receiving training from volunteers who had attended these events. This forms a valuable part of our wider CPD programme and is part of our regulatory lifelong learning toolkit.

### Quality Assurance Scheme

Applications for the QAS, our initiative to accredit member employer organisations, which has received endorsement from the FRC and who encourage businesses to join the Scheme, were received from September 2015. Awards for that initial batch were announced in April 2016. The Scheme is open to all organisations that employ our members and we are delighted by the initial interest and feedback. This ground-breaking initiative aims to reinforce the quality of our members' working environments and promotes our important relationships with employers, not least through our QAS Senior Quality Assurance Representative Forum.

### Actuarial Profession Standards (APS)

The introduction of the new APS X2: Review of Actuarial Work, was a significant development. This standard applies to all members, whatever their practice area or geographic location. More than 4,000 members have already viewed the online information sessions on the new obligations.

We also completed our standards framework review, which explains to members how our Code, standards, guidance and Disciplinary Scheme fit together. All of our regulatory standards can be found on the IFoA website under Upholding Standards.

### Solvency II implementation

The introduction of Solvency II had a significant impact on some of our members. Our Regulation Board was keen to ensure that Chief Actuaries in Solvency II organisations were able to demonstrate that they possess the knowledge, skills and competency for these significant roles. We extended the scope of our Practising Certificates to include Chief Actuaries in life and non-life organisations and introduced supporting professional standards.

### Other projects

Other completed regulatory initiatives included:

- A comprehensive skillsets framework that demonstrates the skills expected of Practising Certificate holders
- APS Z1, Trust Based Pre-Paid Funeral Plans
- Guidance on Actuarial Software and Calculations – Individual Professional Responsibilities.

Our Disciplinary Board also paid careful attention to our business as usual responsibilities with a wide reaching programme to raise awareness of the Disciplinary Scheme. More details of this Board's work is in its Annual Report 2015 on our website.



*More than 1,700 members received training to deliver professional skills*



*Our online APS information sessions attracted more than 4,000 members*

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## International

Our international membership has established the IFoA as a truly global organisation.

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*44% of our members work or live outside the UK*



*We responded to 20 international consultations during the year*

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The IFoA is one of the pre-eminent actuarial associations in the world based on the size of our membership and our global influence. We now have over 28,000 members in 100 countries.

With more than 44% of our members working or living outside the UK, we offer a comprehensive programme of activities to our international members and engage with relevant international stakeholders for the benefit of our members.

### **International regional communities**

The development of our international regional communities is gathering pace and this year will see the launch of the Toronto Members' Group in Canada and Actuaries Rock, a new community of actuaries based in Gibraltar. We are also supporting launch of groups in Mauritius, Munich, Zimbabwe and Zurich.

A number of high-profile events were organised by the Gulf Actuarial Society, which is based in the United Arab Emirates. Members travelled from across the Gulf region to hear speakers talk about issues such as

investment strategies in the Gulf Cooperation Council and Takaful insurance.

During the year we met with stakeholders to raise the profile of the IFoA's qualifications and the actuarial profession in China and South-East Asia and Africa. We also reached out to our local members by organising networking and CPD events across many different cities in the regions.

### **Global actuarial associations**

We continue to play a leading role in the international actuarial community as a Full Member Association of the Actuarial Association of Europe (AAE) and International Actuarial Association (IAA),

Our hardworking volunteers are vital to our influence and success on the global stage. Thanks to your engagement, we have been deeply involved in the IAA's syllabus review, which focusses on the future needs of actuaries and their employers and is based on the same principles as the IFoA's updated syllabus. Member volunteers have represented the IFoA on IAA and AAE committees, task

forces and working groups, which seek to further advance actuarial science on issues of global relevance. A delegation of member representatives, together with our Executive, also represented IFoA at the IAA's and AAE's biannual conferences.

Our international engagement included responding to 20 consultations on a variety subjects, including consultations from the European Insurance and Occupational Pensions Authority, the International Accounting Standards Board, the Joint Committee of the European Supervisory Authorities and the Financial Stability Board.

Our bilateral relationships with other actuarial associations around the globe continued to go from strength to strength. In particular, our engagement with peer international associations focussed on research collaboration, sharing best practice and promoting the CAA qualification.

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# Corporate governance statement

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## Constitutional framework

The Council of the Institute and Faculty of Actuaries (IFoA) has ultimate authority for the governance, control and strategic direction of the IFoA. Council has delegated certain powers to various Boards and Committees and the IFoA's Chief Executive (with established reporting lines) as prescribed under a List of Reservations and Delegated Authorities set out in the IFoA's Governance Manual.

The main Board and Committee structure is set out opposite.

The IFoA follows the provisions of the UK Corporate Governance Code, issued by the Financial Reporting Council, to the extent appropriate.

In accordance with Bye-law 54 of the IFoA's constitution, the IFoA will give its members at least 60 days' notice for an Annual General Meeting (AGM) which must be held within 15 months of the previous AGM.

## Office Holders

Under the IFoA's constitution, Council decides who serves as the two Office Holders – the President and President-elect. The outgoing President is invited to become the Immediate Past President. The President-elect, President and Immediate Past President will normally serve for a term of one year in each role. In April 2016, Council elected Marjorie Ngwenya as the President-elect from 23 June 2016.

## Council

Council is elected by voting members (Fellows, Associates and Honorary Fellows), in accordance with the governing documents (Charter, Bye-laws, Rules and Regulations). In addition, Council may co-opt up to three additional members of Council to fill casual vacancies. 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. A certain number of members of Council representing the General and Scottish Constituencies retire annually in accordance with Bye-law 8. Elections to elect new members to the Council take place during May and June each year. Any Fellow or Associate may stand as a candidate for the constituency of which they are a member.

At the date of publication, Council comprises 21 members serving the General Constituency and 9 members serving the Scottish Constituency. None of the members of Council receive remuneration for services to the IFoA, other than reimbursement of out-of-pocket expenses and, very rarely, payments on a normal commercial basis.

Council considers strategy and policy. In the last financial year, Council met eight times. While efforts are made to arrange Council meeting dates for Council as far in advance as possible, a number of amendments were made

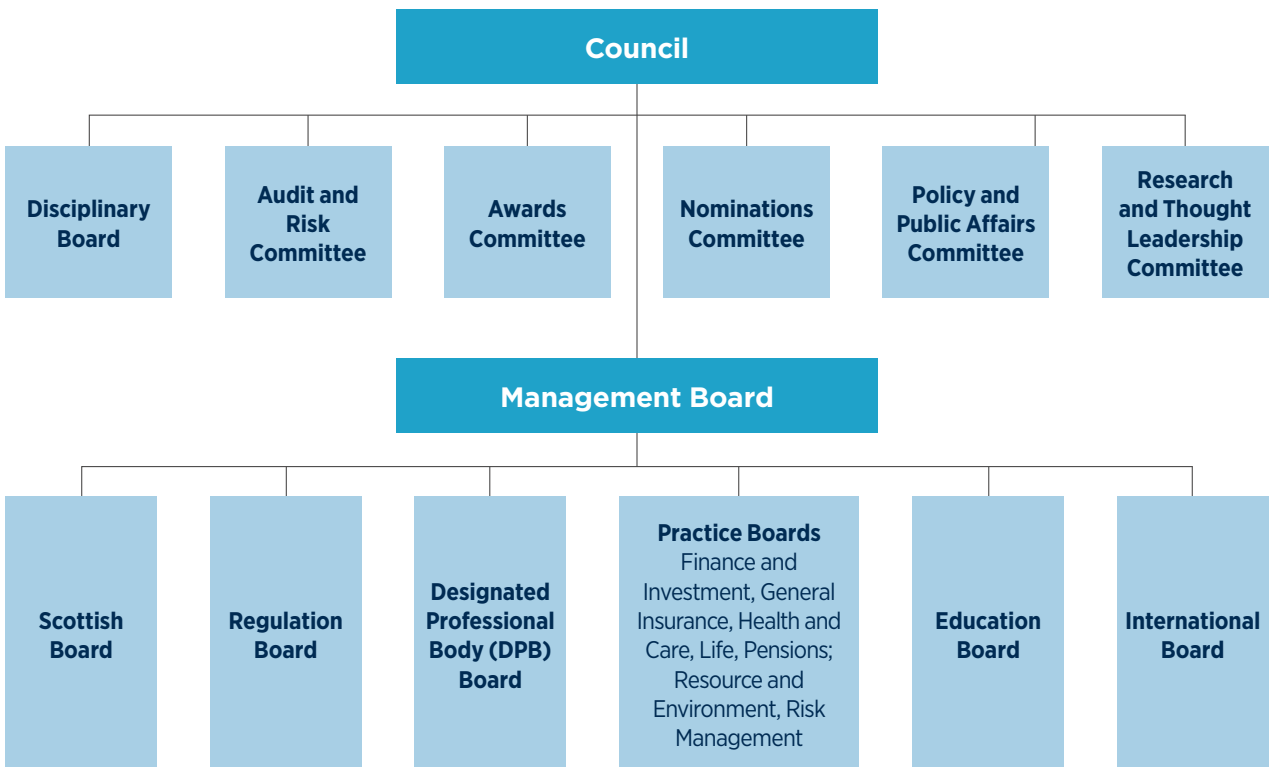
to the schedule during 2015/2016 at relatively short notice. The President, as Chair of Council, monitors the attendance of members of Council. The record of attendance is listed on page 28.

The main topic under consideration was the refresh of the strategy agreed in 2011, with separate discussions on specific strategies for education, regulation, public affairs and promotion, learned society and thought leadership and member support. Other matters included the launch of the Quality Assurance Scheme for organisations, the strategic direction of the Actuarial Research Centre, and an investment in a programme of research and thought leadership.

A register of Council members is maintained which details any conflicts of interest they might have in respect of their roles as members of Council. Additionally, at the start of each Council meeting, Council members are asked to declare any conflicts specific to any item on the agenda for that meeting.



**Back row:** Kelvin Chamunorwa, Jules Constantinou, Patrick Lee, Elliot Varnell, Charles Cowling, Stephen Cunningham, Mike Smedley, Peter Tompkins, Keith Jennings.  
**Middle row:** Andrew Hitchcox, Deborah Cooper, Kathryn Morgan, Malcolm Slee, Marian Elliott, Derek Cribb, Martin Potter, Edwin Sheaf, Louise Pryor, Feifei Zhang.  
**Front row:** Haijing Wang, Suzanne Vaughan, Marjorie Ngwenya, Colin Wilson (President-elect), Fiona Morrison (President), Nick Salter (Immediate Past President), Xi Cynthia Yuan, Carole Ryden, Nick Silver.



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## Management Board

Alan Whalley was appointed as the Chair of Management Board in June 2013 for a period of three years following an open recruitment process (such appointment having been renewed by Council for a further three years).

Under delegated authority in accordance with the List of Reservations and Delegated Authorities and the strategy set by Council, Management Board has oversight responsibility for the operation and management of the IFoA, the implementation of Council's strategy and, in addition, holds the Executive accountable for its management and operational activities. In particular, Management Board has oversight responsibility for matters related to the development and implementation of the IFoA's strategy, corporate plan, policy and operational plans, and all matters related to the organisation's resources. The Chair of Management Board issues updates to Council after each Management Board meeting and attends Council meetings at the invitation of the President, as Chair of Council. Members of Management Board undertake an annual effectiveness review and any significant issues are reported to Council. Management Board comprises a Chair, who is an actuary but is independent of both Council and the Executive, four ex officio appointments (the President, President-elect, Leader of the Scottish Board and the Chief Executive), two further Council members, and three Executive Directors nominated by the Chief Executive.

The non executive Management Board members reviewed, on behalf of Council, the objectives, the achievement of those objectives and remuneration package of the Chief Executive. The Chair of Management Board is reimbursed at the rate of £25,194 per annum (linked to the

Ministry of Justice's fees for court and tribunal appointments).

Management Board met 12 times in the last year. The record of attendance is listed on page 28.

## Chief Executive

The Chief Executive is appointed by Management Board and contributes to the development of strategy and creates operational plans to deliver it. He is responsible for the executive management and administration of the IFoA and is supported by Directors who report directly to him. The Chief Executive is accountable to Management Board (and thereby to Council) for the delivery of the agreed strategy and operational plans and setting the priorities for the IFoA's executive management team.

## Audit and Risk Committee

The Audit and Risk Committee provides oversight to ensure that the IFoA adopts a sound approach to financial management and reporting and that key risks are identified and addressed. It is chaired by a lay Chair, Iraj Amiri, a qualified accountant, and reports to Council.

The Committee has an oversight role and 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. BDO LLP is appointed as the IFoA's internal auditors. The Committee considers and approves their annual internal audit plan in advance. The internal auditors have conducted audits in accordance with the plan. Actions from internal audits undertaken by BDO LLP are reported on at each Committee meeting together with their opinion.

The Committee meets the external auditors annually to review and discuss their plan, scope of audit work, quality control processes and independence. The Committee was content that these were satisfactory and approved the

audit plan for the year. The external auditors' performance of their duties was considered by the Committee at the year end and it had no concerns and would recommend their reappointment.

The Committee formally reports to Council on an annual basis usually in May. The Chair attends these annual meetings in order to present the annual report from the Committee to Council and to be on hand to answer any queries Council may have. In addition, the Committee reports to Management Board on any significant matters identified by the Committee.

The Committee ensures that the IFoA adopts a sound approach to financial management and reporting and that key risks are identified and addressed. During the financial year a continued focus has been on providing oversight of the IFoA's risk management and other governance processes.

Audit and Risk Committee met four times in the last year. The record of attendance is listed on page 28. The Committee undertakes an annual review of its effectiveness.

## Nominations Committee

The Nominations Committee is responsible for overseeing appropriate succession planning and makes recommendations to Council on retirements from Council, the process for appointing the President-elect and succession planning for other appointments. The Nominations Committee met five times in the last year. The record of attendance is listed on page 28.

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## Executive staff and volunteers

The IFoA values a diverse workforce and is committed to building an inclusive culture that promotes equal opportunity, fairness and transparency and prevents all unlawful and unfair discriminations. Additionally, a fair, open and transparent process which encourages diversity is in place for volunteers wishing to serve on IFoA Boards and Committees. The Executive staff work closely with the Chairs to support their implementation of this process.

The Governance Manual and Volunteer Induction Pack (VIP) provide guidance and support.

All people-related policies are updated in line with changes in employment law and professional employment legal advice is used to ensure appropriate compliance.

Executive salaries are benchmarked against market salary levels, as assessed by an independent external provider. The IFoA runs an annual performance management process which includes appraisal, objective setting and personal development planning. The process encourages managers to meet regularly with their team members on a one to one basis and there is a mid-year review to check progress. Training needs are ascertained from the personal development plans and the IFoA offers a variety of learning interventions to address the areas identified.

The Executive staff are updated regularly on developments through the organisation's intranet. A staff forum meets regularly to give employee representatives a further opportunity to be consulted and involved, and feeds back employee views directly to the Chief Executive, Director of Finance and Operations, and Head of Human Resources. Additionally, employee engagement is monitored annually through a staff survey, the results of which are reported to the Chief Executive, the Directors and Management Board.

## Corporate and Social Responsibility

The IFoA sponsors a number of UK events which are used to promote the work of actuaries to school and university students, including by way of example the following UK events:

- **UK Maths Trust – Junior, Intermediate and Senior Maths Challenges:** these events reach nearly 675,000 students and involve students answering questions of increasing difficulty which aim to stimulate mathematical thinking beyond the main schools' curriculum. The IFoA logo is on application forms, question papers and certificates awarded to the top 40% of participants.
- **Enterprising Mathematics in Scotland:** this event involves around 300 schools and colleges in regional rounds and 60 for the final with around 250 children between 14 and 16 taking part (including an electronic link-up with schools based in the Western Isles, Orkney and Shetland). The IFoA's sponsorship ensures that this event continues on an annual basis.
- **Highland Maths Challenge:** through the Scottish Board, the IFoA provides funds to allow the Highland Council to run this event. The event has been held for 15 years and has proven to be highly popular with senior students studying advanced mathematics in their Sixth Year of high school. The key aims are to foster further and develop an enjoyment of mathematics through the application of advanced mathematics to real problems, to make students aware of the importance of mathematics, science and technology in business and industry, as well as the careers and opportunities available to them.

As an organisation, we recycle wherever possible. Our procurement policy incorporates a set of principles and procedures on which sustainable procurement activity within the IFoA is based. The policy acts as a prompt

to Executive staff to consider our corporate and social responsibility as a factor in all purchasing decisions.

We strive to:

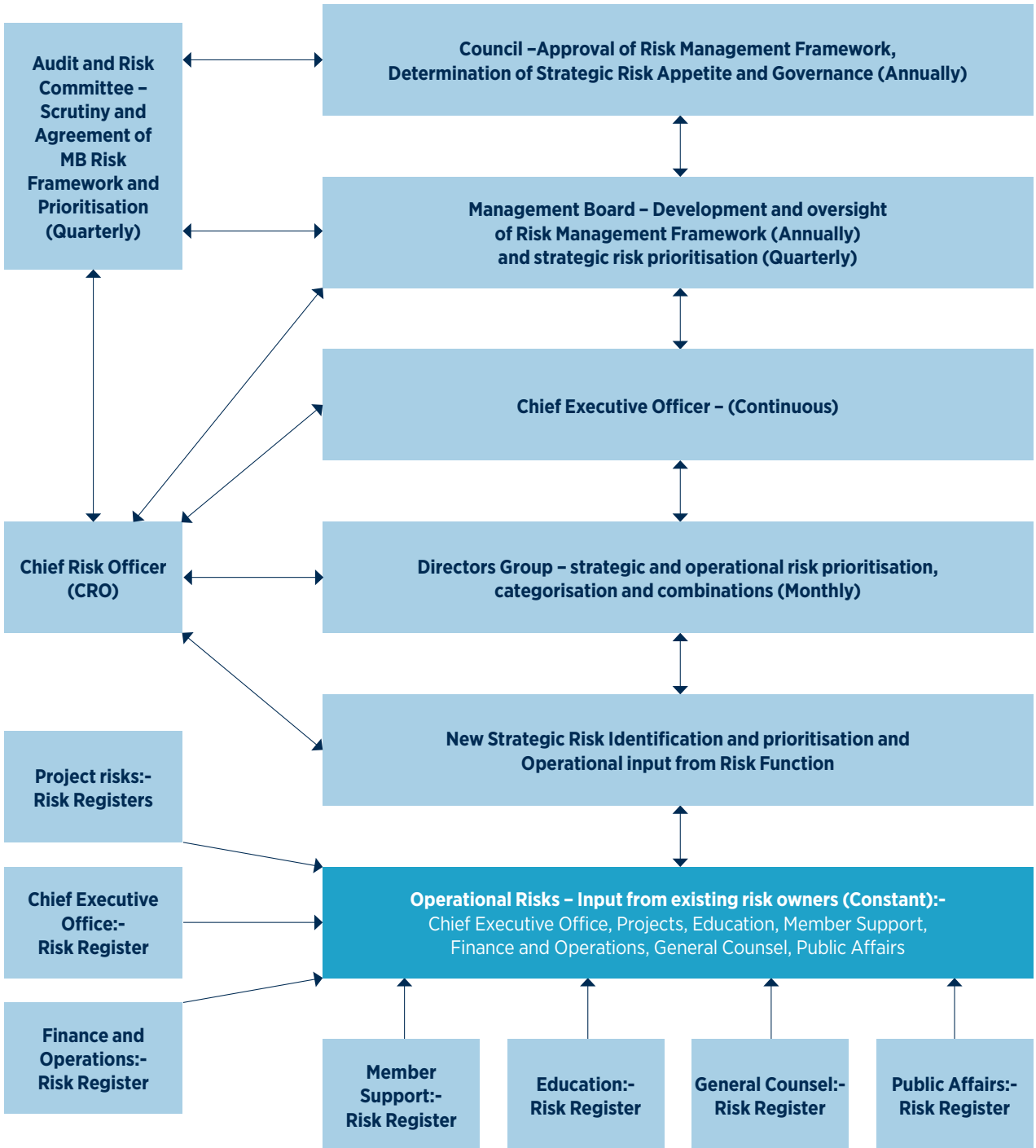
- comply with all relevant environmental legislation
- encourage suppliers to deliver environmentally sound products and services
- encourage internal customers to review their consumption of goods and materials in order to reduce wastage
- specify, whenever possible and reasonably practicable, the use of environmentally sound materials and products
- explore opportunities for recycling materials as appropriate; and
- address barriers to entry so that SMEs and local suppliers are encouraged to bid for appropriate work.

## Diversity

With members in 110 countries around the world, we represent a diverse global community. We understand and take seriously the important role we play in enabling change in the profession and supporting our members. As such, we launched our diversity strategy in February 2016, which formalises our commitment to ensuring equality and diversity and inclusion in the profession.

The strategy, which focuses on diversity within our membership, includes our commitment to publish an Annual Diversity Action Plan, to set out the priorities for the year.

Schematic approach to risk governance





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## Risk management

Council, in conjunction with Management Board and the Executive, has established and implemented a new Risk Management Framework to identify, evaluate and manage the significant risks faced by the IFoA on an ongoing basis. This is illustrated on page 24.

Council reviews the operation of the Risk Management process on an annual basis. During this review it considers the adequacy of the overall Risk Management policies and processes in place throughout the organisation and assures itself that they are relevant and appropriate to the needs of the organisation. It also reviews the extant Strategic Risk Register for the IFoA, the activities being undertaken to mitigate these risks, the outcomes of the Risk Management activities for the previous year and sets an appropriate level of Risk Appetite going forward – that is the acceptable limit of risk that Management Board and the Executive may adopt in their day-to-day Risk Management activities.

In this way Council reviews, endorses and delegates the specific Risk Management policies and processes which will be adopted by Management Board and Executive staff in all day-to-day Risk Management activities.

## Audit and Risk Committee

Risk is a major part of the Committee's remit. Please see the earlier section relating to the Committee for further details.

## Management Board

Overall Risk Management activities are delegated by Council to Management Board. Acting on behalf of Council, Management Board has carried out a robust assessment of the Strategic Risks facing the IFoA including all of those which would impact upon the ability of the IFoA to achieve its Charter objectives or threaten its overall business operations.

Three potential unacceptable outcomes have been identified, together with their associated strategic risks. These represent the main risks the organisation faced during the year in delivering against the strategic objectives, namely failure to advance actuarial science, failure to promote the profession and failure to regulate the profession. The strategic risks are maintained in the Strategic Risk Register, along with the controls and actions in place. Progress against managing these key risks is monitored through the Chief Executive, Directors and Management Board meetings on a regular basis, and at Audit and Risk Committee on a quarterly basis.

The Risk Management process also captures risks at two other levels, operational risks and project risks.

All Executive staff are responsible for risk management in their day-to-day roles. Each business unit is responsible for identifying and managing its own bottom up operational risks on an ongoing basis. These business unit risks form part of directorate risk registers.

The essential linkage between these strands of Risk Management processes is provided by a newly established Central Risk Management Team led by the Chief Risk Officer (CRO) who reports directly to the Director of Finance and Operations. The CRO also has an independent reporting line direct to the Chair of the Audit and Risk Committee and the Chair of the Management Board with a further independent right of access directly to the President.

This team is responsible for providing risk management information, advice and guidance to all parts of the IFoA, acting as a "Clearing House" for the evaluation of all Operational, Project and Strategic Risks and conducting research to identify potential new risks arising from market and other external developments. It is also responsible for ensuring that the ongoing assessment of risks is linked directly with project developments and the Corporate Plan.

## Principal Risks and Uncertainties Report

As an example of best Corporate Governance practice, the IFoA has prepared a report on the Principal Risks and Uncertainties facing the organisation in the same format as for "entities" covered by the recent changes in Company Law.

This document forms part of the "Strategic Report and Directors Report" and is in line with the Financial Reporting Council (FRC) reporting guidelines.

It contains the IFoA's assessment of the principal risks towards the achievement of the objectives contained in the Royal Charter and the achievement of key strategic and operational objectives.

These are risks which, if they were to materialise, could have a significant impact upon the successful achievement of these key institutional objectives. As such, the IFoA has identified and implemented appropriate mitigating activities to help monitor and control the potential impact of these risks. Details of these mitigating activities are shown on page 27.

## Control functions

Council, through Management Board and Audit and Risk Committee, has oversight responsibility for the systems of internal control and 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.

Key elements in the system of internal control during the last financial year providing assurance were:

- **Delegation**

The overall objectives were agreed by Council, which assigned oversight responsibility to Management Board. There is a clear organisational structure, detailing lines of authority

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

- **Competence**

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

- **Gift register**

A register of gifts and hospitality is maintained that lists all offers of gifts or hospitality offered to volunteers or members of the Executive by commercial entities.

- **Review**

Council, through reports from Management Board and the Audit and Risk Committee, review the effectiveness of the IFoA's system of internal control in operation during the financial year.

In addition, the external auditors, haysmacintyre, and internal auditors, BDO LLP, provide assurances on the effectiveness of internal controls.

## Responsibilities of Council

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

In addition to the statutory accounts, summary financial information is provided on pages 30-31.

Council delegated responsibility to Management Board to select suitable accounting policies and to apply them consistently taking into account the views and advice of the Audit and Risk Committee.

In reviewing the financial statements on behalf of Council, and taking note of the advice of the Audit and Risk Committee, Management Board is satisfied that:

- judgements and estimates are reasonable and prudent;
- applicable accounting standards have been followed; and
- the financial statements have been prepared on a going concern basis.

Council, through the Management Board and the Executive staff, was responsible for ensuring proper accounting records were kept, which disclose the financial position of the IFoA, and for safeguarding the assets of the IFoA by taking reasonable steps to prevent and detect fraud and other irregularities.

## Statement of principal risks and uncertainties

| Principal risks  | Mitigating activities   |
|--|---|
| <p><b>Lack of demand for actuarial science</b></p>                                 | <p>We hold regular discussions with stakeholders to ensure that the education syllabus remains relevant and we are currently conducting a full review to renew the syllabus.</p> <p>We communicate the rationale for all regulatory initiatives clearly to ensure that the reasons behind them are transparent and help to demonstrate the positive regulatory benefits for members.</p> <p>We promote the actuarial skill set to society, business and Government and encourage our actuaries to be more adaptable about working in developing non-traditional areas of actuarial services.</p> <p>The new Certified Actuarial Qualification (CAA) was introduced in 2014 to provide a wider range of appropriate professional qualifications for those employed in the broader field of Actuarial Services. In conjunction with this, we also re-badged the Associate level qualification.</p> <p>We continuously review our levels of membership benefits and services to ensure that our offer remains competitive and supportive to meeting the developing needs of the actuarial profession and providing a supportive environment.</p> |
| <p><b>Loss of ability to self-regulate</b></p>                                     | <p>We continuously review our professional standards framework to ensure that coverage remains appropriate for regulatory purposes.</p> <p>We have developed and implemented a formal Quality Assurance Scheme for actuarial organisations wishing to demonstrate a commitment to regulatory excellence and to obtain our formal badge of accreditation.</p> <p>We seek to continue actively to demonstrate our credentials as a forward-thinking, engaged and relevant professional body and, as such, to work effectively with all our regulatory stakeholders, including the FRC.</p>  |
| <p><b>Failure to maintain quality leading to potential Reputational Damage</b></p> | <p>The strategic review of the qualification process is designed to ensure standards are maintained.</p> <p>The Actuaries Code requires actuaries to be professionally competent in what they do and there is also a requirement to meet continuing professional development (CPD) requirements which, in turn, are developed by experienced practitioners.</p> <p>We review the regulatory framework on a continuous basis to ensure that there are no regulatory gaps.</p> <p>We maintain engagement with key stakeholders and contribute to the development of research and thought leadership to promote the profession and maintain standards.</p>   |
| <p><b>Failure to deliver Corporate Plan</b></p>                                    | <p>We regularly review both the content of the Corporate Plan and progress towards the achievement of the Corporate Plan objectives.</p> <p>We conduct Horizon Scanning to identify any new internal or external factors which might impact upon our ability to meet our Strategic or Corporate Plan objectives.</p> <p>We ensure that effective management controls and processes are in place across all parts of the organisation, together with appropriate Business Continuity Plans for disaster recovery.</p> <p>We ensure that insurance policies are reviewed annually for comprehensiveness and that Banking, Investment, Reserves and other financial control policies are approved and implemented.</p> <p>We have a robust staff performance appraisal system linked to the delivery of the Corporate Plan and our corporate values. We regularly update our staff policies to reflect new legislation and review our reward package on an annual basis.</p>   |

## Attendance lists for the financial year 1 March 2015 to 29 February 2016

### Council

|  |     |   |     |  |     |
|--|-----|---|-----|--|-----|
| CHAMUNORWA, Kelvin <sup>+</sup>                  | 5/5 | MACLEOD, Donald <sup>**</sup>                   | 2/3 | SILVER, Nick                           | 6/8 |
| COOPER, Deborah <sup>+</sup>                     | 8/8 | MORGAN, Kathryn                                 | 8/8 | SLEE, Malcolm                          | 8/8 |
| CONSTANTINOU, Jules <sup>**</sup>                | 4/5 | MORRISON, Fiona                                 | 8/8 | SMEDLEY, Mike                          | 6/8 |
| COWLING, Charles                                 | 6/8 | <i>President, from June 2015</i>                |     | TOMPKINS, Peter                        | 8/8 |
| CUNNINGHAM, Stephen <sup>**</sup>                | 4/5 | NGWENYA, Marjorie <sup>+</sup>                  | 7/8 | VARNELL, Elliot <sup>+</sup>           | 4/8 |
| DAVIES, Helen <sup>*</sup>                       | 1/3 | O'REILLY, Mark                                  | 8/8 | VAUGHAN, Suzanne <sup>*</sup>          | 6/8 |
| ELLIOTT, Marian                                  | 6/8 | POTTER, Martin <sup>**</sup>                    | 6/8 | WANG, Haijing <sup>+</sup>             | 1/5 |
| EVANS, Huw <sup>*</sup>                          | 2/3 | PRYOR, Louise <sup>+</sup>                      | 4/5 | WATSON, Alan <sup>**</sup>             | 2/3 |
| GRANT, Karen <sup>**</sup>                       | 0/3 | REAR, Andrew <sup>*</sup>                       | 2/8 | WILSON, Colin                          | 8/8 |
| HARE, David                                      | 1/3 | RUBENSTEIN, Alan <sup>**</sup>                  | 2/3 | <i>President-elect, from June 2015</i> |     |
| <i>Immediate Past President, until June 2015</i> |     | RYDEN, Carole <sup>*</sup>                      | 5/8 | YANG, Ellen <sup>**</sup>              | 5/5 |
| HIGGINS, Benny <sup>**</sup>                     | 0/3 | SALTER, Nick                                    | 7/8 | YUAN, Xi Cynthia                       | 2/8 |
| HITCHCOX, Andrew <sup>+</sup>                    | 4/5 | <i>Immediate Past President, from June 2015</i> |     | ZHANG, Feifei <sup>*</sup>             | 2/8 |
| JENNINGS, Keith <sup>**</sup>                    | 4/5 | SHEAF, Edwin                                    | 7/8 |  |     |
| LEE, Patrick                                     | 7/8 | SHEAF, Simon <sup>*</sup>                       | 3/3 |  |     |

\* Scottish Constituency

<sup>+</sup> Elected in 2015

<sup>\*</sup> Retired or resigned from Council in 2015

### Management Board

|                           | Position                                      | Attendance:<br>actual/possible |
|---------------------------|---|--------------------------------|
| Alan Whalley              | Chair   | 12/12                          |
| Derek Cribb               | Chief Executive                               | 11/12                          |
| Ben Kemp <sup>*</sup>     | General Counsel                               | 8/11                           |
| Memoria Lewis             | Membership Director                           | 11/11                          |
| Suzie Lyons <sup>**</sup> | Head of Adjudication                          | 2/2                            |
| Anne Moore                | Director of Finance and Operations            | 5/5                            |
| Fiona Morrison            | President from June 2015                      | 12/12                          |
| Marjorie Ngwenya          | Council member from June 2015                 | 8/8                            |
| Martin Potter             | Scottish Board Leader until June 2015         | 3/4                            |
| Alan Rubenstein           | Council member until June 2015                | 3/4                            |
| Nick Salter               | President until June 2015 then Council member | 9/12                           |
| Simon Sheaf               | Council member until June 2015                | 4/4                            |
| Suzanne Vaughan           | Scottish Board Leader from June 2015          | 8/8                            |
| Trevor Watkins            | Director of Education                         | 6/6                            |
| Colin Wilson              | President-elect from June 2015                | 7/8                            |

Charles Cowling, Kathryn Morgan, Peter Tompkins and Colin Wilson, all Council members, each attended one Board meeting as an Observer member.

\* Leave of absence for personal reasons from 1 March until May 2015.

\*\* Deputising, under delegated authority, for General Counsel from 1 March until May 2015.

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## Audit and Risk Committee

|                  | <b>Position</b> | <b>Attendance:<br/>actual/possible</b> |
|------------------|-----------------|--|
| Iraj Amiri FCA   | Lay Chair       | 4/4                                    |
| Andrew Hitchcox  | Council member  | 3/3                                    |
| Marjorie Ngwenya | Council member  | 1/1                                    |
| Irene Robinson   | Lay member      | 4/4                                    |
| Peter Tompkins   | Council member  | 4/4                                    |

*Patrick Lee, Council member, attended one Committee meeting as an Observer member.*

## Nominations Committee

|                | <b>Position</b>                                | <b>Attendance:<br/>actual/possible</b> |
|----------------|--|--|
| Nick Salter    | Chair, Immediate Past President from June 2015 | 5/5                                    |
| David Hare     | Immediate Past President until June 2015       | 0/1                                    |
| Fiona Morrison | President from June 2015                       | 5/5                                    |
| Edwin Sheaf    | Council member                                 | 4/5                                    |
| Nick Silver    | Council member                                 | 5/5                                    |
| Mike Smedley   | Council member                                 | 5/5                                    |
| Colin Wilson   | President-elect from June 2015                 | 5/5                                    |

# Accounts

Consolidated statement of income for the year ended 29 February 2016

|   | 2016            |                 | Restated 2015   |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | Group<br>£000   | IFoA<br>£000    | Group<br>£000   | IFoA<br>£000    |
| <b>Revenue</b>                              |                 |                 |                 |                 |
| Subscriptions and other operating income    | 12,833          | 11,603          | 12,412          | 11,239          |
| Pre-qualification learning and development  | 15,525          | 9,511           | 15,578          | 9,246           |
| Post-qualification learning and development | 3,569           | 3,569           | 3,321           | 3,321           |
|   | <b>32,927</b>   | <b>24,683</b>   | <b>31,311</b>   | <b>23,806</b>   |
| <b>Expenditure</b>                          |                 |                 |                 |                 |
| Employment costs                            | (10,043)        | (9,850)         | (9,185)         | (9,039)         |
| Other operating charges                     | (24,296)        | (16,364)        | (24,102)        | (16,771)        |
|   | <b>(34,339)</b> | <b>(26,214)</b> | <b>(33,287)</b> | <b>(25,810)</b> |
| <b>Operating (Loss)/ Profit</b>             | <b>(1,412)</b>  | <b>(1,531)</b>  | <b>(1,976)</b>  | <b>(2,004)</b>  |
| Finance and other income                    | 109             | 109             | 141             | 136             |
| <b>(Loss)/Profit before tax</b>             | <b>(1,303)</b>  | <b>(1,422)</b>  | <b>(1,835)</b>  | <b>(1,868)</b>  |
| Taxation                                    | (15)            | (3)             | (55)            | (48)            |
| <b>(Loss)/Profit for the year</b>           | <b>(1,318)</b>  | <b>(1,419)</b>  | <b>(1,890)</b>  | <b>(1,916)</b>  |

Statement of comprehensive income for the year ended 29 February 2016

|  | 2016           |                | 2015          |              |
|--|----------------|----------------|---------------|--------------|
|  | Group<br>£000  | IFoA<br>£000   | Group<br>£000 | IFoA<br>£000 |
| (Loss)/Profit for the year   | (1,318)        | (1,419)        | (1,890)       | (1,916)      |
| <b>Other Comprehensive Income</b>                                  |                |                |               |              |
| Gain on revaluation of investments                                 | (40)           | (40)           | 25            | 25           |
| Gain on revaluation of historical books                            | -              | -              | 155           | 155          |
| Actuarial gain (loss) recognised in the retirement benefits scheme | 88             | 88             | 815           | 815          |
| Other comprehensive (expenditure) / income for the year net of tax | <b>48</b>      | <b>48</b>      | <b>995</b>    | <b>995</b>   |
| Total comprehensive income for the year                            | <b>(1,270)</b> | <b>(1,371)</b> | <b>(895)</b>  | <b>(921)</b> |

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Consolidated statement of financial position as at 29 February 2016

|                                     | 2016            |                 | 2015            |                 |
|-------------------------------------|-----------------|-----------------|-----------------|-----------------|
|                                     | Group           | IFoA            | Group           | IFoA            |
|                                     | £000            | £000            | £000            | £000            |
| <b>Non-current assets</b>           |                 |                 |                 |                 |
| Property, plant and equipment       | 2,581           | 2,581           | 2,612           | 2,612           |
| Intangible Assets                   | 245             | 245             | -               | -               |
| Available for sale financial assets | 901             | 901             | 936             | 936             |
| Historical assets                   | 1,178           | 1,178           | 1,175           | 1,175           |
| Retirement benefit asset            | 3,473           | 3,473           | 3,482           | 3,482           |
|                                     | <b>8,378</b>    | <b>8,378</b>    | <b>8,205</b>    | <b>8,205</b>    |
| <b>Current assets</b>               |                 |                 |                 |                 |
| Inventories                         | 10              | 10              | 6               | 6               |
| Trade and other receivables         | 3,469           | 1,994           | 3,656           | 1,820           |
| Cash and cash equivalents           | 19,147          | 17,836          | 18,574          | 17,118          |
|                                     | <b>22,626</b>   | <b>19,840</b>   | <b>22,236</b>   | <b>18,944</b>   |
| <b>Total assets</b>                 | <b>31,004</b>   | <b>28,218</b>   | <b>30,441</b>   | <b>27,149</b>   |
| <b>Current liabilities</b>          |                 |                 |                 |                 |
| Trade and other payables            | (3,356)         | (2,825)         | (3,514)         | (2,555)         |
| Corporation tax                     | (30)            | (12)            | (41)            | (35)            |
| Deferred revenue                    | (11,998)        | (10,568)        | (10,251)        | (8,630)         |
| Deferred rent                       | (136)           | (136)           | (90)            | (90)            |
|                                     | <b>(15,520)</b> | <b>(13,541)</b> | <b>(13,896)</b> | <b>(11,310)</b> |
| <b>Non-current liabilities</b>      |                 |                 |                 |                 |
| Deferred rent                       | (1,046)         | (1,046)         | (837)           | (837)           |
|                                     | <b>(1,046)</b>  | <b>(1,046)</b>  | <b>(837)</b>    | <b>(837)</b>    |
| <b>Total liabilities</b>            | <b>(16,566)</b> | <b>(14,587)</b> | <b>(14,733)</b> | <b>(12,147)</b> |
| <b>Net assets</b>                   | <b>14,438</b>   | <b>13,631</b>   | <b>15,708</b>   | <b>15,002</b>   |
| <b>Reserves</b>                     |                 |                 |                 |                 |
| <b>Called up share capital</b>      |                 |                 |                 |                 |
| General fund                        | 13,179          | 12,372          | 14,409          | 13,703          |
| Investment revaluation reserve      | 1,259           | 1,259           | 1,299           | 1,299           |
|                                     | <b>14,438</b>   | <b>13,631</b>   | <b>15,708</b>   | <b>15,002</b>   |

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Institute  
and Faculty  
of Actuaries

### **London**

7th Floor · Holborn Gate · 326-330 High Holborn · London · WC1V 7PP  
Tel: +44 (0) 20 7632 2100 · Fax: +44 (0) 20 7632 2111

### **Edinburgh**

Level 2 · Exchange Crescent · 7 Conference Square · Edinburgh · EH3 8RA  
Tel: +44 (0) 131 240 1300 · Fax: +44 (0) 131 240 1313

### **Oxford**

1st Floor · Park Central · 40/41 Park End Street · Oxford · OX1 1JD  
Tel: +44 (0) 1865 268 200 · Fax: +44 (0) 1865 268 211

### **Beijing**

6/F · Tower 2 · Prosper Centre · 5 Guanghai Road · Chaoyang District · Beijing China 100020  
Tel: + 86 (10) 8573 1522

### **Hong Kong**

2202 Tower Two · Lippo Centre · 89 Queensway · Hong Kong  
Tel: +11 852 2147 9418

### **Singapore**

163 Tras Street · #07-05 Lian Huat Building · Singapore 079024  
Tel: +65 6717 2955

[www.actuaries.org.uk](http://www.actuaries.org.uk)

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