

airmic

Annual Review

2017



Chairman's commentary



A handwritten signature in black ink, appearing to read 'Paul Goulding', with a long, sweeping flourish extending to the right.

Paul Goulding
Chairman

I have been proud to represent members as Chairman over the last 12 months. It is a real privilege to participate in the leadership of an organisation I have been involved with for almost 30 years, and that does so much both for its members and for the risk management profession.

Events and changes in attitudes continue to challenge us in our working lives and I believe this increases the need for Airmic. We facilitate a network and provide high-quality trusted resources all members can call on.

Recent events such as the Grenfell tragedy, #MeToo, revelations of abuse in charity operations and the demise of Carrillion have underlined what happens when risk management systems are inadequate or were never there in the first place.

Our profile in the media has increased on a wide range of issues from Grenfell, to people risks, to the gender pay gap. As well as being a go-to organisation for the specialist media we have had extensive coverage in the Times (via Raconteur) and the FT.

One important change during 2017 was the appointment of John Ludlow as our new Chief Executive. John has settled in well and, after refreshing the business plan, has worked with the Board to develop a clear view of where the organisation is heading.

Some personal highlights for me were the annual dinner, where we raised a record sum for my chosen charity, the Alzheimer's Society. I am very grateful to all those who contributed. We had another highly successful fastTrack seminar, a record-breaking annual conference and a range of excellent other events that resulted in an unprecedented level of member engagement.

Airmic is always a team effort, and I have had the backing of a high-quality and very supportive Board. My thanks to them and to the secretariat, especially John Ludlow who has made a great start in his new role.

The association will be in good hands next year under the chairmanship of Lynda Lucas. I wish her every success.

Chief executive's report



John Ludlow

Chief executive

The highlight of 2017 was undoubtedly the annual conference at Birmingham where John Hurrell retired from Airmic after nine years of leadership. Attendance was at another all-time high and the feedback from members and partners was all very positive. It was indeed the crowning moment the team had worked so hard to deliver.

Part of Airmic's role is to provide leadership to our profession, and to some extent our sponsoring industries; we must now do so at a period of unprecedented change. Globalisation and modern technology are transforming the business models of the organisations that Airmic works with and represents. In this environment, building a responsible business culture and the capability to mitigate and take risks is more important to long-term business success than ever before.

At the same time, the insurance industry is operating in tough and competitive economic conditions as well as a stringent regulatory environment. It is therefore more vulnerable to disruption, and it is more challenging for insurers to come up with the innovative products our members seek that would guarantee the long-term relevance of the commercial insurance sector.

Against this backdrop, the Airmic team undertook a review of our very purpose, mission, culture and strategy. Like any organisation, Airmic must be able to deliver long-term value to its stakeholders. When heard, inspired and engaged, organisations are understood, trusted, and supported. They perform better. At Airmic, we strive to become more relevant to our stakeholders by articulating our vision and purpose, delivering networks, thought leadership, education, recognition and influence for our professions.

While our strategy will take time to deliver, the board has endorsed an ambitious new business plan with fifteen key objectives intended to benefit members and sponsors alike. The strategy has already started to bear fruit, especially in our prolific technical programme overseen by my deputy CEO and technical director Julia Graham.

Membership

Membership numbers remain stable, currently standing at just over 1110 individual members and 381 member organisations. This represents something of a plateau, and a priority for 2018 is membership growth and retention. While still focusing on the large corporate organisations, we will be widening our reach of potential members to smaller mid-size organisations.

Events

We had good attendances at all our large events, with the number of members at the annual conference increasing by 22% and the ERM Forum up by 24%. The number of members attending at least one event last year was up 6% from already exceptionally high levels. Continuing to increase member engagement in this and other ways is another priority for 2018.

The one blip was the level of attendances at the Academy and Academy Online. Taken together, they reduced by 19% in 2017. We have since acted to step up, segment and refocus the Academy Programme, and I expect to see numbers rise again during 2018.

Our fastTrack Forum in February 2018 was well supported despite terrible weather. This is now an annual feature in our events programme.

Thought Leadership

A highlight in 2017 was the first Airmic deep-dive survey managed with advisory services consultants Longitude, underwritten financially and intellectually by three Partners. "A Profession in Transformation" was a ground-breaking series of four reports.

The year started with a joint publication addressing the reporting of Principal Risks and Viability. This was researched with CIMA and Alvarez & Marsal through a series of roundtable meetings of FTSE Chairmen and C-Suite members hosted by the Chairman's Forum. This report supported an Airmic Lecture delivered by the Financial Reporting Council CEO Stephen Hadrill.

As well as a range of EXPLAINED guides on different insurance and risk management topics already published, the publication of a new Guide on D & O risk and insurance and the launch of our new Executive Risk Leadership programme with Cass business school, there are some ground-breaking projects in the pipeline.

These include the Roads to Revolution report (prepared by CASS business school and supported by five sponsors) on the impact of technology and changing business and distribution models; a Business Excellence programme with XL Catlin; a paper with Oliver Wyman on the role of the Chief Risk Officer (CRO) focussing on the responsibilities and the skills required; and a report with Swiss Re on parametric insurance and its potential application to the corporate market.

The Insurance Act, Cyber risk and insurance, GDPR, Travel risk management, Culture, Data and analytics, Autonomous transport and the outlook for the Lloyd's Market were all the subject of new reports and papers published in 2017.

We additionally contributed to publications produced by the FT, Raconteur (for The Times), CIR, Post, Strategic Risk, Commercial Risk Europe, Women to Watch in Insurance, ACCA, Southampton University, Control Risks, FERMA and the British and International standards organisations. We delivered papers, presentations and panel contributions to over a dozen external events, including Partner conferences, in the UK and overseas.

Marketing and Systems

2017 started with a cloud hanging over us. The membership system that had been installed for eight months still was not working

effectively. Simultaneously we were trying to focus our marketing efforts to ensure that our communication with members was more relevant and targeted.

By the end of 2017, through a concerted team effort, the membership system was much improved, with far fewer outstanding issues. Our emails are being read by more people and converting to clicks in larger amounts than in any previous years. Our newly implemented social media strategy has paid off, creating more awareness of Airmic's brand and visitors to the website, which saw a 25% increase in traffic during 2017.

Partners

Partner renewal meetings during the final quarter of 2017 concluded with JLT moving to Associate Partner, and we were therefore delighted to welcome Aviva as a full Partner in their place. Despite this movement Airmic finished the year with a 100% retention of key Partners.

Another key objective for 2018 is to broaden and strengthen our Partner relationships as we believe doing so will benefit all parties, including our members. Plans include addressing how Airmic can support each Partner at a strategic, tactical and operational level. These changes have been welcomed by our Partners.

Finance

Our finances continue to be healthy and stable. We expected 2017 to be a more challenging year financially as we sought to increase provision for member events against the backdrop of the reduced profitability of Birmingham as a conference venue and general increases in running costs. The Airmic board approved a deficit budget for the year of £69,500, within the terms of our reserves policy. In the event, we closed the year with a pre-tax deficit of £18,823, the improvement being due mainly to additional Associate and Preferred Service Provider partners and to the generosity of members and sponsors in providing venues at reduced cost for member events. The result after tax was a deficit of £11,187 after a deferred tax adjustment.

The association's reserves now stand at £1.25M (just over 55% of budgeted turnover). Our reserves policy is set within the context of our risk management and strategic planning processes. The policy permits the reserves to be drawn upon to fund developments of benefit to members whilst keeping a minimum reserve against contingencies. We are using this flexibility again in 2018 with a small planned deficit budget allowing us to continue expanding services for members (including the creation of a new education and learning post and added support for Special Interest Groups) while increasing the diversity of our partnerships to both support and help fund this increased activity.

Extracts from the financial statements

Income & expenditure account for the year ended 31st December 2017

	2017 £000	2016 £000
Income	2,047	1,926
Direct expenses	(642)	(585)
Other operating expenses	(1,430)	(1,236)
Operating (Deficit) / Surplus	(25)	105
Interest receivable	6	7
(Deficit) / Surplus on Ordinary Activities Before Tax	(19)	112
Tax charge ⁽¹⁾	8	(42)
(Deficit) / Surplus on Ordinary Activities After Tax	(11)	70

Balance Sheet as at 31st December 2017

	2017 £000	2016 £000
Fixed Assets (2)	268	733
Current Assets (2)	2,672	2,119
Current Liabilities	(1,691)	(1,592)
Net Current Assets	981	527
Total Assets Less Current Liabilities	1,249	1,260
Reserves		
Income & Expenditure Account	1,249	1,260

(1) Corporation Tax due on taxable profits in 2017 amounts to £5,525. Deferred tax provision of £22,280 was made in the 2016 accounts to reflect the differing treatment of fixed assets in the accounts and the tax calculation and so smooth the effect of the Annual Investment Allowances claimed on 2016 fixed asset purchases (mainly the website and CRM system). Of this, £13,161 has been released in 2017, resulting in a net credit to the accounts of £7,636.

(2) The 2016 figures have been adjusted to reflect a change in financial reporting standards requiring bank deposits maturing in more than 90 days to be classified as fixed rather than current assets. The 2017 figures reflect a reduction in fixed assets and a corresponding increase in current assets as cash was being deposited on shorter terms for treasury management reasons.

This is an extract from the audited financial statements prepared for members, for which an unqualified independent auditor's opinion under the Companies Act 2006 was issued. The signed statutory financial statements are contained in the Annual Report & Accounts 2017, which may be downloaded from the Airmic website www.airmic.com or requested in hard copy from the Airmic office on 020 7680 3089 or by email to accounts@airmic.com.

Airmic board & committees (May 2018)

Airmic board members

Colin Barker	Bayer Public Limited Company
Clive Clarke	Willis Towers Watson
Claire Combes	Intu Properties plc
Fiona Davidge	Wellcome Trust
Mark Dawson	Thomas Cook Group
Paul Goulding	Heathrow Airport Limited
Tim Graham	GlaxoSmithKline plc
Lesley Harding	BP plc
Nicholas Hughes	Holman Fenwick Willan LLP
Lynda Lucas	Fujitsu Global Business Group
John Ludlow	Airmic Ltd
Tim Murray	Serco Group Plc
Xavier Mutzig	Johnson Matthey Plc
Helen-Clare Pope	Tesco PLC
Tracey Skinner	BT Group plc
Kathryn Wallin	Marriott Hotels International Limited

Airmic committee chairmen

Audit Committee	Colin Barker	Bayer Public Limited Company
Events Committee	Tracey Skinner	BT Group Plc
Executive Committee	John Ludlow	Airmic Ltd
Finance Committee	Tim Graham	GlaxoSmithKline plc
Insurance Steering Group	Mark Dawson	Thomas Cook Group
Membership & Marketing Committee	Xavier Mutzig	Johnson Matthey Plc
Risk Management Steering Group	Claire Combes	Intu Properties plc

Airmic secretariat (May 2018)



John Ludlow
Chief executive



Julia Graham
Deputy CEO & Technical director



Lesley Davies
Finance manager



Georgina Wainwright
Market development manager



Hannah Guppy
Learning & development manager



Susi Ozkurt
Events manager



Yogini Patel
PA to CEO and deputy CEO



Matt Goldsmith
Digital marketing manager



Olabisi Porteous
Membership coordinator



Jess Titherington
Public relations



Natalia Selter
Accounts assistant

Airmic sponsors (May 2018)

Airmic partners



Airmic associate partners



Airmic preferred service providers



Airmic MarketPlace sponsors





6 Lloyd's Avenue
London
EC3N 3AX
Ph. +44 20 7680 3088
Fax. +44 20 7702 3752
email: enquiries@airmic.com
www.airmic.com