



Annual Review

2018



Chairman's commentary



A handwritten signature in black ink that reads "Lynda Lucas".

Lynda Lucas
Chairman

It has been a privilege to represent our members as chairman for the past 12 months. Airmic is at a key phase in its evolution as it consolidates its position in the enterprise risk management space and deepens the career support available for members via its hugely successful Professional Journey.

This is happening against a challenging economic backdrop, but the financial results for the year once again demonstrate the effort of the executive team to grow income and manage costs in order to support Airmic's ambitious programme of activities.

A major achievement during 2018 was the publication of the third report in the "Roads to" series, "Roads to Revolution". The report provides pragmatic advice to those trying to ensure that risk management, resilience and digital transformation are harnessed to protect brand and reputation in a cyber-driven age. The conclusions of this report, which include the need for cyber governance, continue to be woven into Airmic's member programme and also influence the Airmic board agenda. For example, we refreshed our purpose and strategy as recommended in Roads to Revolution and I am delighted that the four new directors who joined our board in 2019 will bring a different perspective to our deliberations and decisions.

The Airmic Professional Journey, which provides training and support at every stage of a risk manager's career, continued to develop throughout the year and is now a central pillar of the membership offering. 2018 saw the first Business Excellence Programme delivered in Partnership with XL Catlin overseen academically by Glasgow Caledonian University. The Business Excellence Programme was highly acclaimed by those who attended, and it is already fully subscribed for 2019 indicating that it is likely to become an annual offering. The programme is designed to bridge the gap between the ever-popular fastTrack programme and the Airmic Risk Leadership Programme delivered in partnership with Cass Business School.

The Airmic member experience was enhanced in other ways too. Deep dive Academy Forum days complemented the usual Academy sessions, with the first covering technology. The first ever Airmic Learning Hub at the annual conference in Liverpool proved highly popular and will be back in 2019, along with a cutting edge Tech Hub, focused on innovation. New Special Interest Groups for construction and enterprise risk management got off to a promising start.

At the beginning of 2018, Airmic was focussed on helping members prepare for the General Data Protection Regulation coming in to force in May, via Academy sessions and practical advice. In the second half of the year, attention shifted away from GDPR and onto Brexit. The Leadership Group held a summit to discuss the measures being taken by the insurance market to mitigate Brexit disruption and Airmic teamed with FERMA to produce a Brexit newsletter for risk managers across Europe.

A personal highlight for me in 2018 was the annual Airmic business networking dinner which raised £10,000 for my chosen charity, the National Literacy Trust, which helps schools and communities give disadvantaged children the literacy skills they need to succeed in life.

As we are now half way through 2019, I am already due to hand over the chairmanship to Tim Murray and I wish him every success in the coming year. I am grateful to the Airmic Secretariat for their support during my term of office and I am honoured to have worked with the Airmic board.

Chief executive's report



A handwritten signature in black ink, appearing to read 'John Ludlow', written on a white background.

John Ludlow

Chief executive

Overview

Airmic is providing leadership and support for our members and partners during a period of unprecedented change. Political, economic, technical, social changes and regulatory developments are reshaping our environment today.

This presents a dual challenge for our community: on the one hand, these changes give rise to unprecedented risks that we could not imagine five years ago. But on the other hand, the biggest risk of all is not to embrace technological innovation. We must all adapt to stay relevant and become more successful tomorrow.

In 2018, Airmic set out on a journey to deliver the refreshed vision: our purpose, mission and culture, as developed in the autumn of 2017. A wide range of operational objectives were delivered to prepare every aspect of Airmic for greater strategic change in 2019/20, and also to enable us to weather the changes in our business environment that we foretold and are now experiencing.

Performance is impressive despite the disruption to our sponsor partnerships. Support for Airmic is building and stakeholders are keen to see us do more. Our strategy is working well and will gain the benefits of consistency of purpose, and be developed further as team resources grow.

Despite the rapidly changing environment, the core needs of our members remain the same: delivering networks, thought leadership, education, recognition and influence for our professions. The way we service these needs may be changing, but these fundamentals will remain at the heart of our membership organisation.

Finance

Airmic is in a financially strong position, despite a challenging environment.

The 2018 Business Plan recognised that the Airmic team was facing a step change in terms of workload and complexity. A deficit budget of £28,000 was approved in order to allow for moderate team growth, but with an aspiration to close the deficit by raising additional partner income.

This target was met by the introduction of the education partnership (The Institutes) and the technology partnership (Fujitsu) part way through the year. Other variations meant that we closed the year with a surplus of £60,000 after tax. This is nearly £90,000 better than budgeted, the biggest contributory factor being gaps in the team structure.

We ended the year with reserves of £1.3m, against the £1.2m which was chosen as the 'minimum' level by the finance committee and board in July 2018.

Membership

Airmic membership grew during 2018, mainly due to an increase in individual members in existing corporate memberships. This has been good for membership diversity and scale; however, the challenge remains to grow the number of member organisations and to reduce the level of dependency on partner revenue.

It pleases me greatly that member engagement – the litmus test of any membership organisation – has strengthened. Airmic events grew in quality, number and attendance. The Academies – which I noted as a concern in last year’s report – saw a particularly strong recovery in both number of sessions and attendance.

Partners

In recent years, we have flagged high levels of M&A and a persistent soft market as a challenge for our partnership structure, and indeed 2018 saw mergers among four of our partners. Our strategy of diversifying partner relationships has therefore come into fruition and kept the association on a sound financial footing. As well as fostering partnerships with new insurers, we have developed relationships with risk-centric businesses, while our education and technology partnerships are developing well.

We have introduced a more formalised structure in the way we manage our partner relationships to ensure that the value they bring to our partners and members is maximised at a strategic, tactical and operational level.

Events

The events programme remains a core part of the Airmic offering. The annual conference in Liverpool was a success, with a record number of registrations. Feedback suggested that the quality of the networking, education and the exhibition were our best yet.

Attendance at the ERM Forum, now in its third year, reached capacity and is now an established feature on the risk management calendar. The Forum has significantly contributed to Airmic positioning itself in the field of enterprise risk management.

The fastTrack Forum, supported by Willis Towers Watson, returned to the Airmic calendar and was, despite the wintery weather, a success.

The Annual Dinner at the Grosvenor House Hotel is being repositioned from an almost purely market event, back to an Airmic event to celebrate and thank our most engaged members and partners.

Thought leadership and the technical agenda

Publication of Roads to Revolution at the annual conference heralded the third report in the ‘Roads to’ series, and provides a huge depth of research and practical advice for our members on how to build resilience in the digital era. With articles featuring in The Economist, The Times and the professional and trade press, it has further underwritten Airmic’s position as a force in risk management. The findings of the report have supported our education programmes, technical agenda and events programme. Work continues with our sponsors to maximise opportunities this research presents.

The quality and quantity of the technical agenda output remains extremely high. A new guide on D&O risks and liabilities, growth of publications in our successful EXPLAINED series and more than a dozen white papers adopting a new, sharper format were published. These have been positively received by our members, evidenced by the number of guides and papers that have been viewed and downloaded online and requests received for hard copy re-prints.

Airmic successfully contributed to the review of the UK Code of Corporate Governance. Following a roundtable meeting attended by twenty senior Airmic members, we were delighted to see the inclusion of our recommendation for boards to consider emerging risks alongside principal risks.

Education

The formal education programmes are developing in alignment with our member Professional Journey. The Business Excellence Programme sponsored by AXA XL, which aims to broaden members' knowledge of other business disciplines was launched in 2018. Attendance levels have been excellent and early feedback has been very positive. Meanwhile, the first Risk Leadership Programme delivered with Cass Business School concluded in 2018 with the assessment of student dissertations. The quality of these is outstanding, and extracts will be published for other members to read.

The Academies have seen a strong recovery, thanks to better marketing, more attractive content and enhanced personal contact. Webinars continue to prove popular although they are less favoured by our partners who like face-to-face contact time; however, we continue to employ this format to satisfy member needs.

The first full day Academy Forum focussed on technology and was hosted by AVIVA at their Digital Garage. The blend of influential plenary speakers, panels and discussion was voted a success and more are planned for 2019.

Airmic team and infrastructure

The Airmic team is engaged, well regarded and productive. Indeed, Airmic punches way above its weight for a small team.

The gaps in the team structure that were noticeable in 2018 have been filled, leaving the team in a strong position to deliver on the 2019 agenda. These include appointments of Richard Cutcher as R&D Manager and Eleanor Bounds as Training and Networking Administrator.

The growth of the formal education offerings, and the success of the Academies will necessitate the addition in 2019 of an education manager.

Our office lease at 6 Lloyd's Avenue expires at the end of July 2019 and work is ongoing to move to a new office, on Lloyd's Avenue over the summer.

Extracts from the financial statements

Income & expenditure account for the year ended 31st December 2018

	2018 £000	2017 £000
Income	2,204	2,047
Direct expenses	(695)	(642)
Other operating expenses	(1,441)	(1,430)
Operating Surplus / (Deficit)	68	(25)
Interest receivable	6	6
Surplus / (Deficit) on Ordinary Activities Before Tax	74	(19)
Tax charge (1)	(14)	8
Surplus / (Deficit) on Ordinary Activities After Tax	60	(11)

Balance Sheet as at 31st December 2018

	2018 £000	2017 £000
Fixed Assets (2)	820	268
Current Assets (2)	2,289	2,672
Current Liabilities	(1,800)	(1,691)
Net Current Assets	489	981
Total Assets Less Current Liabilities	1,309	1,249
Reserves		
Income & Expenditure Account	1,309	1,249

(1) Corporation Tax due on taxable profits in 2018 amounts to £21,175. The 2016 accounts included deferred tax provision of £22,280 reflecting the differing treatment of fixed assets between the accounts and the tax calculation to smooth the effect of Annual Investment Allowances claimed on the website and CRM system. Of this, £13,161 was released in 2017 and a further £7,135 in 2018. This results in a tax charge of £14,040 in the 2018 accounts and leaves £1,984 deferred tax to be released in 2020.

(2) Bank deposits maturing in 90 days or more are classified as fixed assets. The 2018 figures reflect an increase in the proportion of longer term deposits compared with 2017, with the resulting increase in fixed assets therefore reflected in a similar reduction in current assets. The overall total cash investments increased by nearly £125,000 between the two year end dates.

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 2018, 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 2019)

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
Tim Graham	GlaxoSmithKline plc
Lesley Harding	BP plc
Alison Hill	Amazon Logistics
Nicholas Hughes	Holman Fenwick Willan LLP
Emily Jenner	Standard Chartered Bank
James Kelly	Pearson plc
Aileen Lowe	KPMG LLP
Lynda Lucas	Fujitsu Global Business Group
John Ludlow	Airmic Ltd
Tim Murray	Serco Group Plc
Xavier Mutzig	Johnson Matthey Plc
Tracey Skinner	BT Group plc
Kathryn Wallin	Marriott Hotels International Limited

Airmic committee chairmen

Audit Committee	Colin Barker	Bayer Public Limited Company
Education and Development Committee	Kathryn Wallin	Marriott Hotels International Ltd
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	Fiona Davidge	Wellcome Trust
Risk Management Steering Group	Claire Combes	Intu Properties plc

Airmic secretariat (May 2019)



John Ludlow
Chief executive



Julia Graham
Deputy CEO & Technical director



Lesley Davies
Finance manager



Georgina Wainwright
Market development manager



Richard Cutcher
Research and 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



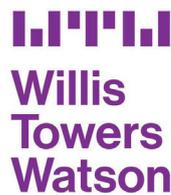
Natalia Selter
Accounts assistant



Eleanor Bounds
Training and networking administrator

Airmic sponsors (May 2019)

Airmic partners



Airmic associate partners



Airmic preferred service providers

Arthur D Little

BELFOR (●)
PROPERTY RESTORATION

BLM

btvk advisory

cfc

Control Risks

DUFF & PHELPS

HERBERT SMITH FREEHILLS

INTERNATIONAL SOS

sedgwick

SOVOS

ventiv

Airmic MarketPlace sponsors

A BEST

ASPEN INSURANCE

AUSUM SYSTEMS™

AVC

Balkerne

BARNETT WADDINGHAM
beyond the expected

brandformula

brownjacobson

CBRE

clearview
Making the Complicated Simple

clements WORLDWIDE

COVINGTON COVINGTON & BURLING LLP

DAC BEACHCROFT

EVERSHEDS

eviid
secure visual confirmation

FENCHURCH LAW

forbessolicitors.

GEOSPATIAL INSIGHT

Griffiths Armour &

Hawkins
Leaders in forensic investigation

iAuditor

JFIC FORENSICS

JCAD

K&L GATES

Kennedys

Keoghs

Liberty Mutual INSURANCE

LONGDOWN EIC
Risk Consulting

Mactavish

McLarens

MDD FORENSIC ACCOUNTANTS

Michelmores

MILLS & REEVE

mulberry risk

NTT DATA
NTT DATA Figtree Systems

O'CONNORS
CLEAR THINKING

ORIGAMI RISK

PROTECHT.
Leadership in Risk Solutions

R&Q

RiskBusiness

riskconnect.
Integrated Risk Management Solutions™

RUSHTON INTERNATIONAL

SelectaDNA
Advanced Forensic Marking

TMF GROUP
Global reach Local knowledge

TrackMyRisks

TYSERS
SINCE 1820

Van Ameyde

Verisk

Weightmans
Law is our business



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