Company No. 1293232

British Insurance Brokers' Association

Report and Accounts

31 December 2012

Registered No 1293232

THE BOARD MEMBERS

A Homer (Chairman)
D Perry
K Hancock
A Finch
N Thornton
M Oliver
B McManus
R Brown
B Whicher (co-opted member)
B Pybus (co-opted member)
B Fehler
B Bradshaw (co-opted member)
S White
G Trudgill

Secretary

L Campbell

Auditors

Mazars LLP
Tower Bridge House
St Katharine's Way
London E1W 1DD

Bankers

National Westminster Bank Plc
Corporate Banking
Floors 8 & 9
280 Bishopsgate
London EC2M 4RB

Solicitors

Beachcroft Wansbroughs
100 Fetter Lane
London EC4A 1BN

Registered Office

8th Floor
John Stow House
18 Bevis Marks
London EC3A 7JB

Report of the Board

The Board present their report and accounts for the year ended 31 December 2012 The company number is 1293232

Results

The surplus for the company for the year after taxation amounted to £251,575 (2011 £174,144)

Principal activities and review of the business

BIBA is a not-for-profit trade association which represents the interests of general insurance brokers and intermediaries in the UK Its main activities comprise representation to government, regulators, insurers and other stakeholders, together with the provision of services to support its members' interests

During 2012 we achieved most of the targets of our Manifesto, which is put together to summarise the key issues facing our members following discussions with and input from members and Board The strong focus on regulation from previous years carried through into 2012 but other key areas such the availability of flood cover, the cost of motor insurance and access to insurance for the elderly saw the BIBA team engaging directly with government and senior civil servants on a regular basis during the year

The Association commenced a strategic review and appointed Deloitte to help ensure that BIBA was strong and fit for purpose to meet the challenges of the 21st century This review, completed in 2012 will lead to proposals that will change the association's governance structure, subject to members' approval at an EGM

2012 also saw the Association successfully merge the Institute of Insurance Brokers (IIB) following the agreement reached late in 2011

Fixed assets

All changes in fixed assets during the year are summarised in note 8 to the accounts

The board members and their interests

The current board members are listed on page 1

The following were appointed during the year and in the period until the current date

Kevin Hancock	24 July 2012
Steve White	1 May 2013
Graeme Trudgill	1 May 2013

The following board members have resigned

Patrick Smith	24 January 2012
Ian Dickinson	24 July 2012
Lorraine Dillett	24 July 2012
Ken Davidson	20 November 2012

Board members' and officers' liability insurance

During the year BIBA maintained liability insurance for its board members and officers as permitted by section 234 (2) of the Companies Act 2006

Disclosure of information to the Auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information

Report of the Board

Auditors

A resolution to reappoint Mazars LLP as auditors will be put to the members at the Annual General Meeting

The directors have prepared this report in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

On behalf of the Board

A Homer

Director

3 June 2013

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Independent auditor's report

to the members of Brıtish Insurance Brokers' Association

We have audıted the financıal statements of Brıtısh Insurance Brokers' Assocıatıon for the year ended 31 December 2012 whıch comprıse the Profit and Loss Account, the Statement of Total Recognısed Gaıns and Losses, the Balance Sheet and the related notes The financıal reportıng framework that has been applıed ın theır preparatıon ıs applıcable law and the Fınancıal Reportıng Standard for Smaller Entıtıes (Unıted Kıngdom Generally Accepted Accountıng Practıce applıcable to Smaller Entıtıes)

Respectıve responsıbılıtıes of dırectors and audıtors

As explaıned more fully ın the Statement of Dırectors' Responsıbılıtıes set out on page 4, the dırectors are responsıble for the preparatıon of the financıal statements and for beıng satısfied that they gıve a true and faır vıew

Our responsıbılıty ıs to audıt and express an opınıon on the financıal statements ın accordance wıth applıcable law and Internatıonal Standards on Audıtıng (UK and Ireland) Those standards requıre us to comply wıth the Audıtıng Practıces Board's (APB's) Ethıcal Standards for Audıtors Thıs report ıs made solely to the company's members, as a body, ın accordance wıth Chapter 3 of Part 16 of the Companıes Act 2006 Our audıt work has been undertaken so that we mıght state to the company's members those matters we are requıred to state to them ın an audıtor's report and for no other purpose To the fullest extent permıtted by law, we do not accept or assume responsıbılıty to anyone other than the company and the company's members as a body for our audıt work, for thıs report, or for the opınıons we have formed

Scope of the audıt of the financıal statements

A descrıptıon of the scope of an audıt of financıal statements ıs provıded on the Fınancıal Reportıng Councıl's web-sıte at www frc org uk/audıtscopeukprıvate

Opınıon on the financıal statements

In our opınıon the financıal statements

- gıve a true and faır vıew of the state of the company's affaırs as at 31 December 2012 and of ıts profit for the year then ended,
- have been properly prepared ın accordance wıth Unıted Kıngdom Generally Accepted Accountıng Practıce applıcable to Smaller Entıtıes, and
- have been prepared ın accordance wıth the requırements of the Companıes Act 2006

Opınıon on other matter prescrıbed by the Companıes Act 2006

In our opınıon the ınformatıon gıven ın the Dırectors' Report for the financıal year for whıch the financıal statements are prepared ıs consıstent wıth the financıal statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime

MJ Grice

Markham Grice (Senior Statutory Auditor)
For and on behalf of Mazars LLP, Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD

3 June 2013

Profit and loss account

For the year ended 31 December 2012

	Notes	2012 £	2011 £
Turnover	2	3,471,317	3,182,457
Operating costs		(3,191,011)	(2,977,934)
Operating surplus		280,306	204,523
Other income	4	40,449	60,608
Surplus on ordinary activities before taxation	5	320,755	265,131
Tax (charge) on ordinary activities	6	(69,180)	(90,987)
Retained surplus for the year		251,575	174,144

Statement of total recognised gains and losses

for the year ended 31 December 2012

	Notes	2012 £	2011 £
Retained surplus for the year		251,575	174,144
Actuarial (losses)/gains – FRS 17	12,14	(176,000)	(410,000)
Movement on deferred tax relating to the pension liability	12,14	35,200	97,800
Total recognised gains/(losses) related to the year and since last report and accounts		110,775	(138,056)

Balance sheet

As at 31 December 2012

	Notes	2012 £	2011 £
Fixed assets			
Intangible assets	7	(12,363)	(15,454)
Tangible fixed assets	8	86,919	173,914
		74,556	158,460
Current assets			
Debtors	9	1,054,456	1,547,846
Cash at bank and in hand		3,973,384	3,390,763
		5,027,840	4,938,609
Creditors amounts falling due within one year	10	(3,570,009)	(3,689,457)
Net current assets		1,457,831	1,249,152
Total assets less current liabilities		1,532,387	1,407,612
Provision for liabilities and charges	11	(57,016)	(43,016)
Net Assets (excluding pension scheme surplus/(deficit))		1,475,371	1,364,596
Pension Scheme surplus/(deficit)	12	-	-
		1,475,371	1,364,596
Capital and reserves			
Income and expenditure account	14	1,475,371	1,364,596
		1,475,371	1,364,596

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the Board of Directors on 3 June 2013

On behalf of the Board

A Homer

Director

3 June 2013

Notes to the accounts
For the year ended 31 December 2012

1. Accounting policies

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The accounts do not include a cash flow statement because the company is a small entity and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) is exempt from the requirement to prepare a cash flow statement

Depreciation

Depreciation is calculated on a straight line basis at rates estimated to write down the value of assets to nil over their expected useful lives Assets have a full year's depreciation applied in the year of purchase and none in the year of disposal The annual rates used are

Furniture and equipment	-	25%
Computer equipment	-	33 1/3%
Computer software	-	20%
Leasehold improvements	-	20%

Deferred taxation

In accordance with FRS 19, deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Leased assets

All assets used by the company which are subject to leases are considered to be held under operating leases and the rentals in respect thereof are charged to the profit and loss account as incurred over the life of the lease

Pensions

The company operates a defined benefit scheme and a money purchase defined contribution scheme

For the defined benefit scheme, pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and are discounted at the current rate of return of a high quality corporate bond of equivalent term and currency to the liabilities The increase in the present value of the liabilities of the Company's defined benefit pension scheme expected to arise from employee service in the period is charged to operating profit The expected return on the scheme's assets and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance income Actuarial gains and losses are recognised in the Statement of Total Recognised Gains and Losses

Any pension scheme surplus, to the extent it is considered recoverable, or deficit is recognised in full and presented on the face of the balance sheet

For the defined contribution scheme, the pension cost charge represents the contributions payable under the rules of the scheme

Notes to the accounts
For the year ended 31 December 2012

1. Accounting policies (continued)

Goodwill

Goodwill represents the excess of the fair value of the separable net assets of business acquired over the cost of acquisition Goodwill is amortised through the profit and loss account in equal instalments over its estimated useful which is estimated as being 5 years

2. Turnover

Turnover comprises income receivable from subscriptions and other miscellaneous sources excluding interest All turnover arises from continuing operations

	2012	*2011*
	£	*£*
Subscriptions	1,794,466	1,599,623
Schemes Income	406,650	428,557
Other miscellaneous income	1,270,201	1,154,277
	3,471,317	3,182,457

All turnover has been derived from the United Kingdom

3. Staff numbers and costs

	2012	*2011*
	£	*£*
Wages and salaries	1,617,346	1,514,321
Social security costs	195,382	159,591
Other pension costs	215,664	250,925
	2,028,392	1,924,837

The average number of persons employed by the Company during the year was 30 (2011 27)

Other pension costs include a £39,807 (2011 £37,273) gross charge for the period in respect of the money purchase defined contribution scheme and £175,857 (2011 £213,652) gross in respect of the defined benefit pension scheme At 31 December 2012 £14,655 (2011 £184,164) was outstanding in respect of the defined benefit pension scheme

No director received any remuneration from the company

Notes to the accounts

For the year ended 31 December 2012

4. Other income/(expenditure)

	2012 £	2011 £
Interest receivable	50,905	45,064
Other finance income/(expenditure)	-	15,000
Other income	561	1,244
(Loss)/profit on sale of fixed assets	(11,017)	(700)
	40,449	60,608

5 Surplus on ordinary activities before taxation

This is stated after charging/(crediting)

	2012 £	2011 £
Depreciation	82,587	86,402
Loss/(profit) on sale of fixed assets	11,017	700
Auditors' remuneration	18,000	17,625
Aggregate remuneration of auditors for services other than audit work	4,750	5,000
Operating lease charges		
- office equipment	1,683	1,683
- land and buildings	137,333	137,333

6. Tax on surplus on ordinary activities

	2012 £	2011 £
UK corporation tax		
Corporation tax on surplus of the year	-	-
Adjustment in respect of prior years	-	-
	-	-
Movement in deferred tax asset	69,180	90,987
	69,180	90,987

Notes to the accounts

For the year ended 31 December 2012

6. Tax on surplus on ordinary activities (continued)

Factors affecting the tax charge for the year

The tax assessed on surplus on ordinary activities for the year is lower than the standard rate of Corporation tax in the UK The difference is explained below

	2012 £	*2011* £
Surplus on ordinary activities before tax	320,755	265,131
Surplus on ordinary activities multiplied by average rate of corporation tax in the UK of 20 25% (2011 – 20 25%)	64,953	53,689
Effect of		
Disallowed expense	5,042	3,540
Capital allowances in excess of depreciation	-	-
Depreciation in excess of capital allowances	9,452	10,074
Pension schemes	(35,640)	(43,335)
Other temporary differences	(34,326)	37,293
(Utilisation)/creation of tax losses	(9,481)	(61,261)
Current tax charge for the year	-	-

The deferred tax included in the balance sheet is as follows

	2012 £	*2011* £
Included in other debtors (note 9)	50,770	84,750
Included in defined benefit pension scheme surplus (note 12)	-	-
	50,770	84,750
Decelerated capital allowances	13,753	11,011
Other timing differences	2,931	36,833
Pension costs	-	-
Tax losses	34,086	36,906
	50,770	84,750

Notes to the accounts

For the year ended 31 December 2012

7. Intangible fixed assets

	Total
	£
Cost	
At 1 January 2012	(15,454)
Additions	-
At 31 December 2012	(15,454)
Amortisation	
At 1 January 2012	-
At 31 December 2012	3,091
Net book amounts	
At 31 December 2012	(12,363)
At 31 December 2011	(15,454)

All intangible fixed assets relate to negative goodwill arising on the acquisition of the assets and liabilities of the Institute of Insurance Brokers £3,091 (2011 Nil) has been charged in 2012

8. Tangible fixed assets

	Leasehold Improvements	*Furniture & equipment*	*Comp Equip & Software*	*Total*
	£	£	£	£
Cost				
At 1 January 2012	284,210	170,276	118,753	573,239
Additions	-	1,060	6,100	7,160
Disposals	-	(12,543)	-	(12,543)
At 31 December 2012	284,210	158,793	124,853	567,856
Depreciation				
At 1 January 2012	170,526	144,454	84,345	399,325
Provided during the year	55,908	13,079	13,600	82,587
Disposals	-	(975)	-	(975)
At 31 December 2012	226,434	156,558	97,945	480,937
Net book amounts				
At 31 December 2012	57,776	2,235	26,908	86,919
At 31 December 2011	113,451	26,055	34,408	173,914

Notes to the accounts
For the year ended 31 December 2012

9. Debtors: amounts falling due within one year

	2012	*2011*
	£	£
Prepayments and accrued income	526,196	501,908
Other debtors	528,260	1,045,938
	1,054,456	1,547,846

Other debtors include a deferred tax asset of £50,770 (2011 £84,750) falling due after more than one year

10. Creditors: amounts falling due within one year

	2012	*2011*
	£	£
Subscriptions received in advance	641,969	674,628
Other creditors	2,556,271	2,754,712
Other tax and social security	371,769	260,117
	3,570,009	3,689,457

Notes to the accounts

For the year ended 31 December 2012

11. Provision for liabilities and charges

A provision of £14,000 was made in 2012 for dilapidation to BIBA premises The provision at 31 December 2012 was £57,016 (2011 £43,016) and the provision for dilapidations was estimated by a qualified surveyor

12. Defined benefit pension scheme

The company operates a funded defined benefit pension scheme, the British Insurance Brokers' Association Retirement Benefits Scheme The Scheme funds are administered by Trustees and are independent of the company's finances Contributions are paid to the Scheme in accordance with the recommendations of an independent actuarial advisor

Actuarial valuations are carried out triennially for funding purposes, the most recent being dated 1 January 2011 The most significant assumptions used for that valuation were an expected return on investments of 5 2% per annum before retirement and 4 8% per annum after retirement For the 2011 valuation, no allowance was made for future salary growth since the last remaining active member left the Scheme on 31 July 2011 On this ongoing valuation basis, the Scheme had a funding deficit of £25,000 as at 1 January 2011

Over the year to 31 December 2012, deficit reducing contributions by the company of £175,857 (2011 £184,164) were made to the scheme, with no further (2011 £29,488) gross contributions being made to the Scheme The contributions which have been agreed to remove the ongoing deficit in the Scheme are £14,654 each month increasing by 3 2% on 1 January 2013 and by 3 2% on each 1 January thereafter These contributions are payable for 7 years and 7 months from 1 July 2012, as set out in the Recovery Plan dated 22 January 2013 However, no further contributions are needed to finance benefits still accruing as the last remaining active member left the Scheme in 2011

As required by FRSSE, the defined benefit liabilities have been measured using the projected unit method The value of the liabilities has been determined by an independent qualified actuary in accordance with the requirements of paragraph 1 of Appendix II to the Financial Reporting Standard for Smaller Entities (FRSSE), based on the results of the 2011 actuarial valuation and updated to 31 December 2012

The following table sets out the key FRSSE assumptions used for the scheme

Assumptions	2012	2011	2010
Price inflation (RPI)	2 90% pa	3 00% pa	3 50% pa
Price inflation (CPI)	2 15% pa	2 00% pa	2 75% pa
Discount rate	4 50% pa	5 00% pa	5 60% pa
Pension increases (LPI) (RPI max 5%)	2 90% pa	3 00% pa	3 50% pa
Pension increases (LPI) (RPI max 5%, min 3%)	3 35% pa	0 00% pa	0 00% pa
Salary growth	0% pa	0% pa	0% pa

Notes to the accounts

For the year ended 31 December 2012

12. Defined benefit pension scheme (continued)

The following table sets out as at 31 December 2012, 2011 and 2010 the fair value of assets, a breakdown of the assets into the main asset classes, the present value of the FRSSE liabilities and the surplus of assets above the FRSSE liabilities (which equals the gross pension asset)

Asset distribution and expected return

Components	*2012 Expected Return*	*2012 Fair value £000*	*2011 Expected Return*	*2011 Fair value £000*	*2010 Expected Return*	*2010 Fair Value £000*
Equities	7 00% pa	1,681	7 00% pa	1,227	7 0% pa	1,313
Bonds	4 25% pa	4,315	4 75% pa	3,798	5 5% pa	3,670
Other	3 50% pa	127	3 50% pa	265	3 5% pa	54

Balance sheet	*2012 £000*	*2011 £000*	*2010 £000*
Total fair value of assets	6,123	5,290	5,037
Present value of liabilities	(5,916)	(5,136)	(4,766)
Asset not recognised due to limit on recognisable surplus	(207)	(154)	(75)
Gross pension asset/(liability)	-	-	196
Related deferred tax (liability)/asset	-	-	(55)
Net pension (liability)/asset	-	-	141

The amounts charged to operating profits and other finance income are given below

Amount charged to operating profit	*2012 £000*	*2011 £000*
Current service cost	-	15
Past service cost	-	-
Settlements and curtailments loss/(gain)	-	-
Total operating charge	-	15

Amount charged to other finance income	*2012 £000*	*2011 £000*
Interest on scheme liabilities	257	267
Expected return on assets	(283)	(297)
Restriction due to limit on recognised surplus	26	15
Net return	-	(15)

Notes to the accounts
For the year ended 31 December 2012

The components of the statement of total recognised gains and losses are shown below

12. Defined benefit pension scheme (continued)

Amount recognised in STRGL	*2012* *£000*	*2011* *£000*
Actual less expected return on assets	374	(258)
Experience (losses)/gains on liabilities	(29)	74
Effect of change in assumptions on liabilities	(494)	(162)
Effect of limit on recognisable surplus	(27)	(64)
Actuarial (deficit)/surplus recognised in STRGL	(176)	(410)

An analysis of the movement in the net pension liability (after adjusting for deferred taxation) over the year is given below

Movement in surplus/(deficit) over the year	*2012* *£000*	*2011* *£000*
Surplus/(deficit) in scheme at start of year	-	141
Current service cost	-	(15)
Cash contributions	176	214
Past service costs	-	-
Other finance expenditure	-	15
Actuarial (deficit)/surplus	(176)	(410)
Deferred taxation	-	55
Surplus in scheme at end of year	-	-

13. Other financial commitments

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	*2011* £
Operating leases which expire		
In two to five years	137,333	137,333
After five years	1,683	1,683
	139,016	139,016

The commitment in respect of operating leases which expire within one year includes leasehold property

Notes to the accounts
For the year ended 31 December 2012

14. Reconciliation of movements of reserves

	Profit and Loss account £	*2012 Total* £	*2011 Total* £
At 1 January 2012	1,364,596	1,364,596	1,502 652
Retained surplus for the year	251,575	251,575	174,144
FRS 17 actuarial (loss)/gain	(176,000)	(176,000)	(410,000)
Movement on deferred tax related to pension liability	35,200	35,200	97,800
At 31 December 2012	1,475,371	1,475,371	1,364,596