

WILTSHIRE



FRIENDLY

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SOCIETY LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

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# WILTSHIRE FRIENDLY SOCIETY LIMITED

## NOTICE OF ANNUAL GENERAL MEETING 2019

Notice is hereby given that the Annual General Meeting of Wiltshire Friendly Society Limited will be held at Holloway House, Epsom Square, White Horse Business Park, Trowbridge, BA14 0XG, on 19 June 2019 at 10.00am, to confirm the Minutes of the Annual General Meeting held on 19 June 2018 and for the following purposes:

1. To receive and, if approved, adopt the Annual Report and Accounts for the year ended 31 December 2018.
2. To approve the Board Remuneration Report for the year ended 31 December 2018<sup>^</sup>.
3. To re-elect members of the Board of Management as listed below.

Name	Occupation	Board Member Since
Roger Harrison *	<i>Financial Adviser</i>	05/2005
Martin Gurney *	<i>Chartered Accountant</i>	12/2005
Margaret Pedder *	<i>Human Resources Specialist</i>	07/2009
David Bones *	<i>Cost &amp; Management Accountant</i>	07/2009

Board Members marked \* are subject to annual re-election.

4. To re-appoint Moore Stephens as Auditor.
5. To appoint the Arbitrators to serve for the coming year:  
Mr M I Stillwell  
Mr W J Pepler  
Mr C C Cheshire OBE
6. To consider and, if agreed, re-appoint the Rules Committee in accordance with Society Rule 44.1.
7. To transact any other business not requiring notice of motion.

<sup>^</sup>The Board Remuneration Report: You are asked to approve the Board of Management Remuneration Report by way of an advisory vote. This is not a legal requirement, but your Board considers it to be best practice for members to be able to express a view on this matter. The report can be found on page 37 of these statements.

**The Society's Financial Statements for the year ended 31 December 2018, which includes the Board Report, the Auditor's Report and the Directors' Remuneration Report, can be found on the Society's website at [www.wiltshirefriendly.com](http://www.wiltshirefriendly.com). Members may also request paper copies.**

**By Order of the Board of Management**



**Lee Davis**  
**Secretary**

Holloway House  
Epsom Square  
White Horse Business Park  
Trowbridge  
BA14 0XG

**8 May 2019**

Please see the map on page 40 for directions to Holloway House.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**BOARD OF MANAGEMENT AND PROFESSIONAL ADVISERS**

Position	Name		Occupation
Chair	R T Harrison		<i>Financial Adviser</i>
Vice Chair	D C Bones		<i>Cost &amp; Management Accountant</i>
Non-executive Board Member	M S Gurney		<i>Chartered Accountant</i>
	Mrs M A Pedder		<i>Human Resources Specialist</i>
	L S Paul	**	<i>Gas Central Heating Specialist</i>
	Mrs C J Whitehead	**	<i>Marketing Consultant</i>
Chief Executive	J S Gratland		<i>Executive Director</i>
Secretary	L Davis		

(\*\*Denotes non-executive Board members who are independent within the meaning ascribed by the UK Corporate Governance Code annotated for Mutual Insurers)

Arbitrators	M I Stillwell, W J Pepler, C C Cheshire OBE
Actuary to the Society	<i>S Butters FIA</i> OAC, 141-142 Fenchurch Street, London, EC3M 6BL
External Auditor	<i>Moore Stephens</i> 30 Gay Street, Bath, BA1 2PA
Internal Auditor	<i>HW Controls &amp; Assurance Limited</i> 30 Camp Road, Farnborough, GU14 6EW
Bankers	<i>Lloyds Banking Group</i> 64 Fore Street, Trowbridge, BA14 8EU
Solicitors	<i>Forrester Sylvester Mackett</i> Castle House, Trowbridge, BA14 8AX
Stockbrokers & Investment Advisers	<i>LGT Vēstra LLP</i> 14 Cornhill, London, EC3V 3NR
Registered Office	Holloway House, Epsom Square, White Horse Business Park, Trowbridge, BA14 0XG
Website	www.wiltshirefriendly.com

Wiltshire Friendly Society Limited is Authorised by the Prudential Regulation Authority and Regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Number 110053

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### THE BOARD OF MANAGEMENT

#### **Roger Harrison – Chair**

Financial Adviser. Non-executive member of the Board since May 2005, Chair of the Governance Committee as well as a member of the Investment and the Product Steering Committees. Partner in Positive Solutions (Financial Services) Ltd since 2003. Adviser, Zurich Financial Services, 1997–2003. Partner in a family owned business in the leisure industry in Cornwall 1987 – 1997 and Architectural Technician 1982–1987.

#### **David Bones ACMA – Vice Chair**

Cost and Management Accountant. Non-executive member of the Board since May 2009, a member of the Investment and Product Steering Committees and chairs the Audit and Risk Committee. Finance Director and Company Secretary of Lyons Seafoods Ltd. since 1998, where he also has responsibility for the IT systems of the company. David worked in the brewing industry for Grand Metropolitan (now Diageo) 1979–1989, before spending 10 years in the branded and wholesale drinks industry at Mathew Clark, 1989–1998 where he also became Finance Director.

#### **Martin Gurney BA (Hons) FCA**

Chartered Accountant. Non-executive member of the Board since December 2005, a member of the Audit and Risk Committee, and chairs the Investment and Product Steering Committees. Partner in Haines Watts Chartered Accountants, one of the top 20 of the UK's largest accountancy practices providing accountancy, tax and audit services to a wide variety of businesses and individuals.

#### **Leonard Paul**

A member of the Society since 1998. Non-executive Board member since July 2011. Member of the Governance, Rules and Staffing, Salaries and Nominations Committees. Was Western Regional Sales Manager with a leading boiler manufacturer until setting up own business in 1998 operating in the gas central heating and service industry.

#### **Caroline Whitehead**

Non-executive member of the Board since October 2017, member of the Audit and Risk, Product Steering and the Staffing, Salaries and Nominations Committees. A Communications professional having run her own corporate communications business successfully for 20 years and employing a staff of 15. Financial services experience over the last 35 years working for a variety of organisations including banks and insurance companies. Governor and Trustee for a number of charitable organisations.

### SENIOR INDEPENDENT BOARD MEMBER

#### **Margaret Pedder MCIPD**

Human Resources Specialist. Non-executive member of the Board since May 2009, Chair of the Staffing, Salaries and Nominations Committee and a member of the Audit and Risk Committee. Human Resources professional since 1990 and, since 2003, Director of iAupro consultancy providing HR contract services to corporate clients and charities. Has previously served as a Trustee of the Army Families Federation and The Military Wives Choir Foundation and is a lay member of the Army Benevolent Fund Grants Committee, charities which promote the welfare and wellbeing of soldiers and their families.

### CHIEF EXECUTIVE

#### **Jon Gratland**

Appointed Chief Executive from 1 November 2016. Jon has over three decades of experience in Financial Services, having worked in bank, building society and insurance company environments, latterly in senior sales and operations roles with Eagle Star and AXA. In 2005 he formed Glacier Point Consulting Limited, providing business consultancy services to predominantly financial services clients. Jon had been a consultant to the Society for a number of years, working with the Society Board of Management in developing, and implementing, the Society's strategy.

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### CHAIR'S STATEMENT

I am very pleased to introduce the 2018 Annual Report and Accounts for Wiltshire Friendly Society.

#### Strategy

Our key strategy remains to provide innovative income protection products to specific markets via our in-house sales team and intermediary partners. Our size and expertise in the income protection market place allows us to be flexible with the products that we offer and new business is being gained with this market specialist approach.

Our rolling strategic plan continues, designed to improve our processes and identify the most cost effective lines of business to pursue in the future. 2018 was a year of consolidating our position and focussing our efforts on the initiatives and product areas that give us best results – namely our core Holloway and Group business. We have continued to invest sales resource and effort in developing our Sports proposition, which has grown from our initial Rugby offering. We see great potential from the wider sports market and feel we have the expertise and products to capitalise on this opportunity.

Our mission remains clear – to build on the solid foundations already established by our Holloway membership and to grow an independent, flourishing Society for all our members, employees and stakeholders alike.

#### Society Performance

The Society's performance continued to remain stable throughout 2018.

Whilst we have not yet seen the levels of new business growth we would have hoped for, we remain positive about our future performance.

One of our key challenges is to evolve the business into new product areas, acknowledging that our Holloway membership is naturally declining. In 2018 the number of Holloway policies decreased by 6%, however the members in our Group schemes increased by 62% illustrating the shift in our new business targeting. Our performance overall had a net effect of reducing the membership losses to 88, as opposed to 210 in 2017, and this reduction in lost memberships is a positive sign which we aim to further improve in 2019.

Our operating expenses are very similar to last year, increasing marginally by just over 1%, which reflects our ongoing management controls. Our overall claims payment expense reduced to £793,000 in 2018 from £937,000 in 2017 though the percentage of claims paid remains high as explained below.

Our investments performed relatively well under the guidance of our appointed Investment Advisers, LGT Vestra, experiencing a fall in total investment value in the final quarter of 2018 due to adverse market conditions, namely Brexit and US political and trade tensions. However, we have still achieved an income return of 3.38%. The Society's portfolio is strategically positioned and managed to minimise the effects of market fluctuations, and maximise investment opportunities within our risk appetite, and has already recovered in 2019 as the financial markets improve.

On the recommendation of the Actuary to the Society, I am pleased to report that the Bonus and Terminal Bonus rates have been broadly maintained in 2018, with a marginal reduction of £0.50 per unit being reflected only in the Apportionment rate for pre 2013 Holloway memberships.

The Society's Free Asset Ratio (as a percentage of admissible assets) decreased to 18.8% (2017: 20.2% (restated)). This reduction is due primarily to a reduction in the value of our investments during the last quarter of 2018. However, despite this reduction, our 2018 Free Asset Ratio continues to underline the solid financial strength of the Society.

#### Membership

As a mutual Society our aim is to give our members a very high standard of service and to be there for them when they need us most. In 2018 the Society paid 94.90% of all claims received, and 97.01% of all claims received in the last three years. Claims payment therefore remains a key focus and I am pleased to report that these results are above the Financial Mutual Sector average (as published by the Association of Financial Mutuals).

We continue to find ways to support our existing members. In the 2012 Rules change we took the initiative to increase the retirement ages of our pre 2013 memberships to reflect the change in State Pension ages. This is a positive benefit for those affected members, enabling them to remain protected until their increased state retirement age, unless they tell us otherwise and wish to retire earlier.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**CHAIR'S STATEMENT (CONTINUED)**

**Board of Management**

We continue to maintain a stable Board of Management, there has been no change to its structure in 2018. The Society continues to support the development of the Board members through targeted and relevant training and development.

I work with a Board that is professional, experienced and highly engaged in the management of the Society.

**Looking Ahead**

In 2019 we have a number of clear challenges.

Initially we need to grow our new business in our new product markets. We feel that we are well placed, have the appropriate employee resources and a clear direction for them to follow under our sales strategy. Our aim is to increase both new business premiums and to grow our membership numbers.

We will continue to focus on cost control to ensure our operating expenses are relevant to the size of our business.

In a regulatory world that is always changing, we continue to develop our governance controls to ensure regulatory compliance and safe stewardship of the Society on behalf of its members. The Society added a Governance Committee in 2018 to support this very purpose.

We look forward to a successful year in ensuring the Society remains both relevant and viable for its members.

**Thanks**

The ongoing and future success of the Society is a credit to the hard work and ongoing commitment from our wonderful employees and I would like to thank them for their continued support and enthusiasm.

I would also like to thank my fellow Board members for their support, expertise and commitment to developing the Society in what we hope is a bright and independent future.

Lastly, on behalf of the Board, I would like to thank our members for their loyalty to the Society and we look forward to continuing with the high level of service that our members depend upon.

Yours sincerely



**Roger Harrison**  
**Chair**

**8 May 2019**



# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### REPORT OF THE BOARD OF MANAGEMENT

The Board of Management (“the Board”) has pleasure in presenting its report and the financial statements for the year ended 31 December 2018.

#### Principal Activity

The principal activity of the Society throughout 2018 continued to be the provision of income protection insurance based on the “Holloway System”, which protects against the loss of income arising from illness or injury and is intended at the same time to build up a lump sum to be available on retirement. The Society also conducted Group income replacement business with employers, and directly to employees and members of sports and leisure clubs, on a pure protection basis. In the opinion of the Board the Society has not carried out any activities outside its powers in the year to 31 December 2018.

#### Society Culture

As a mutual, the Society’s primary aim is to care for its members and to ensure that the business is run in a way that benefits them. That level of care is extended also to external customers and members of the future.

The Society has a set of ‘Values’ recognised as relevant to its employees, members and customers. These ‘Values’ are the principles believed to be important to the business and come from the Society’s purpose.

The Society’s ‘Values’ are defined as:

- **Mutual:**
  - Focused and committed to mutuality as both valid and valuable in the future.
  - Our decision making is driven by our members’ best interests.
  - A business model promoted to the external market.
- **Inclusive:**
  - Believing in ‘income protection’ as bringing financial and emotional value to members.
  - Open to all.
  - Fair claims are paid.
- **Supportive:**
  - We act fairly.
  - Providing practical support for our employees and members.
  - We will make the tough decision when it’s right, being supportive in the outcome.

These ‘Values’ are what makes the Society different and defines it to the outside world. They are the foundations for how the Society goes about its work, they impact the processes used every day and must be common to all employees and the Board.

#### Business Review

Contribution income reduced slightly to **£1,610,000** (2017:- £1,644,000). Performance remained stable at a time when the Society is undergoing a strategic change in direction as explained later in the Strategic Report. The development of new business income growth was slower than hoped for, as the Society worked hard to enter new markets. We remain satisfied with progress to date and with the strategic direction being taken in increasing both the product range and the distribution channels used to sell those products.

Sickness benefit paid during the year decreased to **£793,000** (2017:- £937,000). This reduction has not been at the expense of claims admission where the Society paid **94.90%** of all claims received during the year, bringing the average of claims paid during the last 3 years to 97.01%, which illustrates the true value of the Society’s income protection. The principal reasons for non-payment of claims during the year was due to incapacity being linked to an excluded medical condition and other Rules and plan terms and conditions not being met.

On the advice of the Actuary to the Society, the Board has reduced the rate of Apportionment to **£2.50** per unit of sickness cover (2017:- £3.00 per unit) in respect of pre 2013 memberships and in respect of New Holloway memberships, effected since 2013; **5%** of premiums paid during the year (2017: 5% of premiums paid). The Apportionment for commuted members has been maintained at **£18.00** per unit of non-sickness cover (2017:- £18.00 per unit).

The rate of Bonus has been maintained at **2.5%** for balances below £5,000 (2017:- 2.5%) and **2.75%** for balances of £5,000 and above (2017:- 2.75%). Terminal Bonus has also been held at the 2017 level of 10% for members who retired or commuted their membership during the year and for those will who do so during 2019.

#### Society Membership

During the year the net reduction in total memberships was **88** (2017:- 210). This is a positive movement towards the Society’s aim of growing the number of memberships through its increased product range and widened distribution.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)**

**Investments**

Total investment income decreased slightly during the year to **£503,000** (2017:- £563,000), and the income return on invested funds, including that from property, was approximately **3.38%** (2017:- 3.50%).

During the year the Society made a net loss of **£60,000** in investment trading (2017: £58,000 net gain). The value of investments held at the end of the year included overall unrealised losses amounting to **£763,000** (2017:- overall unrealised gain £689,000).

2018 was a challenging investment year, with a number of factors both at home (Brexit) and abroad (the United States and China) resulting in poor market conditions prevailing at the end of the year. The Society balances risk with potential return, investing over the longer term, and its portfolio is strategically positioned and managed to minimise the effects of market fluctuation and to take advantage of opportunities as they present.

One of the specific investments within the Society's investment portfolio, in Lake District Biogas, experienced issues with the company going into administration in early 2019. There is a new management team and an active management plan in place, both seeking to make the business viable and saleable in either the short or longer term. The potential loss, based on a current market valuation, is not considered to materially impact the financial accounts at this point in time. The Society is working closely with its Investment Advisers to understand the changing position and its future impact on the investment value.

During the year, Suite 1 in Holloway House continued to be let on a five year contract. Suites 2 and 4 remained vacant for the duration of 2018, despite active marketing. Rental income during the year amounted to **£50,000**, (2017:- £63,000).

The Investment Committee continues to strive to achieve a balance of maximising income whilst pursuing prudent investment strategies and ensuring protection of the Society's capital.

**Operating Expenses**

During the year the Society's total expenses were **£1,152,000** (2017:- £1,133,000). Development expenses amounted to **£18,000** (2017:- £23,000). The Society's underlying core expenses, excluding development and business acquisition, increased to **£730,000** (2017:- £719,000), an increase of 1.5% due mainly to inflation and costs relating to seeking compliance against new General Data Protection Regulations.

**Holloway Members' Funds**

The value of Holloway Members' funds at 31 December 2018 was **£7,152,000** (2017: £7,400,000).

**Apportionment and Bonus**

We followed the recommendations of the Actuary to the Society and declare that the allocation of Apportionment and Bonus will be set at the following rates:

		2018	2017
<b>Members under the age of 65 or if their membership terms so permit below their State Pension Age and eligible to claim sickness benefit</b>			
Apportionment in respect of pre 2013 Holloway memberships - per standard cost unit of cover held (allocated at 50% in respect of reduced cost units and 25% in respect of low cost units)		<b>£2.50</b>	£3.00
Apportionment to post 2012 New Holloway memberships – as a percentage of contributions paid		<b>5%</b>	5%
Rates of Bonus	Balances below £5,000	<b>2.50%</b>	2.50%
	Balances £5,000 and above	<b>2.75%</b>	2.75%
<b>Commutated Members over the age of 60 ineligible to claim sickness benefit and former Life &amp; Endowment Members</b>			
Apportionment per unit held:-	Commutated Members	<b>£18.00</b>	£18.00
	Former Life & Endowment Members	<b>Nil</b>	Nil
Rates of Bonus	Balances below £5,000	<b>2.50%</b>	2.50%
	Balances £5,000 and above	<b>2.75%</b>	2.75%

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

Under current HM Revenue & Customs practice, Apportionment and Bonus are allocated and accumulate within members' funds with no direct taxation cost to individual members. The investment income recorded within these statements and from which the Society declares the bonuses is net of any underlying taxation charges and thus, so far as tax is payable, it is suffered by the Society as a whole.

#### **Terminal Bonus**

The Board also followed the recommendations of the Actuary to the Society when considering the Terminal Bonus to be allocated to members on retirement, commutation or death. The rate of Terminal Bonus is maintained at 10% for membership maturities which occur during 2019.

#### **Society prospects for the future**

The Society's principal activities, together with the strategic focus and future direction are explained in the Strategic Report in these Financial Statements. The Board assesses the viability of the Society over a five year period based on the implementation and success of the Strategic Plan. The 5 year rolling Strategic Plan was last approved by the Board in May 2018. The Board assesses the Society is currently financially strong and has the resource and capability to maintain its current operations in regards to the nature of its business, size and complexity. The Board believes the Society will continue to operate for the foreseeable future and has recurring income and can meet its liabilities. A going concern basis has been used in the preparation of these Financial Statements.

#### **Risk Management**

The Society has a robust operational and strategic risk management process. This is explained in more detail in Note 3, Risk Management and Control on page 27 of these Financial Statements.

#### **Rules Committee**

The Rules Committee was appointed under Society Rule 44.1 at the Annual General Meeting held on 19 June 2018. The Board intends to seek re-approval of the appointment at the forthcoming AGM.

#### **Statement of Solvency**

At 31 December 2018, the Society had the required margin of solvency as prescribed in the Regulations made under Section 48(2) of the Friendly Societies Act 1992 for each class of relevant business.

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### STRATEGIC REPORT

#### Principal Activities

The Society has built a strong financial base through the sale of Holloway Income Protection plans direct to its members and this remains its core function. These plans have the joint benefit of income replacement insurance with the potential to accumulate an investment value in the plan over time.

Whilst the need for this product type still exists, customer appetite has been impacted and reduced by the development of dedicated income protection plans. This reduction in sales opportunity to an established market, combined with policy attrition, impacts the sustainability of the Holloway plan as the sole source of income for the Society in the future. It is in the future interest of its members for the Society to leverage its resource and capability to increase income through new sales initiatives.

#### Strategic Focus and Future Direction

The Board remains extremely aware of the need to continually review the ongoing sustainability of the Society and ensure that its strategy is aligned to that need and ultimately those of its members.

The world of financial services remains ever changing – the needs of customers and the way they want to work with their insurer; the commercial requirements of suppliers and distributors; the regulations that govern the way we operate. We must also not forget the importance of looking after and developing the people that keep the Society running – its employees.

The Society has a Strategic Plan, which is developed and controlled by the Senior Management Team and the Board of Management – it gives clear direction on how to develop the Society for the future. We have concluded that to be successful in this changing financial world the Society must:

- focus on what it knows;
- play to its specialism;
- spread the word through targeted marketing.

The Society's strategy focuses on remaining independent, protecting its core Holloway membership base and acknowledging and adapting to changes within its market place.

Future growth and sustainability will come through driving revenue increase from new income protection initiatives, both in terms of the Society's products and distribution markets.

In terms of future product development it is very clear in the Strategic Plan that the Society must stay true to, and focus on, what it does best – income protection provision. The Society therefore promotes itself to the outside world as a 'Specialist Income Protection Provider' and seeks to find innovative ways to develop and enhance its product proposition. Niche markets are sought out and it is then the Society's flexibility in product development, together with an understanding of risk and underwriting capability, which enables it to actively pursue these new business opportunities.

The Society had been innovative in 2018 in developing its Sports proposition, offering insurance to sports players and sports clubs, using the experiences gained in selling professional rugby plans. We now have plans available at professional, semi professional and amateur levels for selected sports.

The Society is also developing its Group proposition, having specific products for employer funded and employee funded options, or a combination of both. This is a unique offering in the Group Income Protection market.

The intermediary market remains very important in delivering the Society sales growth and business written through non direct distribution channels amounted to 67% of the total in 2018, (2017:- 77%). The Society will continue to seek a balance between its intermediary and direct business acquisition in diversifying its approach to distribution.

The Society has also continued to develop the administrative resource and operational infrastructure needed to deliver the required service to members and intermediaries. Employee development is achieved through formal, structured training and development planning which is in place for all employees. This both refreshes their existing knowledge and also develops new knowledge and skills that enables them to provide temporary cover in other roles when the business requires.

One specific development, in direct support of the Strategic Plan, has been to develop the Sales Team size and capability – 2018 saw the recruitment of a Sales Supervisor and a new Society Adviser to increase the Sales Team size to four people. This development is to both strengthen the servicing and sales support provided to existing and new Holloway members and also to give further resource to new business development activities and sales initiatives.

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### STRATEGIC REPORT (CONTINUED)

The Society has a rolling Strategic Plan that articulates the business model. It is reviewed at least annually by the Board, and quarterly by the Chief Executive and Senior Management Team, to ensure it focuses on required priorities and developments in light of planned and forced external and internal changes.

The Society's Board composition remains appropriate in terms of the qualification, skill and experience required to plan, review and create the best possible chance to deliver the Strategic Plan effectively.

Close control and monitoring of the success of the Strategic Plan initiatives and costs, together with associated impact on Society capital, continues to identify any requirement to develop, amend or implement alternative plans to protect members interests.

The Board assesses that the Society remains financially strong. This is illustrated by the Free Asset Ratio of 18.8%, in the KPI report that follows. Although not required to do so, the Board chooses to carry out solvency maintenance processes beyond those required by regulation.

Furthermore, the Board has also chosen to retain the services of an Appropriate Actuary on a continuous basis, rather than simply to employ those services only to carry out the triennial valuation and provide the annual certification as now required by regulation.

In summary the Society, through its Board, aims to maintain financial strength and develop and grow through planned sales initiatives, establishing a long term independent existence and adding additional value that will benefit Society members.

#### **Brexit**

The Society has monitored events since the referendum and continually assesses the impact that Brexit would have on the Society and its operation. As the Society currently distributes only in the UK there is no direct impact on its current operation. There is an indirect impact on investments, something that is regularly considered by the Investment Committee and our appointed Investment Advisers, LGT Vestra.

#### **Key Performance Indicators ("KPIs")**

The Board has developed a number of KPIs that are regularly reported and analysed, enabling timely decision making and action required to address underperformance.

The principal KPIs are set out on the following page together with the Society performance for year ended 31 December 2018. More detail of the Society's performance can be found in the other sections of these statements.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

**STRATEGIC REPORT (CONTINUED)**

	2018	2017 Restated	2016 Restated
<b>Premium Income</b>	£000	£000	£000
New Premium Income	67	114	125
Established Member Premium Income	1,543	1,530	1,538
<b>Total Premium Income</b>	<b>1,610</b>	<b>1,644</b>	<b>1,663</b>

**Expenses**

Core Operating Expenses	730	719	787
Ratio of Operating Expenses to Premium Income	45.35%	43.67%	47.35%
Total Investment Expenses	124	104	86
Total Selling Expenses	280	287	297
Total Business Development	18	23	48
<b>Total Expenses</b>	<b>1,152</b>	<b>1,133</b>	<b>1,218</b>

**Benefit Claims**

Ratio of Benefit Claims to Total Premium Income	49.26%	57.02%	57.84%
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**Assets**

Total Assets	15,255	16,471	16,327
Admissible Assets (i)	15,188	16,385	16,216
Free Assets (ii)	2,862	3,317	2,060
Free Asset Ratio (as a percentage of admissible assets)	18.8%	20.2%	12.7%

- (i) Admissible assets represent the value of the Society's assets after adjustments to reflect those assets which the Society is not permitted by legislation to include within its statutory solvency calculations.
- (ii) Free assets are a measure of the Society's solvency, most Societies aim to maintain a Free Asset Ratio of between 10% and 25%, and therefore the Society is in the middle of this range.

The Free Asset Ratio has decreased this year due primarily to:

- an increase in the expenses reserve; and
- an increase in unrealised investment losses as at 31 December 2018.

**Membership**

	2018	2017	2016
Number of Lives Insured	3,141	3,199	3,375
Number of Policies	4,478	4,566	4,776

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### CORPORATE GOVERNANCE

The Board of Management (“the Board”) comprises of the Chair, who is Non-executive, together with five other Non-executive Board members. The Board determines the strategic direction of the Society and is responsible for the oversight of the Society’s systems of corporate governance.

The Board is committed to diversity of its construction, in terms of both experience and gender. The Non-executive Board members have a mix of skills and experience in key business functions appropriate to the Society’s current and future business requirements. One of the Non-executive Board members is a Society member. The Senior Independent Board Member and an additional member of the Board are female.

The Chief Executive attends all Board meetings on an ex officio basis. The Senior Management Team also attends all Board meetings in an executive capacity.

The Board has full access to all information that it may require and Non-executive Board members may avail themselves of such independent specialist advice, at the Society’s expense, as they deem necessary for the performance of their duties.

The size of the Board is prescribed, within specified limits, by the Society’s Rules (“the Rules”) and Non-executive Board members who are below the age of 70 are elected in accordance with those rules. All Non-executive Board members are required to retire by rotation on a triennial cycle and may offer themselves for re-election if eligible. In accordance with the UK Corporate Governance Code annotated for Mutual Insurers (“the ACGC” / “the Code”), all Non-executive Board members who have served for more than nine years are subject to annual re-election. The Society’s Rules do not prescribe an upper age limit for Non-executive Board members. Non-executive Board members who are over the age of 70 are not eligible for co-option and are subject to annual re-election by Society members.

In order to effectively discharge its duties the Board has delegated some of its functions to five Board Committees. All Non-executive Board members are required to serve on at least one Committee. Appointment to a particular Committee takes into account the specialist skills of individual Non-executive Board members. The full Board of Management meets at least six times per year and each Board Committee at least twice. Strategic development and business planning is dealt with by the full Board at a meeting called specifically for that purpose.

The Society does not have a separate standing Nominations Committee but the remit of the Staffing, Salaries and Nominations Committee includes oversight of the appointment of appropriately qualified individual Non-executive Board members as the need arises.

The Society provides appropriate training to Non-executive Board members at appointment and on an ongoing basis.

An annual process is in place to appraise Board performance, to include the role of the Chair specifically, and to assess and identify specific development needs and requirements of individual Non-executive Board members.

In conjunction with the appraisal of its individual members, the Board also reviews its composition and appropriateness in meeting its functional requirements. This review either confirms the suitability of the Board composition or identifies required changes. At the end of 2018 the Board assessed its composition as suitable in meeting its functional requirements.

The Board has formed a Board Succession Plan that takes account of the requirements of the Society’s governance in conjunction with the ACGC, together with Non-executive Board member tenure and their future intentions. This plan will ensure that the Board composition continues to remain suitable into the future.

The Board also has a process in place to regularly assess the Chief Executive’s performance, including meetings without the presence of the Chief Executive or the Senior Management Team.

#### **Audit & Risk Committee**

The Committee, which meets at least twice per year, is headed by Mr Bones and in addition comprises of three other Non-executive Board members, currently Mr Gurney, Mrs Pedder and Mrs Whitehead. The Board Chair and the Chief Executive also attend meetings in an advisory capacity only. The Society’s skills mix assessment has determined that membership of this Committee should include at least one member of the accountancy profession. At present there are two with relevant current experience of audit and corporate finance.

The principal function of the Committee is to oversee the Society’s internal and external audit functions and its risk assessment and mitigation procedures and programmes. The Committee also agrees the Society’s internal audit strategy and the associated rolling audit programme. The Committee meets with Auditors to discuss and receive their reports and is responsible for ensuring that those audits are performed in a thorough and objective manner. Procedures exist whereby the Committee also meets with Auditors at least once per year without the presence of the Chief Executive or Senior Management Team.

The Society’s External Auditor is Moore Stephens. The Committee assesses the effectiveness of the Auditor on an annual basis and makes recommendation to the Board as to re-appointment. The Auditor provides no other non-audit services to the Society.

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### CORPORATE GOVERNANCE (CONTINUED)

#### Investment Committee

The Committee, which meets at least twice per year, is headed by Mr Gurney and in addition comprises of the Chief Executive and two other Non-executive Board members, currently, Mr Harrison and Mr Bones. Mr Karn served on this Committee until his retirement as Chair of the Society in June 2013 and continues as a consultant to the Committee but as a non-Board member. The Society's skills mix assessment has determined that membership of this Committee should include members of the accountancy profession and professionals with skills in investment advice and economics. The terms of reference of this Committee includes provision for emergency action by any two members in the event of deteriorating market conditions requiring urgent action. Meetings are attended by the Society's professional Investment Advisers.

The principal function of the Committee is to set the strategy for the investment of members' funds and reserve funds and to set benchmarks for, and to oversee, the activities of appointed external Investment Advisers. In setting the strategy the Committee seeks advice from specialist Investment Advisers and the Actuary to the Society.

#### Staffing, Salaries & Nominations Committee

The Committee, which meets twice per year, is headed by Mrs Pedder and in addition comprises two other Non-executive Board members, currently Mr Paul and Mrs Whitehead. The Board Chair and the Chief Executive also attend meetings in an advisory capacity only. Mrs Pedder is a Human Resources specialist and the Board is satisfied that this Committee has the necessary skills. The ACGC as applicable to smaller firms requires two members of this Committee to be independent within the meaning ascribed by the Code. In 2018 Mrs Pedder, Mr Paul and Mrs Whitehead meet the criteria for independence and the Board considers this to be acceptable. Mrs Barrell also attends in an advisory capacity.

The principal function of the Committee is to review the Society's human resource requirements, to review remuneration and to make recommendation to the full Board for ratification. When required, the Committee will oversee the nomination and appointment of new Non-executive Board members.

The Society formed two new and additional Committees in the year, to increase its governance support and controls at a time when the Society is developing under the Strategic Plan.

#### Product Steering Committee

This Committee previously existed as an operational Committee responsible for steering the development of the business and its products. The Product Steering Committee became a formal Committee in January 2018 in view of the importance of the new strategic direction the Society was taking and will continue to pursue.

The Committee meets four times a year, is headed by Mr Gurney and in addition comprises the Chief Executive and three other Non-executive Board members, Mr Harrison, Mr Bones and Mrs Whitehead. The Society's skills mix assessment has determined that membership of this Committee should include at least one member of the accountancy profession and one member with sales and marketing experience. Mrs Barrell also attends in an advisory capacity.

The principal function of the Committee is to consider, set and report to the Board on the Society's sales and marketing strategy and outcomes in line with the Society's corporate strategic objectives. It also considers and reports to the Board on risks inherent within the Society's sales and marketing strategy, together with the oversight of the Society's sales and marketing activities.

#### Governance Committee

This Committee was formed in April 2018. It considers, documents and reports to the Board on the Society's Governance Framework, in line with the Society's corporate strategic objectives. It also considers and reports to the Board on risks inherent within the Society's Governance Framework and oversees the Society's governance activities. It also forms, reviews and assesses the Society's Conduct Risk policy.

The Committee meets four times a year, is headed by Mr Harrison and in addition comprises of the Chief Executive and one other Non-executive Board member, Mr Paul. Mr Davis also attends in his role as Governance and Compliance Manager.

#### Operational Committees

There are additional operational Committees, which include members of the Senior Management Team, the Chief Executive together with employees from the Operational Team, having responsibility for general oversight of New Business and Benefit Claims underwriting.



**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**CORPORATE GOVERNANCE (CONTINUED)**

**Board Attendance Record**

Attendance during the year, at Board and Board Committee meetings by individual Non-executive Board members is as shown below.

Board Member	2018		2017	
	Meetings Attended	Relevant Meetings	Meetings Attended	Relevant Meetings
Roger Harrison	18	20	11	12
Martin Gurney	15	15	11	11
Margaret Pedder	9	11	9	11
David Bones	12	15	10	11
Leonard Paul	9	9	9	9
Caroline Whitehead <i>(from 01/10/17)</i>	15	16	3	3
Julian Long <i>(until 13/06/17)</i>	-	-	2	6
Jon Gratland	20	20	12	12

The Society's Governance & Compliance Manager, Lee Davis, Finance & Commercial Manager, Sarah Barrell, and IT Services & Data Manager, Edward Smith, also attend and participate in all Board and designated Board Committee meetings to ensure that there is an acceptable balance of executive presence at meetings.

The Society's former Chair, Roger Karn, attends all Investment Committee meetings on a consultancy basis.

The number of meetings attended this year has increased as a consequence of the new Product Steering and Governance Committees.

**The UK Corporate Governance Code**

The Society continued to work in accordance with the UK Corporate Governance Code annotated for Mutual Insurers. The Code applies to both large and small companies, with some exemptions applying to small companies. The Society falls within the latter classification and so is exempt from some of the principles which apply only to larger companies.

Like all Mutual Insurers the Society must voluntarily comply with the Code, or explain why it does not – the Board believes the Society met this requirement.

**Independence of Non-executive Board members including the Chair**

The ACGC sets out how a Non-executive member of the Board can be considered independent. The criteria are that a Non-executive Board member should not:-

1. have been an employee of the Society within the last 5 years;
2. have had a material business relationship with the Society within the last 3 years either directly or indirectly;
3. receive any additional remuneration, over and above normal fees and expenses, such as share options or profit related remuneration;
4. have served on the Board for more than 9 years.

In addition the Board should consider whether Non-executive Board members are independent in character and judgement and whether there are any other circumstances that might, or could, affect his or her views.

Having considered and given due regard to the criteria stated above, the Board is satisfied its members can be considered independent in respect of criteria 1 to 3, and the general requirements stated. At the date of these statements four members of the Board are not deemed independent but only by virtue of their length of service. These are Messrs Harrison, Bones, Gurney and Mrs Pedder who are subject to annual re-election.

The Board strongly believes that, in the context of this Society and its Board, length of service does not adversely affect the views or actual independence of long serving Non-executive Board members. Nor does it believe that it adversely affects their ability to continue to act in the best interests of the Society's members. Furthermore it is considered to be of positive benefit to members and to the Society

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### CORPORATE GOVERNANCE (CONTINUED)

as a whole that Non-executive Board members who have long experience of the Society and its operations continue to serve, if necessary beyond the 9 years recommended by the ACGC, provided they continue to demonstrate independence of view.

However, the Board believes there should be a reasonable ratio of newer to longer serving Non-executive Board members, which at 31 December 2018 was 33% (2017:- 67%). In the opinion of the Board, the ratio at the end of 2018 remains acceptable and complies with the Code.

#### Senior Independent Board Member

The ACGC also recommends that a Non-executive Board member, who meets the criteria of independence, should be appointed to the post of Senior Independent Board member. This post carries with it the responsibility to listen to the views of Society members and to develop a balanced understanding of any issues or concerns that they may have, or should have, and to communicate these to the Board for consideration and action.

Mrs Pedder has been appointed to this role and members who wish to do so may get in touch with her using the contact details to be found in the "Who's Who" section on page 39. The Society will appoint a new Senior Independent Board Member in 2019 due to Mrs Pedder no longer being deemed independent only by virtue of her length of service.

### STATEMENT AS TO DISCLOSURE TO AUDITORS

As at the date of this report each member of the Board of Management confirmed that:

- so far as the Non-executive Board member is aware, there is no information relevant to the audit of the Society's financial statements for the year ending 31 December 2018 of which the auditor is unaware;
- he/she has taken all steps that he/she ought to have taken in his/her duty as a director to make himself/herself aware of any relevant audit information and to establish that the Society's auditor is aware of that information.

### STATEMENT OF THE BOARD OF MANAGEMENT RESPONSIBILITIES

Society Rules and law require the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of its results for that period. In preparing those financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed subject to material departures being explained;
- prepare the accounts on a going concern basis unless it is inappropriate to presume the Society will continue in business.

The Board of Management is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Society. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### RE-APPOINTMENT OF AUDITORS

A resolution to re-appoint the Auditor, Moore Stephens, will be proposed at the forthcoming Annual General Meeting.

**By Order of the Board of Management**



**Jon Gratland**  
Chief Executive

8 May 2019

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**WILTSHIRE FRIENDLY SOCIETY LIMITED**

### **Our Opinion**

We have audited the financial statements of Wiltshire Friendly Society Limited (the "Society") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and FRS 103 Insurance Contracts (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the Society's financial statements:

- give a true and fair view of the state of the Society's affairs as at 31 December 2018 and of the society's deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Friendly Societies Act 1992.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to principal risks, going concern and viability statement**

As a result of the directors' voluntary reporting on how they have applied the UK Corporate Governance Code (the "Code"), we are required to report to you whether we have anything material to add or draw attention to:

- the disclosures in the Annual Report set out on pages 27 to 31 that describe the principal risks and explain how they are being managed or mitigated;
- the directors' confirmation set out on page 9 in the Annual Report that they have carried out a robust assessment of the principal risks facing the society, including those that would threaten the business model, future performance, solvency or liquidity;
- the directors' statement set out on page 9 in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting in preparing the Financial Statements and the directors' identification of any material uncertainties in the Society's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements; or
- the directors' explanation set out on page 9 of the Annual Report as to how they have assessed the prospects of the Society, over what period that have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Society will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualification or assumptions.

We have nothing to report in respect of these matters.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Our Assessment of Risks of Material Misstatement**

We identified the following risks that we believe to have had the most impact on our audit strategy and scope:

- the valuation and ownership of the Society's investments at the year end and the recording of transactions throughout the year;
- the Society's valuation of its long term business provision;
- the application of revenue recognition accounting; and
- the risk of fraud arising from management override of internal controls.

The way in which we formed our response to the risks identified above was as follows:

- The Society's investments: ownership and valuation - We confirmed the entirety of the holdings to independent third-party confirmations provided by the Society's Custodian. These statements were compared to known movements in the investments holdings in the year through comparison to contract notes and testing of the management's monthly investment reconciliations. We obtained from independent third parties confirmations of the prices for the purpose of subscription or redemption of interest in the underlying investments in investee funds as at 31 December 2018.

We have also tested a sample of transactions to independent documentation to confirm the underlying investment transactions during the year. Third party valuations were obtained for the Society's investment properties in the prior year. Assumptions used in these valuations

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**WILTSHIRE FRIENDLY SOCIETY LIMITED (CONTINUED)**

were assessed for reasonableness at the end of the reporting period.

- In order to address the risk around the valuation of the long-term business provision we have engaged an independent Actuarial firm as our expert to assess the work of the Society's Actuarial function and the reasonableness of estimation techniques applied.
- In order to address the risk of revenue recognition we have considered the accounting policies applied by the Society and have performed cut off testing to ensure the income has been recognised in the correct period.
- Management override of controls - we have reviewed all significant or unusual entries to ensure they are appropriate and reasonable. We have also reviewed key estimates and judgements for bias.

### **Our Application of Materiality**

In planning and performing our audit we were influenced by our application of materiality. We set certain quantitative measures and thresholds for materiality, which together with other, qualitative, considerations, helped us to determine the scope of our audit and the nature, timing and extent of the procedures performed. Based on our professional judgement we determined materiality for the Society to be £42,000 for items impacting the Statement of Comprehensive Income, which is approximately 2% of income (excluding changes in the long-term business provision). We determined materiality of £305,000 for items which require reclassification on the Statement of Financial Position, which is approximately 2% of gross assets. We agreed with the audit committee that we would report to the Board all audit differences in excess of £2,100, as well as differences below that threshold that in our view warranted reporting on qualitative grounds.

### **An overview of the scope of the audit**

The scope of the audit for the financial statements has been determined by our application of our materiality to the financial statements in association to the risks of the Society when determining the level of work to be performed. All audit work was performed directly by the audit engagement team with the assistance of appointed experts.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of the valuation of technical provisions which are subject to management judgement and estimation.

We gained an understanding of the legal and regulatory framework applicable to the Society and the industry in which it operates and considered the risk of acts by the Society which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, PRA and FCA rules, FRS 102 and FRS 103. We obtained our understanding through internal and external training and the use of an appropriately qualified and experienced audit team.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focused on laws and regulations that could give rise to a material misstatement in the Society financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- review of minutes of board meetings throughout the period;
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- review of correspondence with the PRA and FCA; and
- review of the Society's compliance plan, annual MLRO report, breaches register and Internal Audit reports.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely, as auditor of the financial statements, we would become aware of it. As in all of our audits we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that might reasonably represent a risk of material misstatement due to fraud.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**WILTSHIRE FRIENDLY SOCIETY LIMITED (CONTINUED)**

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Friendly Societies Act 1992**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements and those reports have been prepared in accordance with applicable legal requirements.

**Opinion on Corporate Governance Statements**

In accordance with our instructions from the Society, we review whether the Corporate Governance Statement reflects the Society's compliance with those provisions of the Annotated UK Corporate Governance Code specified by the Association of Financial Mutuals. We have nothing to report in respect of this review.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Society and its environment obtained in the course of the audit, we have not identified material misstatements in:

- the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Friendly Societies Act 1992 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.

**Respective responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Society or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statement**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the Financial Reporting Councils website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Auditor's responsibilities for the audit of the financial statement**

This report is made solely to the Society's Members, as a body, in accordance with the Friendly Societies Act 1992. Our audit work has been undertaken so that we might state to the Society's Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's Members as a body, for our audit work, for this report, or for the opinions we have formed.



**M Powell**  
**Senior Statutory Auditor**

**For and on behalf of Moore Stephens**  
**Chartered Accountants and Statutory Auditor**

**9 May 2019**

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018	2017 Restated
<b>Technical Account: Long-Term Business</b>			
		£000	£000
Net Earned Premium Income	4	1,610	1,644
Investment income		503	563
Unrealised gains on investments		-	689
Realised gains on investments		-	58
Change in long-term business liabilities		505	-
Other technical income		9	15
<b>Total technical income</b>		<b>2,627</b>	<b>2,969</b>
Gross benefits and claims		(800)	(939)
Claims ceded to reinsurers		7	2
Net benefits and claims		(793)	(937)
Change in long-term business liabilities		-	(37)
Bonuses, rebates & other disbursements	6	(330)	(363)
Net operating expenses	7	(1,052)	(1,052)
Direct Investment expenses and charges	7	(100)	(81)
Unrealised losses on investments		(763)	-
Realised losses on investments		(60)	-
Transfer (to)/from the Fund for Future Appropriations	10	471	(499)
<b>Total claims bonuses and expenses</b>		<b>(2,627)</b>	<b>(2,969)</b>
<b>Balance on the Technical Account: Long-Term Business and Total Comprehensive Income</b>		<b>-</b>	<b>-</b>

The above results relate wholly to continuing activities.

The Society has not presented a Statement of Changes in Equity as there are no equity holders in the Society as the Society is a mutual organisation.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2018**

	Notes	2018	2017 Restated
<b>ASSETS</b>		£000	£000
<b>Investments</b>			
Land and buildings	8	1,035	1,035
Other financial investments	8	13,840	15,047
		<b>14,875</b>	<b>16,082</b>
<b>Debtors</b>			
Arising out of direct insurance operations		6	10
<b>Other assets</b>		1	-
Tangible & Intangible assets	9	91	69
Cash at bank and in hand		116	115
<b>Prepayments and accrued income</b>			
Accrued interest and rent		115	140
Deferred acquisition costs		24	32
Other prepayments		27	23
<b>Total assets</b>		<b>15,255</b>	<b>16,471</b>
<b>LIABILITIES</b>			
<b>Members funds</b>	11	7,152	7,400
<b>Fund for future appropriation</b>	10	4,600	5,071
<b>Technical provisions</b>			
Long-term business provision	11	3,323	3,828
Claims outstanding		30	25
<b>Creditors</b>			
Arising out of direct insurance operations	12	17	19
Other creditors including taxation and social security	12	61	47
<b>Accruals and deferred income</b>	12	72	81
<b>Total liabilities</b>		<b>15,255</b>	<b>16,471</b>

These Financial Statements were approved by the Board of Management on 8 May 2019 and were signed on its behalf by:-



**Roger Harrison**  
Chair



**Jon Gratland**  
Chief Executive

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Preparation**

The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102 and Financial Reporting Standard 103 as issued by the Financial Reporting Council and the Friendly Societies (Accounts and Related Provisions) Regulations 1994 (“the Regulations”).

In accordance with FRS 103 on Insurance Contracts, the Society has applied existing accounting practices for insurance contracts, modified as appropriate to comply with applicable standards.

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain properties and financial instruments.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Society. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 1. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

After making enquiries, the directors have a reasonable expectation that the Society has adequate resources to continue in operational existence for the foreseeable future. The Society therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Contributions to the Sickness Fund (Premiums)**

In accordance with the provisions of the Friendly Societies Act 1992 contribution income is not recoverable at law. Therefore regular contributions are accounted for when due for payment but are discounted if the related membership (policy) is greater than 3 months in arrears, after which period the Society’s Rules prescribe that a member is ineligible to claim sickness benefit. New business contributions are recognised when the policy liability is set up, the contribution is due for payment and payment is received. Reinsurance premiums payable are accounted for when due for payment.

#### **Investment Income**

Income from investments is included in the Technical Account: Long-Term Business, net of any taxation deducted at source. Account is taken of dividend income when received or at the time the related investment is quoted on an “ex-dividend” basis. Income from other interest bearing investments is included on an accruals basis.

#### **Claims and Benefits**

Claims payable on maturity are recognised when the claim becomes due for payment. Claims payable on death are accounted for on notification but with effect from the date of death. Surrenders are accounted for at the earlier of the payment date or when the policy ceases to be included within the long term business provision. Where claims are payable and the contract remains in force, the claim or instalment is accounted for when due for payment.

#### **Realised and Unrealised Gains and Losses**

Realised gains and losses, being the difference between the net sale proceeds and the valuation at the previous Statement of Financial Position date or at the cost of acquisition if acquired later, are included within investment income or investment expenses in the Technical Account: Long-Term Business. Unrealised gains and losses are also reported in the Technical Account: Long-Term Business.

#### **Acquisition Costs**

In respect of insurance contracts, acquisition costs comprise of all direct and indirect costs incurred in writing new contracts and are charged in current and future accounting periods in line with margins in matching revenues. For new contracts sold through intermediaries, commission costs are amortised over the first twelve months of the contract in line with the current margins. Amortisation of intermediary commission costs are reflected in the balance sheet as deferred acquisition costs. Commission paid to the Society’s employed advisers is charged at the time of payment. All deferred acquisition costs are tested for recoverability at each reporting date. The carrying values are adjusted to recoverable amounts and any resulting impairment losses are charged to the Statement of Comprehensive Income.

#### **Apportionment and Bonuses**

Apportionment and Bonuses are recognised in the Technical Account: Long-Term Business when declared. Terminal Bonus is recognised when paid or when eligibility to claim sickness benefit under a policy is commuted.

#### **Pension Scheme Arrangements**

The Society operates a defined contribution scheme, the assets of which are held separately from those of the Society in independently administered funds. Contributions to the scheme are charged as an expense in the period to which they relate.



# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **Fund for Future Appropriation**

The fund for future appropriation represents amounts which have yet to be allocated to members. Transfers to and from the fund reflect the excess or deficiency of revenues (including premiums and investment gains and losses) over expenses (including claims) in each accounting period.

#### **Long-Term Business Provision**

The long-term business provision is determined by the Board on the advice of the Actuary to the Society as part of the annual actuarial valuation of the Society's long-term business. The provision is initially determined in accordance with the requirements of the Prudential Regulatory Authority ("the PRA") Rulebook: Non-Solvency II Firms. In accordance with normal insurance practice, certain reserves required for the statutory valuation returns are not required to be included in these accounts that are designed to present a true and fair view. This adjusted basis is referred to as the modified statutory solvency basis. These liabilities are calculated using historic Society experience and include reserves for claims which have occurred but not reported a reserve for unexpired risks and a reserve for claims already in payment.

#### **Quoted Fixed Interest and Equity Investments**

Income from investments is included in the Technical Account: Long-Term Business, net of any taxation deducted at source. Account is taken of dividend income when received or at the time the related investment is quoted on an "ex-dividend" basis. Income from other interest bearing investments is included on an accruals basis.

Investments are stated within these statements at their closing year-end mid-market values, net of any accrued income.

#### **Investment Property**

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at its fair value at the reporting date. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

An external independent valuer, having appropriate recognised professional qualifications and current experience of the location and type of property being valued, values the Society's investment property from time to time when the Board of Management deem it prudent to do so. Fair values are based on market values. Market values are the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing.

#### **Tangible Fixed Assets**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less their estimated residual value, of each asset on a straight line basis over its estimated useful life. All proprietary software of whatever cost and small equipment costing below a de-minimus level, which is currently £500, are written off in the year of purchase. The Society's Strategic Plan anticipates capital expenditure to improve systems to ensure that they are consistent with that Plan. The Board believes it to be more appropriate to write off such expenditure over four years. Assets are depreciated on the following bases:-

##### **Fixtures and Fittings**

10 years

##### **Office Fittings and Equipment**

10 years & 5 years

##### **Motor Vehicles**

4 years

##### **Computer Hardware and Office Machines**

3 years

##### **Bespoke and Specialist Computer Software**

4 years

#### **General Information**

The Society is a Friendly Society incorporated in the United Kingdom under the Friendly Societies Act. The address of the registered office is given on page 3. The nature of the Society's operations and its principal activities are set out in the Strategic Report on pages 10 to 12.

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1) Critical Accounting Judgements and Estimates

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

#### Fair Value of Financial Assets

Market observable inputs are used wherever possible. In the absence of an active market, estimation of fair value is achieved by using valuation techniques such as recent arm's length transactions, discounted cash flow analysis and option pricing models. For discounted cash flow analysis, estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yields, credit quality and maturity characteristics. This valuation will also take into account the marketability of the assets being valued.

#### Long-Term Business Provision

The valuation of insurance contracts is based on policy data held on the Society's administration systems and prudent assumptions set using internal and external data as inputs to actuarial valuation models.

The assumptions used for mortality and morbidity are based on standard industry tables, adjusted where appropriate to reflect the Society's own experience.

The assumptions used for investment returns, expenses, lapse and surrender rates are based on current market yields, product characteristics, and relevant claims experience.

The assumptions used for discount rates are based on current market risk rates, adjusted for the Society's own risk exposure. Due to the long-term nature of these obligations, the estimates are subject to significant uncertainty.

The main assumption underlying these techniques is that past claims development experience is used to project ultimate claims costs. To the extent that the ultimate cost is different from the estimate, where experience is better or worse than that assumed, the surplus or deficit will be credited or charged to gross benefits and claims within the Statement of Comprehensive Income in future years.

#### 2) Capital Management

The Society's key capital management objectives are to:

- a) ensure the Society's strategy can be implemented and is sustainable;
- b) ensure the Society's financial strength and to support the risks it takes on as part of its business;
- c) give confidence to members and other stakeholders who have relationships with the Society; and
- d) comply with capital requirements imposed by its UK regulator, the PRA.

These objectives are reviewed at least annually, and benchmarks are set by which to judge the adequacy of the Society's capital. The capital position is monitored against those benchmarks to ensure that sufficient capital is available to the Society.

The Society is required by PRA Rules to hold a minimum amount of capital. In practice the Society's business generates a Regulatory Capital Requirement (RCR) in excess of the minimum amount. At the end of 2018 the Society's available capital is more than six times the RCR. The Society also carries out an Individual Capital Assessment ("ICA") which is a better measure of the capital required to support the business. The Board intends to maintain surplus capital in excess of the RCR and the Society's ICA to meet the PRA's total capital requirements and to maintain appropriate additional margins over this to absorb changes in future capital requirements.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**2) Capital Management (Continued)**

The Capital Statement set out below, illustrates the financial strength of the Society's life business at 31 December 2018. This statement shows an analysis of the available capital resources calculated on a regulatory basis for the Society. It also shows the margins over and above the regulatory requirements and the overall surplus capital within the fund under these bases.

The total regulatory capital requirement for the Society at the year end was **£561,000** (2017 restated: £591,000).

	2018	2017 Restated
	£000	£000
<b>Capital Statement Table</b>		
<b>Fund for future appropriation</b>	<b>4,600</b>	5,071
Regulatory adjustments: Assets	(67)	(88)
Liabilities	(1,110)	(1,076)
<b>Total available capital resources</b>	<b>3,423</b>	3,907
Deduct regulatory capital requirement	561	591
<b>Free Capital</b>	<b>2,862</b>	3,316
<b>Total available capital at 1 January</b>	<b>3,908</b>	2,663
Effect of economic experience	(413)	1,500
Difference in Admissibility Limits	22	21
Changes in valuation assumptions	0	82
Effect of resilience requirements	70	250
Effect of claims in payment	191	(98)
New business and other factors	(355)	(510)
<b>Total available capital resources</b>	<b>3,423</b>	3,908

**Capital Resource Sensitivities**

The value of long-term insurance contract liabilities is sensitive to changes in market conditions and in the demographic assumptions used in the calculation such as morbidity and persistency.

Market Conditions – Assumptions are made about future investment returns and interest rates when valuing the liabilities, based on current market conditions. These also have an effect on the value placed on the assets held to support liabilities. An adverse change in market conditions may therefore reduce the level of the available capital resources.

Demographic Assumptions – Changes in the mortality, morbidity, expense or persistency experienced by the Society may result in the need to change the assumptions used to value the liabilities. This may increase or reduce the value placed on the liabilities.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**2) Capital Management (Continued)**

The table below demonstrates the sensitivity of available capital to movement in key assumptions.

<b>Potential Movement In Available Capital</b>	<b>2018</b>
<b>Variable</b>	<b>£000</b>
An increase in the morbidity rate of 10%	<b>1,486</b>
A decrease in the morbidity rate of 10%	<b>(1,180)</b>
A increase in the value of invested assets of 10%	<b>1,465</b>
A decrease in the value of invested assets of 10%	<b>(1,465)</b>

**Measurement and Monitoring of Capital**

The capital position of the Society is reviewed periodically by the Board and an ICA is carried out annually. The objectives are reviewed and actions taken where necessary to ensure the adequacy of the Society's capital position.

In the event sufficient capital is not available, actions would be taken to free additional capital by altering the asset mix of investments, or through reduction in the amount of risk being accepted thereby reducing the capital requirement. Possible future management actions would be to amend the investment strategy, reduce business volumes, reduce discretionary expenditure or reduce the level of future distributions. No management actions have been assumed in the sensitivities set out above.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**3) Risk Management and Control**

Risk management is an embedded process within the Society, from strategic through to operational levels. The Board takes an active approach to the control of risk and to the identification, mitigation and management of the principle risks of the Society.

The Society's Risk Register provides an overview of the fundamental and significant risks facing the Society. It is regularly reviewed to keep pace with changing external and internal influences.

The impact of risk crystallisation is understood through formal evaluation of the Risk Register linked to the ICA overseen by the Audit & Risk Committee. The Audit & Risk Committee regularly reports its findings and recommendation for mitigating action to the Board, both on a rolling basis and a contingent basis in the event risk(s) crystallise.

The Board ultimately takes responsibility for risk management process, review and mitigation and seeks to ensure as far as possible that the Society would take the appropriate action before the risk crystallises.

The key risks that the Society is exposed to, and the way the Society manages them, is set out as follows:

Insurance Risk

Insurance risk is the risk that arises from uncertainties as to the occurrence, amount and timing of insurance liabilities. The insurance risks to which the Society is exposed arise from morbidity, expense variances and lapse rates. Systems are in place to measure, monitor and mitigate exposure to all of these risks.

The Society's technical provisions and maturity profile as at 31 December 2018 are as follows:

Technical Provisions as at 31 December 2018	Within 1 Year	1-5 Years	5-10 Years	Over 10 Years	Total
	£000	£000	£000	£000	£000
Long Term Business Provision	13	497	778	2,035	3,323
Outstanding claims	30	-	-	-	30
<b>Total</b>	<b>43</b>	<b>497</b>	<b>778</b>	<b>2,035</b>	<b>3,353</b>

The table below shows the technical provisions as at 31 December 2017 (restated):

Technical Provisions as at 31 December 2017	Within 1 Year	1-5 Years	5-10 Years	Over 10 Years	Total
	£000	£000	£000	£000	£000
Long Term Business Provision	3	602	857	2,366	3,828
Outstanding claims	25	-	-	-	25
<b>Total</b>	<b>28</b>	<b>602</b>	<b>857</b>	<b>2,366</b>	<b>3,853</b>

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**3) Risk Management and Control (Continued)**

Details of the assumptions used to calculate the technical provisions are set out in Note 1. The impact on the policy reserves to key assumptions are shown below:

Assumptions	2018		2017 Restated	
	Change in Technical Provisions	Impact %	Change in Technical Provisions	Impact %
Reduction in Risk-free rates by 0.5% <sup>1</sup>	208	6.2%	242	6.3%
Increase in mortality by 10%	-14	-0.4%	-15	-0.4%
Increase in sickness rates by 10%	1,493	44.5%	1,623	42.1%
Increase in expenses by 10% <sup>2</sup>	1,188	35.4%	1,294	33.6%

A change in valuation interest rate would lead to a change in asset values so the impact on the available capital would be reduced.

Financial Risk

The Society is exposed to a range of market risks through its financial assets and liabilities. Financial Risk comprises Market Risk and its sub-risks, together with Credit Spread Risk and Liquidity Risk. The Board is responsible for reviewing the risks faced by the Society and approving the required level of capital to be held against each risk element.

The assets held in the insurance funds as at 31 December 2018 split by duration were as follows:

Assets as at 31 December 2018	No Maturity	Within 1 Year	1-5 Years	5-10 Years	Over 10 Years	Total
	£000	£000	£000	£000	£000	£000
Land & Buildings	1,035	-	-	-	-	1,035
Equity Investments	4,716	-	-	-	-	4,716
Fixed Interest Securities	792	-	3,030	3,095	1,978	8,895
Cash & Other	122	458	29	-	-	609
<b>Total</b>	<b>6,665</b>	<b>458</b>	<b>3,059</b>	<b>3,095</b>	<b>1,978</b>	<b>15,255</b>

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**3) Risk Management and Control (Continued)**

The assets held in the insurance funds as at 31 December 2017 split by duration were as follows:

Assets as at 31 December 2017	No Maturity	Within 1 Year	1-5 Years	5-10 Years	Over 10 Years	Total
	£000	£000	£000	£000	£000	£000
Land & Buildings	1,035	-	-	-	-	1,035
Equity Investments	5,204	-	-	-	-	5,204
Fixed Interest Securities	1,214	355	2,432	3,538	2,272	9,811
Cash & Other	111	303	7	-	-	421
<b>Total</b>	<b>7,564</b>	<b>658</b>	<b>2,439</b>	<b>3,538</b>	<b>2,272</b>	<b>16,471</b>

- Market Risk

Market risk is the risk that as a result of market movements the Society may be exposed to fluctuations in the value of its assets, the amount of its liabilities, or the income from its assets. Sources of general market risk include movements in interest rates, equity prices and property prices. The Society's Investment Strategy is kept under regular review by the Investment Committee. The Investment Committee oversees investment activity, monitors the Society's Investment Advisers and ensures that the investment policy and asset allocations are maintained in accordance with the Terms of Reference set by the Board from time to time.

The Society has appointed experienced and competent discretionary Investment Advisers to manage the risks set out above whilst also optimising investment performance within the prudent strategy and protocols laid down by the Society.

The Actuary to the Society advises on all aspects of the capital consequences of the given investment strategy and the prudent interests of the Society's members in the context of the investment of their funds.

Market risk can be further broken down into the following risks:

i) Equity price risk

Holdings in equities are by their nature subject to market movement. In order to mitigate this risk, the Society employs LGTVestra LLP as an external Investment Manager and sets investment guidelines within which they operate.

As at 31 December 2018, the Society held £4.716m (2017: £5.204m) of individual equities. A 10% reduction in this value would lead to a 13.8% decrease (2017 restated: 13.3% decrease) in the Society's available capital.

ii) Property price risk

As for equity, property holdings are by their nature subject to market movement. In order to mitigate this risk the Society employs Carter Jonas LLP to manage its portfolio of properties.

As at 31 December 2018, the Society held £1.035m (2017: £1.035m) of property. A 25% reduction in this value would lead to a 7.6% decrease (2017 restated: 6.6% decrease) in the Society's available capital.

iii) Interest rate risk

Interest rate risk exists for all assets and liabilities which are sensitive to changes in the term structure of interest rates or interest rate volatility. Due to the nature of the Society's products, the available capital may be impacted by these interest rate movements.

Asset-liability matching is performed to broadly match expected liability cash flows on a realistic basis in each fund. However, this can never be exact due to the uncertainties involved. A 10% increase in interest rates (i.e. from 1.25% to 1.38%) would lead to a 4.7% decrease (2017 restated: 5.3% decrease) in the Society's surplus capital.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**3) Risk Management and Control (Continued)**

iv) Exchange rate risk

The Society has a number of directly held equity investments in foreign currencies which present a minor exchange rate risk. The Society's holdings shown by currencies are listed below:

Equity market values by currency	2018	2017
	£000	£000
US Dollar	1,028	847
Pound Sterling	3,688	4,357
<b>Total</b>	<b>4,716</b>	<b>5,204</b>

Exchange rate risk is not hedged and so a change in the exchange rate will lead to a corresponding change in the value of assets.

- Credit Spread Risk

Credit spread risk is the risk of loss due to default by debtors, reinsurers and market counterparties of the Society in meeting their financial obligations.

At 31 December 2018 the Society held £8.895m (2017: £9.811m) of listed fixed interest securities.

These are analysed by credit rating below:

Credit Rating	2018	2017
	£000	£000
AAA	568	590
AA	2,612	2,961
A	1,407	1,570
BBB	3,783	3,450
Below BBB	275	990
Not rated	250	250
<b>Total</b>	<b>8,895</b>	<b>9,811</b>

- Liquidity Risk

Liquidity risk is the risk that the Society is unable to meet its own commitments to pay its liabilities when they become due. The Investment Committee oversees liquidity management and cash flow requirements to ensure that sufficient liquidity is available to operate the Society and meet members' claims.



**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**3) Risk Management and Control (Continued)**

Business Risks and Mitigation

The following have been identified by the Board as the significant underlying risks to the Society, together with the mitigating actions in place:

- Failure to deliver targeted results of the rolling Strategic Plan within the agreed timescales – where the Board cannot determine, or foresee, delivery of targeted results, options as to the future direction of the Society will be considered, evaluated and implemented;
- Cost over-run, unplanned costs rise as a proportion against premium income – development costs are monitored and evaluated against results for each strategic initiative, which can be reviewed or ended at any time to limit negative impact of profitability;
- Financial strength weakens – monitoring of free capital is in place as part of corporate governance and oversight;
- New business stream has adverse claims experience, impacting profitability – reinsurance has been taken to share exposure and provide further professional risk assessment structures;
- Reduction in Society membership – strategy in place to diversify and take on new members in differing markets.

In the event any or all of the above crystallise there would be an adverse effect on the Society's objectives and an impact on members, however the Board is confident that its risk strategies will mitigate inherent risk to satisfactory levels. These risks to members can be summarised as follows:

- Reduction in bonus for Holloway members;
- Inability to maintain sickness benefit;
- Reduction in member's capital.

**4) Gross Premiums Written**

	Notes	2018	2017 Restated
		£000	£000
Contributions to the Holloway sickness fund		1,610	1,644
		1,610	1,644

**5) Change in Long-Term Business Provision**

Change in technical provision		(505)	37
<b>Balance at the beginning of the year</b>		<b>3,828</b>	<b>3,791</b>
	See Note 11b	<b>3,323</b>	<b>3,828</b>

**6) Members' Apportionment and Bonuses**

Apportionment – allocated during the year	See Note 11a	108	125
Bonus – allocated during the year	See Note 11a	186	193
Terminal Bonus – paid on retirement or allocated to commuting members	See Note 11a	36	45
		330	363

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**7) Net Operating Expenses**

	2018	2017
	£000	£000
General office and administration	86	75
Administrative staff costs	588	576
Membership services	20	26
Own occupation property costs	29	31
Finance	9	9
Professional fees	99	95
Depreciation and equipment disposals	33	36
<b>Recurring operational expenses</b>	<b>864</b>	<b>848</b>
Direct cost of business acquisition	170	181
Direct cost of investment activities	100	81
<b>Total recurring expenses</b>	<b>1,134</b>	<b>1,110</b>
Product development costs	18	23
Business strategic development costs	-	-
<b>Total exceptional costs</b>	<b>18</b>	<b>23</b>
<b>Total operating expenses</b>	<b>1,152</b>	<b>1,133</b>

**Operating expenses are allocated as follows:-**

Administrative expenses	730	719
Direct and indirect cost of investment activities	124	104
Direct and indirect cost of business acquisition & strategic development	280	287
Product development	18	23
	<b>1,152</b>	<b>1,133</b>

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**7) Net Operating Expenses (Continued)**

**Total salary, pension & NIC costs in the year were as follows:-**

Sales employees (including commission)  
 Other employees

2018	2017
£000	£000
<b>59</b>	57
<b>588</b>	576
<b>647</b>	633

**External Audit fees in the year were as follows:-**

Audit fees  
 Fees for non audit work

<b>18</b>	18
<b>0</b>	0
<b>18</b>	18

**8) Investments**

	Land & Buildings	Fixed Interest	Shares & Unit Trusts	Held as Cash	Totals
	£000	£000	£000	£000	£000
<b>Valuation at the beginning of the year</b>	<b>1,035</b>	<b>9,811</b>	<b>5,204</b>	<b>32</b>	<b>16,082</b>
Net movements on invested funds	-	(536)	(45)	197	(384)
Gains/(losses) on disposals & redemptions	-	(8)	(52)	-	(60)
Unrealised gains/(losses) on revaluation	-	(372)	(391)	-	(763)
<b>Valuation at the end of the year</b>	<b>1,035</b>	<b>8,895</b>	<b>4,716</b>	<b>229</b>	<b>14,875</b>
<b>Historical Cost</b>	<b>1,711</b>	<b>9,349</b>	<b>4,180</b>	<b>229</b>	<b>15,469</b>

Holloway House is held on a long leasehold basis. Part of the office accommodation is occupied by the Society, and for valuation purposes is treated as being partially let. As at the end of 2018, one unit was fully let. Two units remain vacant and marketing activities are continuing in this respect. The property is included at its open market value of **£720,000** (2017:- £720,000) after a write down provision of **£739,000** (2017:- £739,000).

The Society's freehold property, 7 Market Street was purchased in 1980 and is let, on a 15 year lease, from October 2008, to Coventry Building Society. It is included above at its open market value of **£315,000** (2017:- £315,000).

Both properties were valued during December 2017, on a desk top valuation basis, by Emma Cowrick MRICS of Carter Jonas and at that time the Board modified the valuation of both properties in line with the revised valuations.

**Fair Value Measurement**

Fair value is the amount for which an asset could be exchanged between willing parties in an arm's length transaction. Fair values are generally determined at prices quoted in an active market (Level 1). Where such information is not available it may be possible to apply calculation techniques making use of market observable data for all significant inputs (Level 2). Where inputs are not based on observable market data, fair value is classified as Level 3.

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

8) Investments (Continued)

Fair Value Measurement

	2018			2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	£000	£000	£000	£000	£000	£000
Land and Buildings	-	-	1,035	-	-	1,035
Shares and Unit Trusts	4,716	-	-	5,204	-	-
Fixed Interest Securities	8,895	-	-	9,811	-	-
Cash and Other	609	-	-	421	-	-

9) Tangible & Intangible Fixed Assets

	Fixtures & Fittings	Equipment	Intangible Assets	Totals
<b>Cost at the beginning of the year</b>	151	99	45	295
Additions	1	14	40	55
Disposals	(139)	(1)	(16)	(156)
<b>Cost at the end of the year</b>	13	112	69	194
<b>Depreciation at the beginning of the year</b>	131	78	17	226
Charge for the year	16	7	10	33
Eliminated on disposals	(139)	(1)	(16)	(156)
<b>Depreciation at the end of the year</b>	8	84	11	103
<b>Net book value at the end of the year</b>	5	28	58	91
<b>Net book value at the beginning of the year</b>	20	21	28	69

10) Fund for Future Appropriation

Balance brought forward as previously stated

Prior year adjustment

Balance brought forward as restated

Transfer (to)/from the Technical Account - Long Term Business

Balance at the end of the year

	2018	2017
	£000	£000
Balance brought forward as previously stated	-	5,207
Prior year adjustment	-	(635)
Balance brought forward as restated	5,071	4,572
Transfer (to)/from the Technical Account - Long Term Business	(471)	499
<b>Balance at the end of the year</b>	<b>4,600</b>	<b>5,071</b>

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

	Notes	2018	2017
<b>11) Technical Provisions</b>			
<b>11a) Holloway Business</b>		£000	£000
Apportionment	See Note 6	108	125
Bonus	See Note 6	186	193
Terminal Bonus	See Note 6	36	45
		330	363
Deaths, retirements and surrenders		(565)	(708)
Forfeitures and lapses		(13)	(10)
		(248)	(355)
<b>Balance at the beginning of the year</b>		7,400	7,755
<b>Balance at the end of the year</b>		7,152	7,400

The provision in respect of Holloway business reflects sums that are in the ownership of the Society's Holloway members.

	2018	2017 Restated
<b>11b) Long-Term Business Provision</b>		
The components of the long-term business provision are as follows:	£000	£000
Reserve for:- Holloway sickness benefit	2,043	2,318
Group sickness benefit	185	155
Claims in payment	1,095	1,355
<b>Balance at the end of the year</b>	3,323	3,828

The long-term business provision represents the expected future liabilities that will arise on existing contracts. It is the anticipated excess of future sickness claims over future contributions attributable to sickness. It is calculated by the Actuary to the Society.

	2018	2017
<b>12) Creditors – amounts falling due within one year arising from:</b>	£000	£000
Insurance activities	16	19
Non-insurance activities	61	47
Other provisions and accruals	72	81
	149	147

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)**

**13) Transactions with Board Members**

During the year one Board member was also a member of the Society. Additionally payments were made to businesses connected or related to Board members. All transactions were on normal commercial terms. These were as follows:-

Internal Audit Services:- HW Controls & Assurance Limited of Farnborough the total sum of **£14,076** (2017: £12,546) was paid in respect of internal audit services. Mr Gurney is a partner within another office of the same federation. He has no direct, indirect or financial involvement in the services being provided.

Payroll Services:- HW Chartered Accountants of Trowbridge, the total sum of **£2,030** (2017: £2,034) was paid in respect of payroll bureau services. Mr Gurney was formerly a partner within that practice, and is now a partner within another office of the same federation. He has no direct, indirect or financial involvement in the services being provided.

Heating & Plumbing Services:- LSP Gas Services of Trowbridge, the total sum of **£300** (2017:- £294) was paid in respect of heating engineering services. Mr Paul is the proprietor of the business.

Membership of the Society:- Mr Paul is a member of the Society and paid regular premiums at normal rates for the year to 31 December 2018. As a result, he remained eligible for all benefits of Society membership.

All transactions involving Board members and reported above are at an arm's length.

**14) Actuary to the Society**

The Actuary to the Society is Sally Butters FIA, a Consultant Actuary of OAC plc (OAC). Due to a change in regulation, from 1 July 2016 the Society no longer needed to appoint an Actuarial Function Holder or a With-Profits Actuary, however there remained a need to appoint an Actuary to carry out the required valuation and provide certification thereof. Mrs Butters has performed both functions in the year. The Society requested her to furnish it with the particulars required under Section 77 of the Friendly Societies Act 1992. Mrs Butters has confirmed that neither she or any member of her family, nor any of OAC's principals, partners or directors, were members of the Society, nor had they any financial or pecuniary interests in the Society, with the exception of fees for professional services, paid or accrued during the year, to OAC.

During the year fees were accrued or paid to OAC were **£61,805** (2017:- £51,985) for Actuarial services and other related consultancy and regulatory compliance work.

**15) Operational Employees**

The average number of employees during the year, including executive directors were:

Executive Director & Senior Management  
 Administrative employees  
 Field sales employees

2018	2017
<b>5</b>	5
<b>6</b>	6
<b>3</b>	2
<b>14</b>	13

Employee costs during the year during were:

Salaries and commissions  
 Employers' National Insurance  
 Pension costs

2018	2017
<b>£000</b>	£000
<b>552</b>	539
<b>52</b>	52
<b>43</b>	42
<b>647</b>	633

**WILTSHIRE FRIENDLY SOCIETY LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018 (CONTINUED)

**16) Board Remuneration Report**

Board Member	Fees	Attendance	Salary & Bonus	Pension	Allowances	2018	2017
R T Harrison	15,181	7,542	-	682	935	<b>24,340</b>	23,396
D C Bones	10,109	2,079	-	-	-	<b>12,188</b>	13,399
M S Gurney	5,475	2,700	-	246	-	<b>8,421</b>	8,188
Mrs M A Pedder	5,490	2,412	-	237	540	<b>8,679</b>	10,066
L S Paul	5,490	1,911	-	222	-	<b>7,623</b>	6,558
Mrs C Whitehead <i>(from 01/10/17)</i>	5,490	8,063	-	-	-	<b>13,553</b>	2,648
H J Long <i>(up to 13/06/17)</i>	-	-	-	-	-	-	1,794
<b>Total fees</b> Non-executive Board Members	<b>47,235</b>	<b>24,707</b>	<b>-</b>	<b>1,387</b>	<b>1,475</b>	<b>74,804</b>	66,049
J Gratland CEO	-	-	<b>114,108</b>	<b>11,411</b>	-	<b>125,519</b>	122,324

Fees payable to Non-executive Board members are based upon the number of full and Board Committee meetings attended during the year, with a minimum commitment to 8 meetings per year. Details of attendance at those meetings can be found in the Corporate Governance Report page 15 of these statements. Included within the fees above are amounts in respect of additional Board meetings and, in particular, support to other operational matters where a Non-executive Board member's individual skills and qualifications are relevant and of benefit to the operational matters being discussed – this also reduces the requirement to use outsourced services which could incur a higher cost. The total amount of payments during the year in respect of attendance at meetings beyond the minimum commitment and at operational meetings was **£24,707** (2017: £18,993). This is included within the amounts stated above.

Allowances referred to above are paid as salary and comprise of travelling expenses paid to Non-executive Board members who are not travelling within the local area to attend meetings.

The Board is satisfied that its remuneration policies continue to be suitable and sufficient to attract and retain executive and Non-executive Board members with relevant skills at appropriate levels.

# WILTSHIRE FRIENDLY SOCIETY LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

### USEFUL INFORMATION FOR MEMBERS AND PROSPECTIVE MEMBERS

#### How To Contact Us

If you would like more information about the Society, a claim, an application for new or increased insurance cover or your membership in general please contact us. You may telephone, contact us by email or letter, or if convenient you are welcome to come to Holloway House. Contact details are as follows and you will find a “**Who’s Who**” on page 39.

#### By telephone:

Main switchboard	01225 752120
Member services	01225 756782
Application enquiries	01225 756793
Claims	01225 756789

#### By email:

General email address	<a href="mailto:info@wiltshirefriendly.com">info@wiltshirefriendly.com</a>
Members services	<a href="mailto:member@wiltshirefriendly.com">member@wiltshirefriendly.com</a>
Application enquiries	<a href="mailto:applications@wiltshirefriendly.com">applications@wiltshirefriendly.com</a>
Claims	<a href="mailto:claims@wiltshirefriendly.com">claims@wiltshirefriendly.com</a>

#### Or you can write to us at or come in person to:

Wiltshire Friendly Society Limited  
Holloway House  
Epsom Square  
White Horse Business Park  
Trowbridge  
Wiltshire  
BA14 0XG

#### Our website:

[www.wiltshirefriendly.com](http://www.wiltshirefriendly.com)

#### Member Introduction Scheme

If you would like to recommend a friend, colleague or relative for Society membership we are offering a high street voucher worth £50 for each introduction that leads to a new membership (terms and conditions apply).

Please contact Jon Cummings

Email [jon.cummings@wiltshirefriendly.com](mailto:jon.cummings@wiltshirefriendly.com) or telephone **01225 756794**

#### Our Service To You

We aim to provide you with the very best service possible. However, if we have fallen short in any way please do let us know. We want to know about, and to have the opportunity to understand, any concerns you may have and to correct any shortcoming.

#### How To Complain

If you wish to complain about any aspect of your membership or the service you have received from us, in the first instance please let us know by any of the means shown above. If you choose to do so by letter please address it to the Governance & Compliance Manager. We will provide you with a copy of our complaints procedure. We will investigate and try to resolve your complaint. If you are not satisfied with the outcome you can complain to:

The Financial Ombudsman Service  
Exchange Tower  
London E14 9SR

#### Telephone:

0800 0 234 567

#### Email:

[complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

#### Website:

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)



## WILTSHIRE FRIENDLY SOCIETY LIMITED

### WHO'S WHO AT WILTSHIRE FRIENDLY (MAY 2019)

#### OPERATIONAL EMPLOYEES

##### Operations Supervisor

###### Linda Jones

*Supervision of operational employees. Member relations contact.*  
direct telephone number 01225 756782  
email linda.jones@wiltshirefriendly.com

##### Senior Operations Administrator

###### Jon Cummings

*Oversight of processing of applications for new memberships and cover increases for existing members.*  
direct telephone number 01225 756794  
email jon.cummings@wiltshirefriendly.com

##### Society Administrator

###### Suzanne Haffenden

*Support administration in respect of member services and premium collections.*  
direct telephone number 01225 756785  
email suzanne.haffenden@wiltshirefriendly.com

##### Senior Claims Administrator

###### Deborah Chivers

*Processing claims for income replacement benefit and administration of claims in progress and benefit payments. Membership terminations and partial withdrawals.*  
direct telephone number 01225 756789  
email debbie@wiltshirefriendly.com

##### Senior Claims Administrator

###### Shannon Barker

*Processing claims for income replacement benefit and administration of claims in progress and benefit payments. Membership retirements and commutations.*  
direct telephone number 01225 756787  
email shannon.barker@wiltshirefriendly.com

##### Accountant

###### Jules Barnes

*Financial accounting and supplier accounts payable.*  
direct telephone number 01225 756788  
email julie.barnes@wiltshirefriendly.com

#### SALES & ADVICE TEAM

##### Senior Society Adviser

###### Alan Godfrey

*Advice and guidance on Society Holloway products for prospective and existing members.*  
mobile 07720 181696, out of office contact – Jon Cummings.  
email alan.godfrey@wiltshirefriendly.com

##### Society Adviser

###### Lucy Towner

*Advice and guidance on Society Holloway products for prospective and existing members.*  
direct telephone number 01225 756787  
email lucy.towner@wiltshirefriendly.com

##### Sales Consultant

###### Josh Padfield

*Advice and guidance on Society Group and Sports products for prospective and existing members.*  
direct telephone number 01225 756784  
email josh.padfield@wiltshirefriendly.com

#### OTHER EMPLOYEES

##### Chief Executive

###### Jon Gratland

*General management and oversight of the Society's operations.*  
direct telephone number 01225 756786  
email jon.gratland@wiltshirefriendly.com

##### Governance & Compliance Manager

###### Lee Davis

*Head of governance and regulatory compliance oversight.*  
direct telephone number 01225 756791  
email lee.davis@wiltshirefriendly.com

##### Project Manager

###### John Sanders

*Implementation of strategic and operational projects.*  
direct telephone number 01225 756780  
email john.sanders@wiltshirefriendly.com

##### Finance & Commercial Manager

###### Sarah Barrell

*Head of operational employees, financial accounting and management of membership accounts.*  
direct telephone number 01225 756792  
email sarah.barrell@wiltshirefriendly.com

##### IT Services & Data Manager

###### Edward Smith

*Information technology and communication systems, website structure & maintenance and oversight of data management policies.*  
direct telephone number 01225 756790  
email edward.smith@wiltshirefriendly.com

##### Senior Independent Board Member

###### Margaret Pedder

*Non-executive Board member responsible for considering and responding to the views of Society members and a point of contact that allows them direct access to the Board.*  
office contact – Linda Jones  
direct telephone number 01225 756782  
email margaret.pedder@wiltshirefriendly.com

## WILTSHIRE FRIENDLY SOCIETY LIMITED HOLLOWAY HOUSE LOCATION MAP

If you would like to attend the AGM on **Wednesday 19 June 2019** at **10:00am** at **Holloway House, Epsom Square, White Horse Business Park, Trowbridge, BA14 0XG**, here is a map to help you find us.





WILTSHIRE



FRIENDLY

SOCIETY LIMITED

INCOME REPLACEMENT INSURANCE SINCE 1887

Holloway House Epsom Square  
White Horse Business Park  
Trowbridge Wiltshire BA14 0XG  
Tel: 01225 752120  
[info@wiltshirefriendly.com](mailto:info@wiltshirefriendly.com)