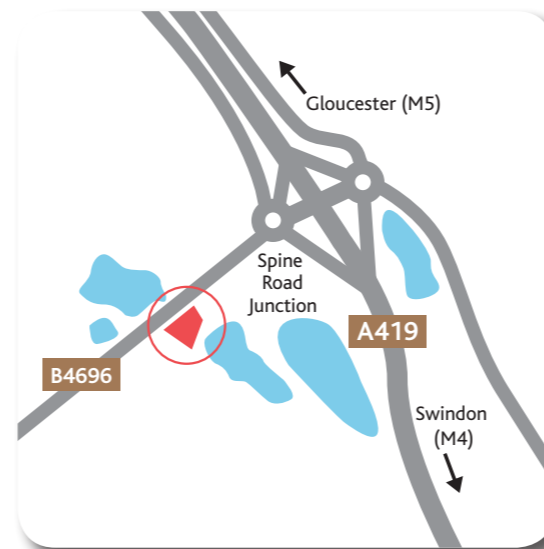


Cirencester Friendly Society Limited is a mutual organisation owned and to a large extent managed by members. We have no shareholders to satisfy only you the members. Please take the time to look through the information we send you, after all it is your Society and you have a say in how it is run and managed.

Location of AGM - Cotswold Water Park Four Pillars Hotel



YEAR ENDED 31 DECEMBER 2007



## Cirencester Friendly Society Limited

5 Dyer Street, Cirencester, Gloucestershire GL7 2PP  
Telephone: 01285 653073/652492 Fax: 01285 641246

Incorporated under the Friendly Societies Act 1992 Registered in the UK No. 149F  
Authorised and regulated by the Financial Services Authority

*We realise that members lead busy lives and do not always have the time or inclination to read the Society's full Annual Report and Accounts.*

*That is why we have produced this leaflet which provides the financial highlights for the Society for 2007.*

*We hope you find it useful.*

## Income

### Premium income

During 2007 the Society received a total of £8.76m in gross premium income, this is an increase of £0.75m, or 9.3%, over that received in 2006.

### Investment income

The Society is also in receipt of significant income from investments held as property, stock market securities and cash deposits with other financial institutions. Total investment income received during the year was £1.85m, an increase of 14.2% over the £1.62m received in 2006. During 2007 the Society also benefitted from the slight increase in property values with net gains of £0.33m.

## INCOME

	2007	2006
	£'m	£'m
Premium income	8.76	8.01
Investment income	1.92	1.62
Change in value of assets	0.40	1.22
Total Income	<u>11.08</u>	<u>10.85</u>

## Expenditure

### Claims expenditure

The single main item of claims expense for the Society is the payment of sickness benefit to its members. During 2007 the total benefits paid amounted to £1.42m. This is an increase of £0.06m over payments made in 2006 and represents 16.2% of gross premium income received.

### Operating expenses

Operating expenses of the Society cover all administration costs including those incurred in the processing of claims and the costs of marketing and processing of new contracts. During the year general administration expenses and the costs of handling claims were £1.80m, an increase of £0.41m, 30% over 2006. The cost relating to the obtaining of new business were £2.72m, an increase of £0.52m over 2006.

Under advice from the Society's Actuarial Function Holder a sum of £1.33m (£0.28m in 2006) has been transferred to long term business reserves to cover liabilities for future sickness claims.

Included within expenses are employee costs of £1.24m an increase of £0.36m over 2006.

## EXPENDITURE

	2007	2006
	£'m	£'m
Claims payments	1.42	1.35
Operating expenses	4.52	3.59
Investment costs	0.10	0.12
Total Expenditure	<u>6.04</u>	<u>5.06</u>

## Results

After adjusting for other technical income and transfers to long term business provisions, the Society made a net surplus of £3.80m for the year compared with £5.66m in 2006 which after the payment of bonuses and interest to members of £3.23m (£3.03m in 2006) left a sum of £0.56m (£2.63m in 2006) to be carried to reserves for future appropriation.

## Balance Sheet

The Society has increased its value during the year with total assets of £45.96m, an increase of £2.64m (6.1%) over 2006.

At 31 December 2007 the Society had a level of solvency significantly in excess of the minimum capital resources requirements prescribed by the Financial Services Authority's 'Integrated Prudential Sourcebook'.

## Other Items

### Distributions to Members

The rates of bonuses credited to eligible members' accounts, by way of Dividends/ Surplus Allocation and Interest/Bonus Allocation, have again increased this year and are as follows:

	2007	2006
	£	£
Health and Wealth Dividend per share	1.38	1.32
Income Assured Surplus Allocation per unit	9.96	9.60
Income Assured Plus Surplus Allocation per unit	7.50	7.20
	%	%
Interest rate / Bonus Allocation for active members	4.00	4.00
Interest rate for retired members	4.00	4.00

(Interest for retired members is set six monthly in advance and has been set at 4.00% until review at 30 June 2008)