



2008

**REPORT AND
FINANCIAL
STATEMENTS**

**The Original Holloway Friendly Society Limited
Report and Financial Statements
for the year ended 31 December 2008**



REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2008

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REGISTERED OFFICE, OFFICERS AND ADVISERS

REGISTERED OFFICE

Holloway House, 71 Eastgate Street, Gloucester, GL1 1PW.
Telephone: 01452 526238 Fax: 01452 386859

Email: mail@holloway.co.uk
Web: www.holloway.co.uk

	Applicable Meetings	Attended Meetings		Applicable Meetings	Attended Meetings
BOARD OF MANAGEMENT 2008			AUDIT COMMITTEE 2008		
Ian Gardner (<i>Chairman</i>)	7	6	Mike Matthews (<i>Chairman</i>)	3	3
Vic Oliver (<i>died 28/10/08</i>)	6	5	Ian Gardner	3	3
Martin Collins	7	7	Vic Oliver (<i>died 28/10/08</i>)	2	2
Kieron Griffin	7	7	Philip Whitefield	3	3
David Macgregor	7	7	NOMINATIONS COMMITTEE 2008		
Mike Matthews	7	7	Kieron Griffin (<i>Chairman</i>)	1	1
Colin Organ	7	7	Ian Gardner	1	1
Bob Perks	7	7	Mike Matthews	1	1
Diane Weitz (<i>resigned 01/02/08</i>)	1	1	Vic Oliver (<i>died 28/10/08</i>)	-	-
Philip Whitefield	7	7	TREATING CUSTOMERS FAIRLY GROUP 2008		
Kevin Wiltshire	7	7	David Macgregor (<i>Chairman</i>)	3	3
RISK MANAGEMENT GROUP 2008			Ian Gardner	3	3
Martin Collins (<i>Chairman</i>)	3	3	Kieron Griffin	3	3
David Macgregor	3	3	Colin Organ (<i>appointed 08/07/08</i>)	1	1
Vic Oliver (<i>died 28/10/08</i>)	3	3	Diane Weitz (<i>resigned 01/02/08</i>)	-	-
Kevin Wiltshire (<i>appointed 08/07/08</i>)	1	1	Other Members –Darrell Stevens and Val Belcher		
Other Members – Keith Taylor and Darrell Stevens			SENIOR MANAGEMENT TEAM 2008		
PRODUCT DEVELOPMENT TEAM 2008			David Macgregor	Chief Executive	
David Macgregor (<i>Chairman</i>)	2	2	Martin Collins	Finance Director and Secretary	
Martin Collins	2	1	Darrell Stevens	Compliance Officer	
Bob Perks	2	2	Keith Taylor	IT Manager	
Philip Whitefield	2	2			
Other Members – Keith Taylor					

ARBITRATORS

R. W. Farrington, F.C.A. M. Hammond A. Bishop

AUDITORS

Moore Stephens, 30 Gay Street, Bath BA1 2PA

INTERNAL AUDITORS

Hurst Business Risk Consulting, Lancashire Gate, 21 Tiviot Dale, Stockport, Greater Manchester. SK1 1TD

FUND MANAGERS

Tilney Investment Management, Royal Liver Building, Pier Head, Liverpool L3 1NY
Royal London Cash Management, 55 Gracechurch Street, London EC3V 0UF

BANKERS

Lloyds TSB Bank Plc. 19 Eastgate Street, Gloucester, GL1 1NU.

HEAD OF ACTUARIAL FUNCTION

Simon Grout, BSc, F.I.A. Oliver Wyman Limited
Grantham House, PO BOX 64, 11-15 North St, Leatherhead, Surrey, KT22 7UR

CHAIRMAN'S STATEMENT

Unfortunately, this year I must start my statement with the desperately sad news that Vic Oliver, the Society's Vice Chairman died suddenly on 28th October 2008. Vic was also the Senior Independent Director and sat on a number of Board Committees.

Vic was elected to the Board in 1997 as a non-executive director and throughout his time on the Board was dedicated to the success of the Society. In particular Vic gave sterling service in reviewing and monitoring internal controls and the internal audit function.

Vic will be greatly missed by the staff and his fellow board members.

Annotated Combined Code of Corporate Governance

The report and Financial Statements follow the same format as last year and contain a great deal of information on the way in which the society is organised and operated. The Society acknowledges that good corporate governance is essential in this day and age and is more than happy to comply with the annotated combined code, having given due regard to the nature and scale of the Society's activities.

Financial Highlights

We witnessed some unprecedented unrest in the financial markets during 2008, with the collapse of major institutions, turmoil in the stock market followed by significant reductions in the bank base rate. The Society has a very low level of exposure to the equity market and the falls therefore did not unduly damage the level of solvency. However, a very significant amount of our assets are held in cash which worked to our advantage for most of the year, however the returns for 2009 will be substantially lower than previously seen.

The overall membership did fall during the year as a result of a higher number of members leaving the Society combined with a slowdown of new policies being introduced.

I am pleased to report that the Society's total funds under management increased by £558k during 2008 to £38,869k and we are well positioned to not only weather the difficult financial climate, but to also show further growth during 2009.

Treating Customers Fairly

The Society participated in a comprehensive survey issued by our regulators the F.S.A., and as a result of our response received a follow-up visit to Holloway House. The review by the F.S.A. concluded that the Society had clearly demonstrated a very good grasp of the Treating Customers Fairly initiative and subsequently even included some of the Society's statements on their TCF best practice website.

Surveys continued to be issued during 2008 and for the first time also included the staff, who are undoubtedly extremely well positioned to provide honest feedback regarding fair treatment of our membership. As before, this important initiative will continue to evolve and we will strive to improve all aspects of membership wherever and whenever possible.

Sick Pay Claims

Although 2008 witnessed the highest percentage payouts in recent years at 96.9% of all claims received, the total benefit paid actually fell by around £13k compared to 2007, with the amount paid totalling £819k. As a percentage of Income Protection premiums, sickness benefits fell from 18.01% to 15.25%.

We can remain justifiably proud of our outstanding claims record and will continue to pay all valid claims with maximum speed and minimum fuss.

Our People

I would like to express my sincere thanks to the Chief Executive and his senior management team for the tight running of the Society during these extremely challenging times and I like the rest of the Board are confident that the Society will continue to remain solid and secure. My thanks too go out to all the staff who continue to work with the members best interests at heart at all times.

I am looking forward to a positive year in 2009.

I. G. Gardner, Chairman
10 March 2009

BOARD OF MANAGEMENT

Ian Gardner - Chairman

Ian, aged 65, originally joined the Board of Management in 1977. He was in legal practise in Gloucester for 32 years before joining the Society's management in 1992 and becoming Chief Executive in 1993. Upon his retirement in 2003 he was invited to join the Board and was elected Chairman which position he continues to hold.

Martin Collins – Finance Director

Martin, aged 51 is a Chartered Accountant. He joined the Society in 1994 as Financial Controller having worked for a construction company and a tyre manufacturer and distributor. He was appointed to the Board as Finance Director in 2003.

Kieron Griffin

Kieron, aged 55 is a Partner in a firm of Solicitors in Gloucester. He has been a Board Member since 1997 and is Chairman of the Nomination Committee.

David Macgregor – Chief Executive

David, aged 47 has been a full time executive of the Society since joining in 2003. Prior to his appointment as Chief Executive he has worked within Financial Services for over 25 years, gaining valuable experience with two major life offices and one other friendly society. His main focus the past 20 years has been Sales and Marketing to Independent Financial Advisors.

Mike Matthews

Mike, aged 59, is chairman of the Audit Committee having been appointed to the Committee of Management in 1991 subsequently joining the Board upon incorporation. He was Production and Finance Director of a commercial printing company in Gloucester for 25 years.

Colin Organ

Colin, aged 59 was appointed as a non-executive director in 1997. He has spent most of his career in sales and marketing in the property and construction industry, a former director designate of Westbury Homes plc and is the owner of The Estate Agency in Clarence Street, Gloucester.

Bob Perks

Bob, aged 50, has been a non-executive Director since 2005. He has spent most of his career in Financial Services with Natwest and latterly as Sales and Marketing Director at Britannic Money PLC. He now runs his own consultancy practice as well as being a Director of Intermediary Group, Financial Synergies PLC.

Philip Whitefield

Philip, aged 49, is a consulting actuary with a wealth of experience in life assurance including 6 years as appointed actuary or actuarial function holder. He joined the Board in April 2007

Kevin Wiltshire

Kevin, aged 48, joined the Board in July 2007. He is currently a senior Partner with a Financial Planning practice based in the South West and is also a Director of an IFA Network and an Investment Administration Company. Kevin has over 20 years' experience in insurance, financial services, asset management and tax planning.

REPORT OF THE BOARD OF MANAGEMENT

The Board of Management (Board) has pleasure in presenting the Report and Financial Statements of The Original Holloway Friendly Society Limited, (the Society), for the year ended 31 December 2008.

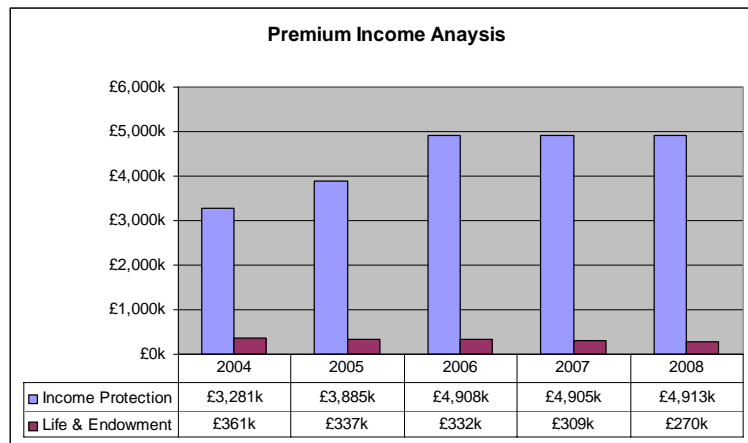
Principal Activities

The principal activity of the Society is to provide Income Protection Insurance based on Holloway principles. No activities have been carried on which are outside the Society's powers.

Business review and Financial Results

Earned premiums net of reinsurance fell slightly over the year by £31k. Net Income Protection premiums increased by £8k with the balance of £39k being due to reduced premiums from the Linked Life Fund now that this fund has closed to new business.

Analysis of Premium Income

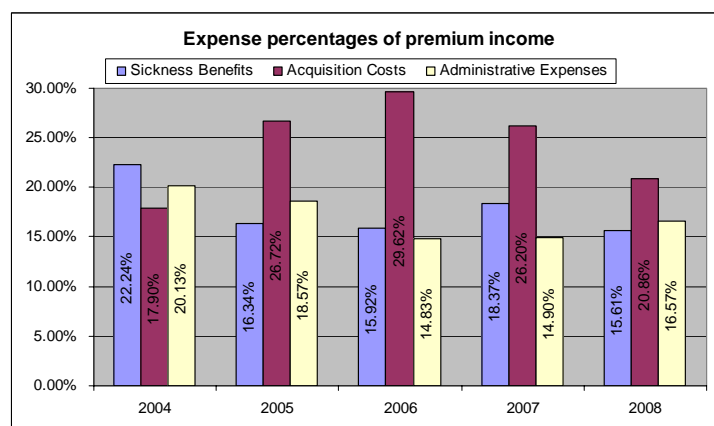


Investment income excluding gains was up 8% from £1,818k to £1,963k. The increase is due to improved rates of interest earned on Cash Deposits together with the reinvestment of income earned on investments. Towards the end of 2008 returns began to fall and 2009 will see a substantial fall in investment income.

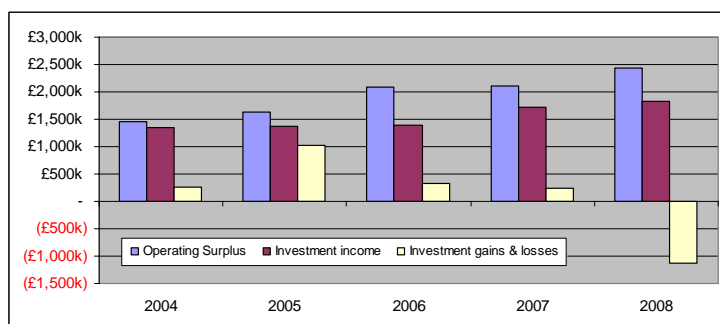
Realised and unrealised investment losses in 2008 were £1,123k including a loss on the valuation of property of £95k. This compares to gains of £248k in 2007.

Note 6 of the financial statements shows that claims incurred fell by £141k compared to 2007. Of this decrease, sickness benefit accounted for £149k, falling by 15% to £809k. As a percentage of Income Protection premiums, sickness benefits reduced from 18.07% to 15.07%.

Operating expenses decreased by £202k. Acquisition costs fell by £285k. Most of the reduction being due to reduced Commission costs. Administration costs increased by £83k (11%)



The operating surplus has increased by £321k (15%). When income and gains on investments are brought into account, the surplus is £3,145k. This is a fall of £923k, mainly due to the £1,123k investment losses in the equity markets during 2008. Allocation and Bonuses of £2,546k have been approved by the Board following advice from the Head of Actuarial Function who also recommended a transfer to the long term business provisions of £1,109k leaving a net £602k to be transferred from the Fund for Future Appropriations.



Total investments have increased by £940k despite losses of £1,028k. The asset allocation has not changed materially during the year with the aim of the Society to match its liabilities as recommended by the Head of Actuarial Function. The increase results from increased reinvested income on cash deposits and investment gains.

Linked Liabilities are represented by the Ten Year Plan Fund. This has decreased during the year by £111k due to the net effect of premium receipts and maturity and surrender payments and a small drop in the unit price. The unit price was at £1.55 at the year-end, a decrease of 2.5% over the year.

The Society's total funds have increased by £463k during the year to £38,774k. Amounts due to members at 31 December 2008 totalled £21,274k with £3,976k being held in reserves and a balance of £9,688k in the Fund for Future Appropriations.

Income Protection Membership

Opening Membership	16,099
New Members	889
Withdrawals & Lapses	(1,782)
Current Membership	15,206

Future Developments

It is always extremely disappointing to report when developments have not gone to plan, especially when the initiatives had been well researched. Unfortunately, the third party that had agreed to distribute a new product for us was forced to concentrate their efforts on their existing product lines as a direct result of the economic turmoil at the time.

The new Personal Income Protection launch finally went live during February 2009 which was a little later than planned. The early feedback from the Independent Financial Advisers has been exceptionally positive.

Statement of Solvency

The Society has maintained the required margin of solvency as prescribed in the Regulations made under Chapter 4 Section 1 of the Interim Prudential Sourcebook for Friendly Societies.

Political Donations

The Society made no political donations during the financial year.

Indemnity Insurance

The Board of Management maintained the Indemnity Insurance against Board Members' and Officers' Liability.

Complaints

The Board of Management is committed to the maintenance of high standards of integrity and fairness in its dealings with members. However, the Board acknowledges that complaints can arise. To this end the Society has established systems to ensure that any complaints received are handled with due care and sensitivity and are thoroughly and impartially investigated. Members retain the right to take their complaint to the Financial Ombudsman Service.

Board of Management

The Board currently meets every other month. Additional meetings, seminars and workshops are held as required to formulate strategy and for training purposes.

Details of Board members who held office during 2008 together with details of meetings attended are shown on Page 2.

Financial Reporting

The Board has a duty to report to members on the Society's performance and financial position, and are responsible for preparing the financial statements on pages 13 to 22.

Appointment of Auditors

A resolution to reappoint the auditors, Moore Stephens will be proposed at the forthcoming Annual General Meeting.

Statement of Board of Management's 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 the affairs of the Society, and of its results for that period. In preparing those financial statements, and in carrying out the business of the Society, the Board of Management 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 any material departures disclosed and explained in the accounts;
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the Society will continue in business.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Society and to ensure that the accounts comply with the Friendly Societies Act 1992. It is 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.

Apportionment of Surplus, Compound Bonus and Reversionary Bonus

The Board of Management has been able to declare the following:

	2008	2007		2008	2007
Sickness Benefit					
Holloway Old Tables	£1.30	£1.30	Provident Standard	£1.30	£1.30
Holloway New Tables & Classic	£1.50	£1.50	Provident D13	£0.95	£0.95
Holloway New Classic Plan	£1.00	£1.00	Provident D26	£0.70	£0.70
Holloway Premier Plan	£0.10	£0.10	Provident S26	-	-
Holloway Classic Plus	£0.50	£0.50	Provident Commuted	£2.40	£2.40
Holloway Classic Plus - Guaranteed	£0.40	£0.40	Holloway Commuted	£1.86	£1.86
Compound Bonus	4.00%	4.50%	Terminal Bonus	7%	7%

Recognition of Excellence – Service to Our Customers

All of the staff were extremely disappointed to learn that our superb service to Independent Financial Advisers was not acknowledged in the same way as we had enjoyed for the past three years. Although our Head Office support and business processing held up well, we were marked down on personal contact which resulted in a fall from four stars.

With regards to service to the membership and as an ongoing commitment to upholding the highest possible standards of Treating Customers Fairly, we have continued to develop and issue surveys to various sections of the membership. These results are analysed monthly and whenever there is an opportunity to address areas of concern or improve our service to the membership as a whole, appropriate action is always taken.

Thanks and Appreciation

The Board of Management would once again like to record their thanks and appreciation to the staff who continue to demonstrate their dedication and hard work on behalf of the members and Independent Financial Advisers.

On behalf of the Board of Management
D.R. Macgregor, Chief Executive
10 March 2009

CORPORATE GOVERNANCE REPORT

The Society is committed to high standards in Corporate Governance. The Society has made considerable progress in complying with The Combined Code on Corporate Governance having particular regard to the Annotated version published by the Association of Mutual Insurers (AMI) and The Association of Friendly Societies (AFS).

DIRECTORS

The Board

Code Principle: Every Company should be headed by an effective Board, which is collectively responsible for the success of the company.

Board Comment: The Board is responsible for the strategic direction of the Society with certain responsibilities delegated to sub-committees. The day-to-day management and implementation of the strategy is delegated to the Chief Executive.

Sub Committees

Audit Committee

The Board operates an Audit Committee to assist in the effective management of the Society. The Audit Committee normally meets at least four times each year and as and when required to perform its responsibilities. These are:

- Ensure the continuation of effective financial reporting, internal control, risk management and investment management.
- To provide a direct means of communication for internal and external auditors to the Board.
- To review the risk register and internal audit annual plan.
- To consider and recommend to the Board, Executive, Non-Executive and Senior management remuneration.
- Annually review the performance and cost effectiveness of internal and external auditors and investment managers.

The Chief Executive and Finance Director are not members of the Committee although they usually attend meetings except when the Audit Committee wishes to meet alone. Minutes of each meeting are circulated to the Board.

Details of Audit Committee members who held office during 2008 together with details of meetings attended are shown on Page 2.

Nominations Committee

The Nominations Committee meets at least once each year and as and when required to perform its responsibilities. These are:

- To regularly review the structure, size and composition of the Board.
- To give full consideration to succession planning for directors and other senior executives.
- To be responsible for identifying and nominating for the approval of the Board, candidates to fill Board vacancies.
- To keep under review the leadership needs of the organisation, both executive and non-executive and the time required from non-executive directors.

Details of Nominations Committee members who held office during 2008 together with details of meetings attended are shown on Page 2.

Other Committees

The Board has formed additional committees to improve management and control of other areas of the business. These committees include members of the Senior Management Team. The members and meeting details are shown on Page 2 for the following committees:

Risk Management Group
Treating Customers Fairly Group
Product Development Team

CHAIRMAN AND CHIEF EXECUTIVE

Code Principle: There should be a clear division of responsibilities at the head of the company between the running of the Board and Executive responsibility for the running of the company's business. No one individual should have unfettered powers of decision.

Board Comment: The roles of the Chairman and the Chief Executive are held by different people and formal written roles and responsibilities of each have been agreed by the Board. The Chairman is elected by the Board each year at the first meeting following the Annual General Meeting (AGM).

BOARD BALANCE AND INDEPENDENCE

Code Principle: The Board should include a balance of Executive and Non-Executive Directors (and in particular independent Non-Executive Directors) such that no individual or small group of individuals can dominate the Board's decision taking.

Board Comment:

Balance - The Board must consist of not more than 12 nor less than 6 members. Currently the Board is made up of the Chairman and six other non-executive members and two executive members being the Chief Executive and the Finance Director.

Independence – The Annotated Combined Code on Corporate Governance sets out a number of requirements that define if a Non-Executive Director is considered independent. These are set out below together with comments where the Board feel this is appropriate.

- a) The Non-Executive Director should not have been an employee within the last 5 years. - No Non-Executive Director has been an employee of the Society during the past 5 years.
- b) The Non-Executive Director should not have had any direct or indirect business relationship with the Society within the last 3 years. – There have been no material transactions with Non-Executive Directors during the last 3 years. Details of transactions with Board Members are set out in the Note 22 to the Financial Statements.
- c) The Non-Executive Director should not receive any additional remuneration apart from Board fees and expenses. – Non-Executive Board Remuneration does not include performance related bonuses.
- d) The Non-Executive Director should not have close family ties with any of the Society's advisors, directors or senior employees. – No Non-Executive Director had any close family ties as detailed above.
- e) The Non-Executive Director should not have served on the Board for more than 9 years. –Mr K P Griffin, Mr M J Matthews and Mr C A Organ have all served as a Director for more than 9 years.

Notwithstanding the disclosures made above, the Board considers all Non-Executive Directors to be independent.

APPOINTMENT TO THE BOARD

Code Principle: There should be formal, rigorous and transparent procedure for the appointment of new Directors to the Board.

Board Comment: The Board aims to achieve a mix of skills amongst its members to ensure that appropriate strategies are formulated and achieved. Selection of Board members is by introduction by existing Board members or by nomination by the membership.

INFORMATION AND PROFESSIONAL DEVELOPMENT

Code Principle: The Board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. All Directors should receive induction on joining the Board and should regularly update and refresh their skills and knowledge.

Board Comment: The Chairman ensures that the Board receive accurate, timely and clear information. A Board member induction pack is now available for new appointees. The Society carries out internal training sessions and makes external training courses available when appropriate. Board members have access to external independent professional advice, funded by the Society, should this be required.

PERFORMANCE EVALUATION

Code Principle: The Board should undertake formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors.

Board Comment: During 2008 a self-assessment exercise was undertaken with all Board members completing a detailed questionnaire. The results have been given consideration by the Chairman and the Chief Executive with each Director being interviewed. Identified areas for further improvement will be actioned during 2009.

RE-ELECTION

Code Principle: All Directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance. The Board should ensure planned and progressive refreshing of the Board.

Board Comment: The Combined Code provides for re-election every 3 years with a recommended maximum term of 9 years. The Society's Rules currently provide for a 4-year term with no maximum length of service. The Board have agreed to adopt the provisions of the Combined Code for new appointments and on re-election.

REMUNERATION

The provisions recommended in the Combined Code on Remuneration are set out in the Remuneration Report.

FINANCIAL REPORTING

Code Principle: The Board should present a balanced and understandable assessment of the company's position and prospects.

Board Comment: A statement of the Board of Management Responsibilities is set out in the Report of the Board of Management on Page 7.

INTERNAL CONTROL

Code Principle: The Board should maintain a sound system of internal control to safeguard members' interests and the company's assets.

Board Comment: The Board has responsibility for the Society's internal control and for the review of its effectiveness. The Society maintains a Risk Register, which is regularly reviewed and updated by senior management and the Board. Society policy and procedures have been designed to manage rather than eliminate the risks.

The internal auditors review policy and procedures in operation and report to the Audit Committee on their findings. Policy and procedures are updated as necessary as a result of the findings to ensure effective maintenance of systems of control.

CONSTRUCTIVE USE OF THE AGM

Code Principle: The Board should use the AGM to communicate with members and to encourage their participation.

Board Comment: Each year the Society sends members notice of the AGM incorporated within an annual newsletter. The Rules of the Society are still under review with due consideration being given to best practice guidelines produced by AMI and the AFS.

DIRECTORS REMUNERATION REPORT

This report explains how the Society has applied the principals in the Combined Code on Corporate Governance relating to Remuneration as applicable to a mutual insurer. The Audit Committee is responsible for considering and recommending to the Board, Executive, Non-Executive and Senior Management remuneration.

THE LEVEL AND COMPOSITION OF REMUNERATION

Code Principle: Levels of remuneration should be sufficient to attract, retain and motivate Directors of the quality to run the company successfully, but a company should avoid paying more than is necessary for this purpose. A significant proportion of Executive Directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Board Comment:

Executive Directors

The remuneration package comprises a basic salary, an annual bonus scheme and a medium term bonus scheme.

Basic salaries are reviewed annually with reference to comparable positions in similar organisations and to reflect the Director's role, experience and performance. The Society participates in an annual executive remuneration survey together with a number of other friendly societies.

Executive Directors participate in the Senior Management annual bonus scheme providing for a maximum of 44% of salary for the Chief Executive and 20% of salary for the Finance Director.

Senior Management including Executive Directors also participate in a 3-year bonus scheme providing for a maximum additional bonus at the end of the 3 years of 15% of annual basic salary.

Pension: Executive Directors are members of the Society's defined contribution pension scheme. The Society contributes 10% of salary and bonus payments for the Chief Executive and 15% of basic salary only for the Finance Director.

Benefits: Executive Directors are entitled to family private health cover, dental insurance cover and a company car or car allowance.

Service Contracts: Neither Executive Director has a service contract in excess of 12 months, in accordance with Corporate Governance best practice.

Non-Executive Directors

The level of fees payable to Non-Executive Directors is determined using information from comparable organisations together with other factors. The Society participates in an annual remuneration survey together with a number of other friendly societies.

Remuneration comprises a basic fee plus meeting attendance fees. Additional payments are made to the Chairman, Vice Chairman and Sub-Committee Chairmen to reflect additional responsibilities. Non-Executive Directors are entitled to personal private health cover. Non-Executive Directors do not have service contracts.

Board Member Emoluments

	Basic Salary and Fees	Meeting Attendance Fees	Bonuses	Benefits and Car Allowance	Sub Total	Pension Contributions	Total 2008	Total 2007
David Macgregor	£84,033	-	£3,797	£12,325	£100,155	£8,774	£108,929	£100,594
Martin Collins	£56,000	-	£1,220	£7,759	£64,979	£8,625	£73,604	£68,978
Ian Gardner	£10,524	£4,320	-	£438	£15,282	-	£15,282	£14,834
Vic Oliver	£5,539	£2,970	-	-	£8,509	-	£8,509	£11,550
Mike Matthews	£6,077	£3,240	-	£438	£9,755	-	£9,755	£10,640
Keiron Griffin	£6,077	£3,240	-	£438	£9,755	-	£9,755	£10,372
Colin Organ	£5,506	£2,430	-	£70	£8,006	-	£8,006	£8,029
Dianne Weitz	£459	£270	-	£70	£799	-	£799	£8,538
Bob Perks	£5,506	£2,700	-	-	£8,206	-	£8,206	£8,124
Philip Whitefield	£5,506	£7,120	-	-	£12,626	-	£12,626	£6,294
Kevin Wiltshire	£5,506	£2,430	-	-	£7,936	-	£7,936	£3,419
	£190,733	£28,720	£5,017	£21,538	£246,008	£17,399	£263,407	£251,372

In 2008 accrued bonuses were sacrificed in favour of pension contributions as follows: - Martin Collins - £4,505.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF
THE ORIGINAL HOLLOWAY FRIENDLY SOCIETY LIMITED**

We have audited the financial statements of The Original Holloway Friendly Society Limited for the year ended 31 December 2008 which comprise the Income and Expenditure Account, Balance Sheet and the related Notes 1 - 25, which have been prepared in accordance with the accounting policies set out therein. We are also required to report on the Report of the Board of Management for the year ended 31 December 2008.

This report is made solely to the Society's members, as a body, in accordance with section 73 of 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 auditors 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.

Respective responsibilities of the Board of Management and auditors:

The Board of Management's responsibilities for preparing the Annual Report and the financial statements in accordance with the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on the Statement of the Board of Management's Responsibilities on page 7. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Auditing Standards (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Friendly Societies Act 1992 and the regulations made under it. We also report to you our opinion as to whether the Report of the Board of Management has been prepared in accordance with the Friendly Societies Act 1992 and the regulations made under it, and as to whether the information given therein is consistent with the accounting records and the financial statements.

We also report to you if, in our opinion the Society has not kept proper accounting records, or if we have not received all the information, explanations and access to the documents that we require for our audit.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This information comprises only the Report of the Board of Management. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion:

We conducted our audit in accordance with International Auditing Standards (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Board of Management in the preparation of the financial statements and of whether the accounting policies are appropriate to the Society's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion:

In our opinion the financial statements give a true and fair view of the state of the Society's affairs as at 31 December 2008 and of the income and expenditure of the Society for the year then ended and have been properly prepared in accordance with the Friendly Societies Act 1992 and the regulations made under it.

In our opinion the Report of the Board of Management has been prepared in accordance with the Friendly Societies Act 1992 and the regulations made under it, and the information given therein is consistent with the accounting records and the financial statements for the year.

MOORE STEPHENS, BATH
Chartered Accountants & Registered Auditor
10 March 2009

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 December 2008

	Notes	2008		2007	
		£	£	£	£
TECHNICAL ACCOUNT - LONG TERM BUSINESS					
Earned premiums net of reinsurance					
Gross premiums written			5,643,451		5,623,228
Less outward reinsurance premiums			(460,354)		(408,912)
			<u>5,183,097</u>		<u>5,214,316</u>
Investment Income	5		1,857,777		1,938,367
Unrealised (losses)/gains on investments	5		(1,017,573)		127,584
Commissions and sundry income			94,452		40,791
			<u>6,117,753</u>		<u>7,321,058</u>
Claims incurred, net of reinsurance	6		1,106,745		1,248,428
Change in other technical provisions					
Long term business provisions		1,108,556		14,982	
Technical provision for linked liabilities		(111,093)	997,463	165,904	180,886
Bonuses and rebates					
Member's apportionment of surplus		1,653,760		1,150,382	
Member's compound bonus		786,051		881,793	
Terminal Bonus and other interest paid		106,170	2,545,981	107,895	2,140,070
Net operating expenses					
Acquisition costs		671,778		525,898	
Change in deferred acquisition costs		409,714		839,586	
Administrative expenses		858,959	1,940,451	777,021	2,142,505
Investment expenses and charges			93,001		59,102
Tax attributable to long term business	7		-		-
Allocated investment return transferred to the non-technical account			36,185		31,021
Transfer (from)/to the fund for future appropriations	13		(602,073)		1,519,046
			<u>6,117,753</u>		<u>7,321,058</u>
Balance on technical account - long term business			<u>-</u>		<u>-</u>
NON TECHNICAL ACCOUNT					
Balance on the long term business technical account			-		-
Allocated investment return transferred from the long term business technical account			36,185		31,021
Other charges, including value adjustments			(36,185)		(31,021)
Excess of income over expenditure for the financial year	8		<u>-</u>		<u>-</u>

All of the above except as where noted relate to continuing operations of the Society.

BALANCE SHEET as at 31 December 2008

	Notes	2008		2007	
		£	£	£	£
ASSETS					
Investments					
Land and buildings	9		955,000		1,050,000
Other financial investments	10		<u>33,673,264</u>		<u>32,733,490</u>
			34,628,264		33,783,490
Assets held to cover linked liabilities			2,541,696		2,652,726
Debtors					
Other debtors	11		13,095		64,585
Other assets					
Tangible assets	12		25,044		42,094
Stocks			10,553		10,360
Cash at bank and in hand			206,555		181,760
Product development costs			85,465		20,575
Prepayments and accrued income					
Accrued interest and rent		472,508		354,904	
Deferred acquisition costs		766,822		1,176,536	
Other prepayments and accrued income		24,341	1,263,671	23,648	1,555,088
			38,774,343		38,310,678
LIABILITIES					
Fund for future appropriations	13		9,688,462		10,290,535
Technical provisions					
Long term business provision					
Sickness benefit provision	14	3,975,744		2,865,471	
Life and endowment	15	18,650		20,367	
		<u>3,994,394</u>		<u>2,885,838</u>	
Members surplus	16	<u>21,273,509</u>	25,267,903	<u>21,190,200</u>	24,076,038
Claims outstanding					
Gross amount		88,073		113,549	
Reinsurance amount		-	88,073	-	113,549
Technical provisions for linked liabilities	17		2,541,696		2,652,726
Creditors					
Creditors arising out of direct insurance operations		98,179		93,367	
Amount owed to credit institutions		-		-	
Other creditors including taxation and social security	18	<u>1,090,030</u>	1,188,209	<u>1,084,463</u>	1,177,830
			38,774,343		38,310,678

The financial statements on pages 13 to 22 were approved by the Board of Management and were signed on its behalf by:-

I G Gardner
Chairman
10 March 2009

D R Macgregor
Chief Executive
10 March 2009

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

1. Accounting Policies

The financial statements have been prepared in accordance with The Friendly Societies (Accounts and Related Provisions) Regulations 1994 ('the Regulations') made under the Friendly Societies Act 1992 and with applicable accounting standards in the United Kingdom and with all material provisions of the Statement of Recommended Practice (SORP) on 'Accounting for Insurance Business' issued by the Association of British Insurers in 1998. A summary of the more important accounting policies, which have remained unchanged from the previous year, is set out below:

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of certain assets as required by the Regulations.

Premiums

Written premiums are accounted for when due for payment. New business premiums are recognised when the policy liability is set up and the premium is due for payment.

Reinsurance

Outwards reinsurance premiums are accounted for in accordance with the contract terms when due, reflecting the period in which the risk is transferred.

Investment income

Income from investments is included, together with any related tax credit, in the technical account long term business. Account is taken of dividend income when received and other investment income is included on an accruals basis.

Realised and unrealised investment gains and losses

Realised gains and losses, being the difference between the net sale proceeds and the valuation at the preceding balance sheet date or cost of acquisition if later, are included within investment income or investment expenses in the technical account - long term business. Unrealised gains and losses are reported in the technical account - long term business.

Acquisition costs

The Regulations require the Society to expense acquisition costs over current and future accounting periods in line with the margins in matching revenues. Acquisition costs are written-off over an appropriate period.

Pension costs

Contributions payable to the Society's defined contribution pension scheme are charged to the operating expenses in the period in which the cost accrued.

Tax attributable to long term business

The Society is only liable to taxation on part of the life and endowment assurance fund. Taxation is provided on an accruals basis, provision being made for the current year's liability.

Investments

Land and buildings - current valuation based on the open market value of the property, as valued every three years by an independent surveyor. Office premises occupied by the Society and included in investments are valued assuming vacant possession. In accordance with SSAP 19 'Accounting for investment properties' no depreciation is charged on freehold investment properties.

Other financial investments - investments are stated at market value, with any appreciation or diminution in value during the year being accounted for in the technical account - long term business.

Assets held to cover linked liabilities

Assets held to cover linked liabilities reflect the terms of the related policies and are valued on a basis consistent with the related liabilities.

Tangible assets

The cost of tangible assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible assets over their estimated useful lives at the following rates:-

Motor vehicles	25% on a straight line basis
Office equipment	10% - 25% on a straight line basis

Product development costs

Costs incurred in the development and launch of significant new products are written off in equal instalments over the first four years following the launch of the product.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

1. Accounting Policies (Continued)

Claims and benefits

Claims payable on maturity are recognised when the claim becomes due for payment and on death are accounted for on notification. 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.

Fund for future appropriations

The fund for future appropriations represents amounts which have yet to be allocated to policyholders. 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 has been estimated for the Society by the Head of Actuarial Function, having due regard to the principles laid down in the EC Council Directive 92/96/EEC. A prospective gross premium valuation method has been adopted for sickness business, with members' Capital Accounts provided at face value. For Life and Endowment business, a net premium valuation method has been used, with the exception of linked contracts, where the provision is based on the value of units attached to members' contracts plus additional provisions for administrative expenses and the guaranteed surrender values attached to the contract.

Valuation statement

An Actuarial Valuation of the Society's long term business was made as at 31 December 2008 in accordance with General Prudential Sourcebook and the Prudential Sourcebook for Insurers. A copy of the report may be inspected at the Registered Office of the Society.

2. Staff

Number of employees

Average monthly number of persons employed by the Society in the financial year.

	2008	2007
Administration	15	14
Sales	3	3
	18	17

Staff Costs

Salaries and wages	£471,111	£440,346
Social security costs	£45,857	£44,949
Other pension costs	£52,198	£60,462
	£569,166	£545,757

3. Board of Management

The total emoluments of the Board of Management comprise:

Fees of non-Executive Board members	£80,874	£81,800
Remuneration of Executive Board Members	£160,629	£145,953
Pension contributions on behalf of Executive Board members	£21,904	£23,623
	£263,407	£251,376

The emoluments of the Chairman was £15,282 (2007 £14,834) and those of the highest paid member of the Board of Management was £100,155 (2007 £92,374). Further details of Board of Management remuneration can be found in the Remuneration Report on Page 11.

4. Commissions

Commission payable on the acquisition of new business	£799,849	£1,047,176
Renewal commissions payable	£28,426	£25,923
Portfolio management commission	£77,523	£53,296
	£905,798	£1,126,395

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

5. Investment Income

	2008	2007
Income from land & buildings	£59,805	£56,777
Bank interest	£1,466,932	£1,367,800
British Government securities	£154,298	£124,940
Other fixed interest securities	£117,002	£128,684
Ordinary stocks and shares	£165,201	£139,747
	£1,963,238	£1,817,948
(Losses)/Gains on realisation of investments	(£105,461)	£120,419
	£1,857,777	£1,938,367
Unrealised (losses)/gains on investments	(£1,017,573)	£127,584
Net Investment Return	£840,204	£2,065,951

6. Claims incurred, net of reinsurance

	2008		2007	
Death claims paid	£7,602		£10,626	
reinsurers' share	-	£7,602	-	£10,626
Sickness benefit	£871,995		£1,001,956	
reinsurers' share	(£63,474)	£808,521	(£43,554)	£958,402
Maturity		£275,703		£264,181
Surrender		£14,919		£15,219
		£1,106,745		£1,248,428

7. Taxation

	2008	2007
Taxation is calculated in relation to the Society's taxable life business		
Current taxation	-	-

8. Excess of income over expenditure for the financial year

	2008	2007
Excess of income over expenditure for the financial year is stated after:		
Depreciation charge for the year		
Tangible assets	£16,742	£23,219
Auditors' remuneration for:		
Audit	£21,914	£21,150
Other services	£5,111	£4,406
Actuarial fees for:		
Valuation and consultancy	£160,000	£130,425

9. Land and buildings

	Investment Property	Office Property	Total
Cost/Valuation			
As at 1 January 2008	£130,000	£920,000	£1,050,000
Loss on revaluation	(£15,000)	(£80,000)	(£95,000)
As at 31 December 2008	£115,000	£840,000	£955,000

Land and buildings are freehold and are included at valuations at 31 December 2008. The valuations were carried out by Bruton Knowles, Chartered Surveyors. The investment properties were valued at market value and the office property, partially occupied by the Society, was valued on an existing use basis.

10. Other financial investments

	2008		2007	
	Market Value	Cost	Market Value	Cost
Shares, other variable yield securities and unit trusts	£3,269,060	£3,577,034	£4,052,657	£3,310,327
Debt securities and other fixed income securities	£4,854,482	£4,551,178	£4,018,443	£4,062,623
Deposits with credit institutions	£25,549,722	£25,549,722	£24,662,390	£24,662,390
	£33,673,264	£33,677,934	£32,733,490	£32,035,340

All of the Society's investments in shares and other variable yield securities and units in unit trusts and debt securities and other fixed income securities are listed on a recognised investment exchange.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

11. Other debtors

	2008	2007
Accounts receivable	£8,430	£59,600
Loans	£4,665	£4,985
	£13,095	£64,585

12. Tangible assets

	Motor Vehicles	Equipment	Total
Cost			
As at 1 January 2008	£38,493	£166,034	£204,527
Additions		£2,715	£2,715
Disposals	(£15,970)	(£3,819)	(£19,789)
As at 31 December 2008	£22,523	£164,930	£187,453
Depreciation			
As at 1 January 2008	£15,582	£146,851	£162,433
Charge for year	£5,622	£11,120	£16,742
Eliminated on disposals	(£12,948)	(£3,818)	(£16,766)
As at 31 December 2008	£8,256	£154,153	£162,409
Net Assets Value			
As at 31 December 2008	£14,267	£10,777	£25,044
As at 31 December 2007	£22,911	£19,183	£42,094

13. Fund for future appropriations

	General Reserve	Life & Endowment	Total 2008	Total 2007
Balance at 1 January 2008	£10,045,493	£245,042	£10,290,535	£8,771,489
Transfers to/(from) fund for future appropriations	(£609,239)	£7,166	(£602,073)	£1,519,046
Balance at 31 December 2008	£9,436,254	£252,208	£9,688,462	£10,290,535

14. Sickness benefit provision

	2008	2007
Balance at 1 January 2008	£2,865,471	£2,831,568
Premiums	£5,365,638	£5,303,782
Investment Income	£597,579	£412,614
Forfeitures and lapses	£94,202	£39,944
	£8,922,890	£8,587,908
Benefit	£808,521	£958,402
Cost of reinsurance	£452,663	£398,995
Contributions to management	£1,775,215	£2,322,234
Apportionment to members	£1,653,760	£1,150,382
Transfers to/(from) reserves	£256,987	£892,424
	£4,947,146	£5,722,437
Balance at 31 December 2008	£3,975,744	£2,865,471

15. Life and endowment

	PRFS Death Benefit	Holloway TYP Reserve Fund	Total 2008	Total 2007
Balance at 1 January 2008	£460	£19,907	£20,367	£39,288
Premiums	£1,654	£6,391	£8,045	£10,761
Transfer (to)/from reserve			-	-
	£2,114	£26,298	£28,412	£50,049
Death, maturity and surrenders		£1,296	£1,296	£719
Cost of reinsurance	£1,300		£1,300	£1,911
Transfer to/(from) fund for future appropriations	£484	£6,682	£7,166	£27,052
Corporation tax			-	-
	£1,784	£7,978	£9,762	£29,682
Balance at 31 December 2008	£330	£18,320	£18,650	£20,367

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

16. Members surplus

	2008	2007
Balance at 1 January 2008	£21,190,200	£21,253,556
Apportionment of surplus	£1,653,760	£1,150,382
Compound bonus	£786,051	£881,793
Terminal bonus	£102,742	£104,117
	£23,732,753	£23,389,848
Withdrawals	£2,365,042	£2,159,704
Forfeitures and lapses	£94,202	£39,944
	£2,459,244	£2,199,648
Balance at 31 December 2008	£21,273,509	£21,190,200

17. Technical provisions for linked liabilities

	2008	2007
Linked life fund:		
Balance at 1 January 2008	£2,652,757	£2,486,853
Premiums	£269,768	£308,685
Investment income and growth	(£65,440)	£170,258
	£2,857,085	£2,965,796
Death, maturity and surrenders	£296,928	£289,307
Management charge	£12,070	£15,757
To Holloway TYP Reserve Fund	£6,391	£8,006
	£315,389	£313,070
Balance at 31 December 2008	£2,541,696	£2,652,726

18. Other creditors including taxation and social security

	2008	2007
Taxation and social security	£32,232	£33,905
Amounts due to retired members	£749,711	£752,460
Amounts due to current members - extra contributions	£137,368	£137,134
Other creditors	£170,719	£160,964
	£1,090,030	£1,084,463

19. Capital Commitments

	2008	2007
Capital expenditure contracted for but not provided	-	-
Capital expenditure authorised but not contracted for	-	-
	-	-

20. Financial commitments

At 31 December 2008 the Society had annual commitments of £2,066 (2007 £2,042) under non cancellable operating leases.

21. Particulars of business

All the Society's business relates to direct insurance business, being income protection and Friendly Society Ten Year Plans.

22. Board of Management Members' loans and transactions

Transactions in which members of the Board of Management had an interest

Mr K P Griffin is a partner in the legal firm Dee & Griffin. Fees of £Nil were invoiced during 2008 (2007 £412). At the year end a balance of £Nil (2007 £130) was due to Dee & Griffin.

Mr R J W Perks is a Director of Alchemy Business Partners Limited. Commission of £220 (2007 £108) was paid to Alchemy Business Partners Limited during 2008. At the year end a balance of £64 was due to Alchemy Business Partners Limited.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

23. Capital Statement

The following summarises the capital resources and requirements of The Original Holloway Friendly Society Limited as determined for UK regulatory purposes:

The Society does not write with-profits to the scale required to calculate a realistic balance sheet. Therefore the capital statement below covers all their life assurance business. There are no specific constraints on the capital of the Society.

As the Society has no shareholders, all capital belongs to its members.

Life Business UK non-participating

Fund for future appropriations
 Closure reserve
 Total capital resources before deductions
 Adjustments to assets
 Total available capital resources

2008 £000s	2007 £000s
£9,688	£10,291
£1,610	£1,658
£8,078	£8,633
£915	£1,269
£7,163	£7,364

Total available capital resources are 379% of the Capital Resources Requirement.

Risk Management

Risk Management has a permanent place on agendas for the Audit Committee meetings and Senior Management Team meetings and is continually monitored by a Risk Management Group. Additionally, the Society actively uses its Financial Condition Report and Individual Capital Assessment to focus on the areas of risk that are likely to have the greatest affect on solvency. Actions are then put in place to mitigate these risks.

Capital Management

The Society's Free Asset position is regularly reviewed to ensure it maintains an acceptable level of solvency.

As the capital belongs to the members, if the Society sees large changes in its available capital due to the morbidity experience of the members, it will amend the level of profit allocation and bonus payable to its members accordingly.

Basis for setting technical provisions

A gross premium valuation is used for calculating the Society's liabilities in respect of the Classic, New Classic and Classic Plus products.

A net premium valuation is used to calculate the Society's liabilities in respect of the Premier Plan products.

Interest Rate	2.50% p.a. (2007 - 3.00% p.a.)
Mortality Rates	50% of AMC00 Ultimate (2007 - 60% of AMC00 Ultimate)

Mortality – a base mortality table is selected which is most appropriate for the contracts sold by the Society. The mortality rates are adjusted annually to allow for emerging experience.

Morbidity – for sickness products excluding Premier Plan the Manchester unity approach is used. The rates are split by age, sex and deferred period. The rates are reviewed annually to allow for emerging experience.

Persistency – lapses are not allowed for within the valuation.

Interest rates – a matching rectangle was used to match the admissible assets to the Society's liabilities. A prudent margin was then included.

Expenses – the Society's expenses were analysed between acquisition and maintenance expenses and allow a prudent allowance for future years as a percentage of future premiums.

Options & Guarantees – The Society is open to an implicit investment guarantee in the surrender values for the two linked contracts run by the Society. We use a stochastic model to calculate the liability associated with this guarantee.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

Analysis of change

There has been a decrease in the available capital resources from 31 December 2007 to 31 December 2008. This is due to the decrease in the valuation interest rate from 3% p.a. used in 2007 to 2.5% p.a. used in 2008.

The second component which has contributed to the drop in the available capital resources was the increase in the allocation for the Classic Plus policies. These policies qualify for allocation after two years on the books. Over time as more policies become eligible for the allocation the allocation will increase in relation to the total premium received for the policies.

An analysis of change is set out below:

	Change in Available Capital £000s	Available Capital £000s
Basis		
2007 available capital resources		£7,364
New business and lapses	(£17)	
Morbidity basis	£218	
Mortality basis	(£20)	
Interest rate change	(£392)	
Change in inflation rate	£204	
Expense basis/allocation	(£994)	
Change in closure reserve	£50	
Change in other liabilities	£15	
Change in terminal bonus	£1	
Change in capital accounts	(£83)	
Change in admissible assets	£817	
2008 available capital resources		£7,163

Sensitivity analysis

The table presented below demonstrates the sensitivity of available capital to movements in assumptions.

Variable	Change in Variable	Change in Available Capital £000s
Morbidity	+10%	(£2,324)
Morbidity	-10%	£1,662
Expenses	+10%	(£571)
Expenses	-10%	£495
Mortality	+10%	£12
Mortality	-10%	(£11)
Interest	+1% per annum	£518
Interest	-1% per annum	(£789)

Variable	Change in Variable	Change in Market Value of Assets £000s
Fixed Interest	-10%	(£485)
Equities	-10%	(£327)
Property	-10%	(£93)

In a situation where morbidity increased by the levels in the table above the Society would review its allocation of profits accordingly.

The available capital is relatively insensitive to mortality.

When interest rates change, any movement in the available capital is partially offset by an opposite change in asset values. This has not been reflected in the value change above.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

24. Actuary

The actuarial function holder is Mr Simon Grout, a Director with Oliver Wyman Limited. The Society has requested him to furnish it with the particulars required under Section 77 of the Friendly Societies Act 1992. Mr Grout has confirmed that neither he nor his family were members of the Society, nor have they any financial or pecuniary interests in the Society, with the exception of fees paid to Mercer Oliver Wyman Limited for professional services, which amounted to £160,000 in 2008.

25. Actuarial Valuation

In accordance with the requirements of the Integrated Prudential Sourcebook the Society is obliged to have an annual actuarial valuation of its long term business. The valuation report has been prepared by the Head of Actuarial Function, Mr Simon Grout, in accordance with the requirements of the guidance notes of the Institute of Actuaries namely GN40: The Role of the Actuarial Function Holder and GN44: Mathematical Reserves and Resilience Capital Requirement. A copy of this report can be seen at the registered office of the Society.



Holloway Friendly is the trading style of The Original Holloway Friendly Society Limited.
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Authorised and regulated by the Financial Services Authority. FRN 109986
Income Protection from the original provider. Founded in 1880