

CONTINUOUS MORTALITY INVESTIGATION LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Company Registration no: 08373631

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CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

COMPANY INFORMATION

DIRECTORS

Anne Moore

Clifford Friend

COMPANY NO

08373631

REGISTERED ADDRESS

7th Floor, Holborn Gate, 326-330 High Holborn, London, WC1V 7PP

AUDITORS

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

BANKERS

Lloyds Bank plc

CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

| Contents | Page No. |
|--|-----------------|
| Directors' Report | 2 - 3 |
| Statement of Directors' Responsibilities | 4 |
| Independent Auditor's Report | 5 - 6 |
| Profit and Loss Account | 7 |
| Balance Sheet | 8 |
| Notes to the Financial Statements | 9 - 11 |

CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2019

The directors submit their report together with the audited financial statements of the company for the year ended 28 February 2019. The company was incorporated on 24 January 2013 and commenced trading on 1 March 2013, following the transfer of the net assets and operation of the Continuous Mortality Investigation on that date.

Results and dividends

The directors do not recommend payment of a dividend for the year (2018:£nil).

Principal activity and review of the business

The Continuous Mortality Investigation (CMI) has been accumulating and analysing data on mortality and morbidity risks arising under life assurance, annuity and pension business for around 90 years. The CMI has a long history of providing authoritative and independent mortality and sickness rate tables which have helped support the prudential and financial reporting of almost all UK life insurers and pension funds.

The CMI collects information from insurance companies and actuarial consultancies – and uses data from other sources, including the Office for National Statistics (ONS) - in order to carry out research into the mortality and morbidity experiences of various classes of insured lives, annuitants and pensioners; in particular:

- To compare the actual mortality and morbidity experience with the expected experience based on one or more published tables.
- To construct tables of mortality and morbidity functions based on analysis of aggregated data primarily for use by its subscribers.
- To make estimates of future developments in mortality and morbidity rates.
- To carry out other statistical investigations and research that may be useful to its subscribers with regard to the conduct of long term assurance, annuity and pension business, of sickness and related insurances and of self-administered pension schemes.

The CMI's work is currently undertaken within a UK private company, Continuous Mortality Investigation Limited (CMI Limited), which is limited by shares and wholly owned by the Institute and Faculty of Actuaries.

Full outputs of the CMI are available to commercial organisations only if they pay the appropriate subscription. Free access is provided to academics for non-commercial research, and to regulators and other government bodies.

Notwithstanding its incorporation, the CMI continues to operate on a not-for-profit basis, seeking to set subscription fees at an appropriate level to fund its ongoing activities.

The directors are satisfied with the financial performance of the company for the year.

Future developments

The directors expect a slightly higher level of activity in 2019/20 than in 2018/19, with expenditure exceeding income, resulting in some use of reserves. Activity levels will then reduce to be consistent with income and with reserves at an appropriate level.

CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

**DIRECTORS' REPORT (CONT)
FOR THE YEAR ENDED 28 FEBRUARY 2019**

Statement of disclosure to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Directors and their interests

The directors who served during the year were:

Anne Moore
Clifford Friend

None of the directors had any interest in the shares of the company at 28 February 2019, or at any other time during the year. No rights to subscribe for shares in or debentures of the company or anybody corporate in the same group were granted or exercised during the year.

The report of the directors has been prepared in accordance with section 415A of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf



Anne Moore
Director

24 May 2019

CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS**

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


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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

So far as the directors are aware at the time the report is approved:

- there is no relevant audit information of which CMI Limited's auditors are unaware;
- the directors have taken all steps that they ought to have taken to be aware of any relevant audit information and to establish that the auditors are aware of that information.



Anne Moore
Director

24 May 2019

CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

Independent auditor's report to the members of Continuous Mortality Investigation Limited

Opinion

We have audited the financial statements of Continuous Mortality Investigation Limited (the 'company') for the year ended 28 February 2019 which comprise the Profit and Loss Account, the Balance Sheet and the related notes, 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* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 and of its profit 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 requirements of the Companies Act 2006.

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 company 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, 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 going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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. 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 Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

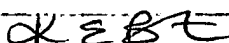
Auditor's responsibilities for the audit of the financial statements

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 financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Kathryn Burton (Senior Statutory Auditor)

For and on behalf of Haysmacintyre LLP, Statutory Auditors

Date: 12 June 2019

10 Queen Street Place

London

EC4R 1AG

CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 28 FEBRUARY 2019**

| | 2019 | 2018 |
|--|-------------|-------------|
| | £ | £ |
| Turnover | 1,250,900 | 1,266,477 |
| Cost of sales | (1,220,911) | (1,067,256) |
| Gross Profit | 29,989 | 199,221 |
| Administration expenses | (200,256) | (126,224) |
| Operating (loss)/profit | (170,267) | 72,997 |
| Interest received | 8,423 | 7,354 |
| (Loss)/ profit on ordinary activities before taxation | (161,844) | 80,351 |
| Tax on ordinary activities | 31,547 | (16,070) |
| (Loss)/profit on ordinary activities after taxation | (130,297) | 64,281 |
| Retained earnings b/f | 852,851 | 788,570 |
| (Loss)/profit for the year | (130,297) | 64,281 |
| Retained earnings c/f | 722,554 | 852,851 |

All business activities are continuing in nature.

There is no other comprehensive income during the period (2018: £nil).

The notes on pages 9 to 11 form an integral part of these financial statements.

CONTINUOUS MORTALITY INVESTIGATION LIMITED

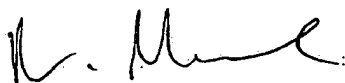
Company Registration no: 08373631

**BALANCE SHEET
AT 28 FEBRUARY 2019**

| | Note | 2019 £ | 2018 £ |
|---|-------------|-------------------|-------------------|
| CURRENT ASSETS | | | |
| Debtors | 6 | 47,640 | 1,886 |
| Cash at bank and in hand | | 1,163,498 | 1,565,713 |
| | | <u>1,211,138</u> | <u>1,567,599</u> |
| CREDITORS: amounts falling due within one year | 7 | (488,584) | (714,748) |
| Net Current Assets | | <u>722,554</u> | <u>852,851</u> |
| Capital and Reserves | | | |
| Called up share capital | 8 | 1 | 1 |
| Profit and loss account | | 722,553 | 852,850 |
| Total shareholders' funds | | <u>722,554</u> | <u>852,851</u> |

These financial statements have been prepared in accordance with the provisions applicable to Companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

The financial statements and related notes on pages 9 to 11 were approved and authorised for issue by the board of directors on May 2019 and were signed on their behalf by:



Anne Moore
Director

The notes on pages 9 to 11 form an integral part of these financial statements.

CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

1. Company information

The company is registered in England and Wales and its registered office is -: 7th Floor, Holborn Gate, 326-330 High Holborn, London, WC1V 7PP.

2. Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The company has taken advantage of the exemption in section 1.12 of FRS 102 from presenting a statement of cash flows.

The company adopts the going concern basis for the preparation of its financial statements.

The following principal accounting policies have been applied

3. Principal Accounting policies

a) Revenue

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

b) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

c) Cash and cash equivalents

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

d) Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019 (CONT)

e) Creditors

Creditors are recognised where the company has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Short term creditors are measured at the transaction price.

f) Taxation

Tax is recognised in the Income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

g) Subscriptions are recognised in the year when they are due. Administrative costs are matched to services provided.

4. Directors and employees

The Company had no employees during the year. The directors are the key management personnel and there was no directors' remuneration for the year.

The company has appointed Barnett Waddingham LLP to support this activity and the costs so arising are dealt with either in cost of sales or as administrative costs.

5. Auditors remuneration

Auditors remuneration of £2,600 (2018: £2,500) was charged in the year.

6. Debtors

| | 2019 £ | 2018 £ |
|-----------------|---------------|--------------|
| Bank Interest | 758 | 1,886 |
| Corporation Tax | 30,806 | - |
| VAT | 16,076 | - |
| | <u>47,640</u> | <u>1,886</u> |

CONTINUOUS MORTALITY INVESTIGATION LIMITED

Company Registration no: 08373631

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2019
(CONT)**

7. Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|---------------------------------|----------------|----------------|
| Other creditors | 61,905 | 14,440 |
| Taxes payable | - | 16,070 |
| Deferred revenue | 317,725 | 397,905 |
| Owing to Barnett Waddingham LLP | 108,954 | 285,415 |
| Other taxes and social security | - | 918 |
| | <u>488,584</u> | <u>714,748</u> |

8. Share capital

| | Authorised £1 ordinary shares Number | Allotted, issued and fully paid ordinary shares £ |
|---|--|--|
| At 28 February 2018 and 28 February 2019 | <u>1</u> | <u>1</u> |

All ordinary shares carry one vote and are entitled to an equal share of any proceeds upon wind up of the company.

9. Related party transactions

CMI Limited has a contract with Barnett Waddingham LLP to provide services to the company including administrative support. The company contracts out these services to Barnett Waddingham LLP to the terms of a contract dated 25 May 2018. CMI Limited was assigned all the rights, title, interests and benefit in an earlier version of that contract from CMI effective from 1 March 2013.

At 28 February 2019, CMI Limited had an outstanding balance with the Institute and Faculty of Actuaries of £10,665 (2018:£nil).

10. Ultimate parent company and controlling party

CMI Limited is a 100% subsidiary undertaking of the Institute and Faculty of Actuaries which is a body incorporated by Royal Charter and these accounts are consolidated into the group financial statements.