

## Shepherds Friendly Society AGM

Tuesday 20<sup>th</sup> September 2011

Attendees from Shepherds Board of Management

Roger Oakes (Chairman)  
Geoff Spencer  
Kim Harris  
Geoff Ross  
Michael Williams  
Tim Robertson (Company Secretary)

Also in attendance  
Christopher Critchlow (Actuarial Function-Holder)

Apologies for not attending were received from Mrs. Joanne Hindle (Vice Chairman).

The meeting notice was read by the Company Secretary.

The independent Scrutineer was Mrs. Joan Jones

The Chairman then addressed the audience with the following;

Welcome to the 185<sup>th</sup> Annual General Meeting of the Shepherd's Friendly Society.

At last year's AGM I expressed the view that the UK economy, although recovering slowly, was likely to remain depressed. This indeed proved to be the case, with a low level of recovery commencing in 2010, but which unfortunately has since petered out in 2011. It now seems certain that not only the UK is in for a drawn out period of slow growth but with major problems continuing across Europe in respect of the risk of sovereign default and a huge budget deficit in the USA the outlook for the world economy has worsened not improved.

The Society is not immune from these difficulties – economic difficulties can result in poorly performing investment markets, and unemployment and inflation reduces disposable incomes for consumers to invest in our products. However it is with pleasure that I am able to report success on all fronts notwithstanding this difficult external environment.

In 2010 the Society achieved an investment return of 9.5% and was able yet again to maintain its bonus rates. It also managed to increase its new business income by 30%.

Your board is pleased to support the Chief Executive and his team as they continue to energetically manage all the affairs of the Society in these most difficult times. The Society continues to undergo considerable change and it is this which is enabling it to grow against the depressed market background. It is heartening that so far in 2011 the Society is again well ahead of last year with new business income currently 47% ahead of last year.

We are also monitoring very closely the unfolding events in the investment markets and world economies and will take defensive measures to protect investment values and returns.

The Chairman moved to the business of the day.

**Resolution 1:**

To receive the annual accounts for the financial year ended 31<sup>st</sup> December 2010, the Report of the Board of Management and the Auditors' Report.

Proposed by Michael Williams  
Seconded by Geoff Ross

The Chairman asked whether there were any questions relating to Accounts, Board Report or Auditors Report.

Members' present took the opportunity to ask several questions amongst which were:-

**Question:**

*The investment into the Shepherds Network is shown in the notes as £500,000, how is this shown in the balance sheet, and is there any return shown in the accounts from the investment?*

**Answer:**

*The Chief Executive explained that it was a Non-admissible Asset shown in the Balance Sheet. Although the Network was making an annual profit as a trading entity it had not so far paid a dividend back into the parent company.*

**Question:**

*The bonus rates had been the same for the last five years, given the very good growth on the investment income, are the Board considering an increase in the bonus rates this year?*

**Answer:**

*The Chairman explained that it is always something the Board would very much like to consider and obviously they have to acknowledge the recommendations of the actuarial advisers. If there was something that could be done to increase rates then the Board would certainly do so. Compared with some organisations the Society was already ahead of the game by maintaining its current bonus rates which is an achievement in itself.*

*It was also pointed out that the Society does an analysis of its payouts on policies maturing and compares them with maturing policies from other Societies and firms, and it is noticeable that the payouts from Shepherds have been gradually been getting better and better relative to its peer groups.*

Following the question and answer session the Chairman asked for a formal vote on the acceptance of resolution number 1.

The result of the voting was:

	<b>For</b>	<b>Against</b>
Show of hands	8	0
Proxy votes in hall	1	0
Members votes received	490	6
Chairman's proxy	102	0
<b>TOTAL</b>	<b>601</b>	<b>6</b>

I declare resolution 1 carried by **595** votes.

### **Resolution 2: Board Appointment**

That Mr Geoffrey Spencer be re-elected as an Executive Director of the Society.

Proposed by Roger Oakes  
Seconded by Geoff Ross

The result of the voting was:

	<b>For</b>	<b>Against</b>
Show of hands	8	0
Proxy votes in hall	1	0
Members votes received	499	6
Chairman's proxy	102	0
<b>TOTAL</b>	<b>610</b>	<b>6</b>

I declare resolution 2 carried by **604** votes

### **Resolution 3: Board Appointment**

That Mrs Joanne Hindle be re-elected as a Non-Executive Director of the Society.

Proposed by Michael Williams  
Seconded by Kim Harris

The result of the voting was:

	<b>For</b>	<b>Against</b>
Show of hands	8	0
Proxy votes in hall	1	0
Members votes received	494	7
Chairman's proxy	102	0
<b>TOTAL</b>	<b>605</b>	<b>7</b>

I declare resolution 3 carried by **598** votes

#### **Resolution 4: Appointment of Auditors**

To appoint Moore Stephens as Auditors of the Society until the conclusion of the next Annual General Meeting.

Proposed by Geoff Spencer

Seconded by Geoff Ross

The result of the voting was:

	<b>For</b>	<b>Against</b>
Show of hands	7	0
Proxy votes in hall	1	0
Members votes received	486	7
Chairman's proxy	102	0
<b>TOTAL</b>	<b>596</b>	<b>7</b>

I declare resolution 6 carried by **589** votes

That concludes the voting on the Resolutions. Are there any other issues or questions?

#### **Conclusion**

That concludes the business of the meeting and I declare the meeting closed.

Thank you for your attendance.