
Commissioners for the Reduction of the National Debt

**Government Annuities Investment Fund
Account 2012**

United Kingdom Debt Management Office

Commissioners for the Reduction of the National Debt

**Government Annuities Investment Fund
Account 2012**

Presented to Parliament pursuant to Section 67(4) of the
Government Annuities Act 1929

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Commissioners for the Reduction of the National Debt

Government Annuities Investment Fund

Foreword

The Government Annuities Act 1929 (the Act) consolidated a number of government annuity and insurance funds into the Government Annuities Investment Fund (GAIF), to be operated by the Commissioners for the Reduction of the National Debt (CRND). The Act authorised CRND to grant term annuities, immediate life annuities, deferred annuities, and insurances.

In practice, the grant of deferred annuities was discontinued in 1912 and the grant of term annuities in 1918. The grant of insurances was discontinued in 1929 and the grant of immediate life annuities in 1962. New insurance contracts since 1929 are variations of contracts existing in 1929.

The investments of GAIF were exhausted in 1936. National Savings and Investments (NS&I) pays out insurance claims and applies yearly to CRND for reimbursement of these amounts by GAIF, which also pays any management expenses. All payments made by GAIF are met by receipts from the Consolidated Fund. The only transaction during the year was a payment of £150 in relation to audit expenses.

Currently 183 life insurance contracts with an aggregate value payable on the deaths of the insured of £3,929, remain open in the records of NS&I, who administer the contracts for CRND.

The account is audited by the Comptroller and Auditor General under agreement with HM Treasury.

Date of authorisation for issue

The Secretary and Comptroller General authorised these financial statements for issue on 12 March 2013.

Jo Whelan

Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt

7 March 2013

Statement of Secretary and Comptroller General's responsibilities

Section 67 (4) of the Government Annuities Act 1929 requires the Commissioners to prepare an account of all monies paid into the Government Annuities Investment Fund and of the disposal thereof, and of all contracts for the grant of deferred annuities and insurances charged on the fund made in any calendar year.

The Government Annuities Investment Fund account is prepared on a cash basis and must properly present the receipts and payments for the year and balances held on 31 December.

The Commissioners have appointed the Secretary and Comptroller General to discharge their statutory responsibilities, a role that is analogous to acting as an Accounting Officer. Therefore the Secretary and Comptroller General has responsibility for preparing the annual accounts and for transmitting these to the Comptroller and Auditor General.

In preparing the accounts, the Accounting Officer is required to observe the applicable accounting standards and generally accepted accounting practice in so far as they are relevant to the Account, and apply suitable accounting policies on a consistent basis.

The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Government Annuities Investment Fund's assets, are set out in Managing Public Money published by the HM Treasury.

Governance Statement

Scope of Responsibility

As Secretary and Comptroller General of the Commissioners for the Reduction of the National Debt (CRND) I am responsible for ensuring the operation of a sound system of internal control that supports the achievement of CRND's targets, policies and objectives in managing client investment portfolios whilst safeguarding the public funds for which I am accountable, in accordance with the responsibilities assigned to me.

CRND is a separate business entity managed within the control framework of the DMO. While I am responsible for CRND's system of internal control, the Accounting Officer of the DMO is responsible for the wider control framework within which CRND is managed. In discharging my own control responsibilities I take assurance on the continued sound maintenance of the wider control framework from the Governance Statement for the DMO, although I understand that only reasonable and not absolute assurance can be given that risks have been controlled.

It is also my responsibility to ensure that all CRND fund management activities are conducted with due regard to value for money and operated in line with client instructions. I have put arrangements in place to ensure that there is a proper evaluation of the balance of cost and risk in our operations.

The CRND is committed to the highest standards of corporate governance and is guided by the Corporate Governance Code for central government departments (the Code) and the following principles laid down in that Code:

- Parliamentary accountability;
- The role of the board;
- Board composition;
- Board effectiveness; and
- Risk Management.

CRND does not conduct any part of its business with or through arm's length bodies (ALBs) and therefore has not applied principle six which covers departmental governance arrangements with ALBs.

Managing Board

The Secretary and Comptroller General was supported during 2012 by the DMO Managing Board (the board) which, in addition to the Secretary and Comptroller General, is comprised of:

Robert Stheeman

DMO Chief Executive and Accounting Officer

Jim Juffs

Chief Operating Officer

Joanne Perez

Joint Head of Policy and Markets

Sam Beckett (*resigned from board July 2012*)

Non-executive HM Treasury representative

James Richardson (*appointed to board July 2012*)

Non-executive HM Treasury representative

Brian Larkman

Non-executive director – Brian Larkman was Global Head of Money Markets at the Royal Bank of Scotland PLC from 2000 to 2001 and Managing Director, Global Money Markets at National Westminster Bank PLC from 1991 to 2000. He was a member of the Regulatory Decisions Committee of the Financial Services Authority until 2006.

Brian Duffin

Non-executive director – Brian Duffin was Chief Executive of Scottish Life from 1999 to 2007 and Executive Director of Royal London Mutual from 2001 to 2007.

Non-executive directors are appointed by the DMO Accounting Officer following a formal process and have fixed terms defined in their contracts of service. Sam Beckett resigned from the board in July 2012 and was replaced as HM Treasury’s representative by James Richardson. James was appointed by the DMO Accounting Officer in accordance with the DMO’s Framework Document. All non-executive board members receive an induction on joining and have access to additional information and training where they consider it necessary in the discharge of their duties.

One of the roles of the board is to advise the Secretary and Comptroller General on any key decisions affecting the CRND.

An executive sub-committee of the board generally meets weekly and supports the Secretary and Comptroller General on operational decisions.

The board has undertaken a formal self evaluation of its performance during 2012 and concluded that it has operated effectively in delivering the objectives set out in its terms of reference.

2012 Board Activities

Board meetings were held throughout 2012 and covered regular agenda items, including risk management, staffing and progress against the operational business plan.

Board attendance is outlined in the table below:

	Possible	Actual
Robert Stheeman	8	8
Jo Whelan	8	7
Jim Juffs	8	8
Joanne Perez	8	8
Sam Beckett (resigned from Board in July 2012)	4	3
James Richardson (appointed to the Board in July 2012)	4	4
Brian Larkman	8	7
Brian Duffin	8	8

Audit Committee

The Secretary and Comptroller General was supported during 2012 by the Audit Committee on matters relating to risk, internal control and governance. The members of the Audit Committee during 2012 were:

Brian Larkman (Chair)

Brian Duffin

Caroline Mawhood – Caroline Mawhood was an Assistant Auditor General at the National Audit Office until 2009 and President of the Chartered Institute of Public Finance and Accountancy for 2008-09. She is a non-executive member of the Audit Committees of the Department of Energy and Climate Change and the Corporation of London and an independent member of the Audit Progress Committee of the European Commission. She is also the Honorary Treasurer of Breakthrough Breast Cancer charity.

Audit Committee meetings are typically attended by the DMO Accounting Officer, the Secretary and Comptroller General, the Joint Head of Policy & Markets, the Chief Operating Officer and the Head of Internal Audit.

One of the Audit Committee's objectives is to give assurance to the Secretary and Comptroller General that:

- High quality processes are in place to manage and control risk for the DMO's financial and non-financial activities;
- Overall governance arrangements are appropriate and operating effectively;
- The financial control framework is effective and supported by an appropriate compliance culture;
- External financial reporting is prudent, accurate, timely, appropriate and consistent with relevant guidance;
- Internal financial and management reporting is timely, prudent, appropriate and consistent with external financial reports;
- Whistle blowing arrangements for confidentially raising and investigating concerns over possible improprieties in the conduct of the DMO's business are adequate; and
- Relationships with the National Audit Office (NAO) are effective.

During the period under review the Audit Committee paid particular attention to the following areas:

- *business continuity planning, especially with regard to the Olympics period;*
- *anti-money laundering controls;*
- *anti-fraud controls;*
- *regulatory compliance;*
- *risk management and financial control;*
- *implementation of audit recommendations; and*
- *external and internal financial reporting.*

The Audit Committee covers a regular programme of agenda items, together with other current topics, through an annual schedule of four meetings. All scheduled meetings were held and no additional meetings were deemed necessary.

The Secretary and Comptroller General has also been informed by the following operational committees throughout the period under review:

Fund Management Committee

The Fund Management Committee reviews CRND activity relating to the performance of the government funds under management, including any reporting on compliance activities undertaken in relation to the funds.

The Fund Management Committee met four times in 2012

Business Delivery Committee

The Business Delivery Committee reviews the status of the delivery of DMO's business and work plan as a collective cross functional body, resolving emerging issues in a timely way, and agreeing priorities, to ensure the plan stays on track.

The Business Delivery Committee met regularly (typically weekly) throughout 2012.

Risk Committees

The Secretary and Comptroller General is informed by three risk committees covering credit and market risk, operational risk and risk control. More detail on the roles, responsibilities and activities of these committees can be found in the sections below.

Risk Management and Internal Control

The Secretary and Comptroller General is responsible for maintaining a sound system of internal control that supports the achievement of CRND's targets, policies and objectives in managing client investment portfolios whilst safeguarding the public funds for which she is accountable, in accordance with the responsibilities assigned to her.

The CRND is managed within the wider DMO system of internal control which is based upon what the DMO Accounting Officer, with the support of the board, considers to be appropriate taking account of the DMO's activities, the materiality of risks inherent in those activities and the relative costs and benefits of implementing specific controls to mitigate those risks. The DMO's position differs to that of a commercial organisation in that it must always be in a position to transact the underlying business required to meet its remit. As a result the risks associated with this activity cannot be avoided and the system of internal control can only provide reasonable assurance against failure to achieve aims and objectives.

The Risk and Control Framework

The board has designed and put in place a formal risk management framework covering all the activities conducted and overseen by the DMO, including the activities of the CRND. This Framework helps ensure that the Secretary and Comptroller General is appropriately informed and advised of any identified risks and also allows the management of risks to be monitored. The risk management framework covers both regular operations and new business initiatives, and evolves as the range and nature of the DMO's activities change. The Framework is supported by a clear 'three lines of defence' model:

First line of defence:

Day-to-day management of risk is the responsibility of management staff within business areas. The DMO fosters a risk aware culture and encourages all members of staff, including board members to identify new risks and changes in previously identified risks, so that these may be assessed and so that appropriate mitigating actions may be put in place.

Mitigating actions typically include segregation of duties, staff training, clear lines of management delegation and robust business continuity arrangements.

Second line of defence:

Oversight of risk is provided by the board and risk committees, whose role is to provide regular and systematic scrutiny of risk issues which lie within their remit and to support the Secretary and Comptroller General in exercising her overall responsibility for risk management for CRND.

The DMO considers that the principal risks it faces arise in three broad areas: credit and market risk, operational risk, and risk controls, so it has established committees to meet regularly to review the changing risk pattern for each of these areas and to set up appropriate responses. The work of these committees extends to cover the activities of CRND and is described in more detail below.

Credit and Market Risk Committee

The Credit and Market Risk Committee (CMRC) meets on a regular basis, with more frequent meetings held when required, for example during times of market stress. It monitors and reviews the management of market, credit, and liquidity risk. It sets limits across a range of exposures including counterparties, countries, instruments held as collateral as well as setting absolute limits on net daily flows across the DMA. CMRC met ten times during 2012.

Operational Risk Committee

The Operational Risk Committee (ORC) meets regularly to monitor operational risks and to review significant risk issues. The ORC is responsible for reviewing risk incidents identified through the DMO's risk incident reporting process, and considering whether planned mitigating action is appropriate. The Committee also reviews and tracks the progress of actions identified by Internal Audit. The Committee's scope includes issues relating to information risk, IT security, business continuity, anti fraud and key supplier risks.

The ORC has advised the Secretary and Comptroller General and the board, during the year, on significant operational risk concerns, significant risk issues and trends as well as actions to mitigate such risks. The Committee has focused this year on further developing business continuity planning, including operational planning for the Olympic period, reviewing trading controls and improving the data quality and reliability of the DMO website. ORC met eight times during 2012.

Controls Group

The Controls Group meets periodically to review issues affecting the DMO's system of internal control and to analyse material changes to the control environment. The Group recommends actions to management to implement changes where appropriate. The Controls Group consists of representatives from Finance, Risk, Compliance and Internal Audit.

The Controls Group has advised the Secretary and Comptroller General, the board and senior management on any significant risk concerns stemming from the introduction of new business activities to CRND as well as risks relating to other change management activities. The Group has also advised the Secretary and Comptroller General on suitable mitigating action where appropriate.

During the year the Controls Group review work has included improvements in cash forecasting and trade settlement processing, and changes to banking arrangements for CRND funds.

Risk Management Unit (RMU)

The risk committees are supported by the DMO's Risk Management Unit (RMU) which ensures key risk issues arising from these committees are communicated to the Secretary and Comptroller General and senior management on a regular basis, with additional ad hoc reporting if an emerging issue requires it. The RMU also supports the formal risk reporting processes with defined outputs, including regular detailed risk reports which are reviewed by the board and senior management.

As well as supporting the risk committee structure, the RMU provides control advice on risks. As part of the second line of defence the RMU is separate from and independent of the DMO's trading operations. The RMU conducts risk analysis and provides market, credit and operational risk capability for the DMO.

The identification, monitoring and mitigation of operational risk is facilitated by the RMU, via quarterly consultation with heads of business units and functional teams. Significant risk issues are assessed for materiality and probability of occurrence. New risks, and risks to which exposure is increasing are highlighted and actions are taken to ensure effective management of all risks. The DMO has Senior Risk Owners (SROs) who undertake a cross-functional moderation process to promote better prioritisation of operational risks across the organisation. The RMU maintains a central exception log to record all risk incidents raised, in order to identify control weaknesses and assign actions to improve controls. Progress against treatment actions is obtained on a regular basis to ensure issues highlighted by internal and external audit, and other identified actions to improve the control environment, are managed and progressed within agreed deadlines.

Third line of defence:

The DMO's Internal Audit function provides the Accounting Officer, and where appropriate the Secretary and Comptroller General, with independent and objective assurance on the overall effectiveness of the DMO's system of internal control. It does this through a risk based work programme which is approved by the Audit Committee at the start of each year. All audits make a series of recommendations which, once agreed by management, are monitored for implementation. In 2012 Internal Audit conducted a review of CRND concluding that there is a satisfactory level of control over managing and processing transactions. The function is independent of the DMO's trading activities and operations and has a direct reporting line to the DMO Accounting Officer. The work of Internal Audit includes assessing the effectiveness of both control design and control performance. With its independence and overall remit, Internal Audit provides a third line of defence against the risks that might prevent the DMO delivering its objectives.

Risk policies and procedures

The DMO's risk policies reflect the high level standards and requirements which determine the way in which risks are managed and controlled. As part of the DMO the CRND is also subject to the same standards and requirements. The DMO Accounting Officer, with the support of the board, ensures that policies are regularly reviewed to reflect any changes in the DMO's operations and/or best practice.

Staff are required to signify that they have read and accepted the DMO's rules on personal dealing and the DMO's policy on the use of information systems and technology, and that they are aware of, and will continue to keep up to date with, the DMO's policies on whistle blowing, fraud and anti-money laundering. The DMO ensures that this exercise is undertaken on an annual basis allowing staff to maintain a good level of awareness of the DMO's policies in these areas. All members of staff have job descriptions which include reference to the specific key risks they are expected to manage.

Managers in each business function are responsible for ensuring that the operations within their area are compliant with plans, policies, procedures and legislation.

Risk Profile

The Secretary and Comptroller General and board believe that the principal risks and uncertainties facing the CRND are outlined in the table below together with the key actions taken to manage and mitigate them:

Principal risks and uncertainties

IT Systems and infrastructure

The CRND relies on a number of IT and communications systems to conduct its operations effectively and efficiently.

A number of the operational systems and services on which the CRND relies are provided or supported by third party suppliers.

Mitigation and management

In line with good practice the DMO has in place structured business continuity arrangements to ensure it is able to continue market operations in the event of an internal or external incident that threatens business operations.

The DMO's Business Continuity Plan (BCP) including Disaster Recovery (DR) and other arrangements are subject to continuous programme of testing, review and update. During 2012 the DMO ensured a thorough programme of DR testing was carried out, and that BCP arrangements to support auctions were undertaken during the year with teams working from the DR site during auctions.

Business Continuity requirements continue to be a key requirement for new projects. The DMO has also recruited additional resource for BCP work and to ensure sufficient cover for critical processes.

The DMO is represented on the Public Finance Business Continuity Management Group and played an active part in the Group's contingency planning for the Olympics in 2012. As part of its Olympics planning the DMO also ran a comprehensive Olympic DR exercise in 2012.

To mitigate the risk of failure of a key third party the DMO undertakes a corporate risk assessment of each potential supplier in order to assess financial strength and operational capacity. The DMO has dedicated relationship managers who meet regularly with key suppliers and monitor performance against agreed SLAs

Transaction processing

CRND relies on its operational processes to successfully execute a significant number of high value transactions on a daily basis. Reliance on the accurate execution of processes exposes the CRND to operational risk arising from process breakdown and human error.

A key component of the CRND's control framework is the segregation of duties to ensure independent checking and reconciliation, and to avoid concentration of key activities or related controls in individuals or small groups of staff. In particular, segregation of duties takes place between front and back office activities.

All teams, including CRND, have documented procedures for their main activities and there are clearly defined authorisation levels for committing the CRND externally.

The RMU conducts regular control and compliance testing, providing the executive sub-committee of the board with assurance on the effectiveness of operational controls and compliance with relevant Financial Services Authority rules in the dealing and settlement areas. This testing extends to cover CRND.

The DMO also maintains a strong audit and control environment which includes a well embedded incident reporting procedure which extends to cover CRND. This promotes early identification and resolution of risk incidents and provides visibility to the Secretary and Comptroller General and board.

DMO recruitment policies help ensure that individuals with the appropriate level of skill and experience are appointed at all levels within the organisation. This helps mitigate the level of human error resulting in process failures.

People risk

The DMO, including CRND, relies on maintaining a sufficiently skilled workforce at all levels of the organisation in order to operate effectively and efficiently, and to deliver its strategic objectives.

The DMO is exposed to an increased risk of operational failure if it is unable to compete for, and retain, sufficiently skilled staff over time.

The DMO's Training and Development policy aims to ensure that its staff have the right skills to meet its objectives.

The DMO has a formal recruitment and selection process to help ensure vacancies are filled quickly by appropriately skilled candidates.

The DMO has put in place a formal performance appraisal process and all staff are given clear and achievable objectives. Where appropriate, staff are encouraged to engage in activities which promote development and the DMO provides regular training opportunities and support for professional studies to enhance the skills base of its employees. The DMO also provides cross-training for different roles to help improve staffing flexibility and reduce turnover pressure.

A Staff Council has met regularly throughout the year and enabled an open exchange of ideas and views between management and staff representatives and has been an effective conduit for wider communication and consultation with all staff.

On an annual basis DMO staff take part in the Civil Service employee engagement survey and any issues raised, including mitigating action if required, will be considered by the DMO Accounting Officer, the Secretary and Comptroller General and the board.

The DMO was reaccredited as an Investor in People in 2011.

IT and security

Through its activities the DMO, including CRND, gathers, disseminates and maintains sensitive information including market sensitive information and personal data about staff and market participants. The DMO seeks to ensure the highest standards of data protection and information management.

The DMO is exposed to risk of an external attack on its IT systems and infrastructure.

The DMO continues to work to maintain the required level of protective security covering physical, personnel and information security.

Risks to data and information held by the DMO are owned and managed by designated Information Asset Owners. The DMO has a Senior Information Risk Owner (SIRO) who is responsible for the information risk policy and the assessment of information risks. The SIRO also provides assurance to the board that information risks are being managed effectively.

The DMO has put in place several layers to defend against external attack and its infrastructure undergoes an annual penetration test to ensure the control environment is robust. These tests are undertaken by specialists and form part of the assessment against the CESG requirements. This is a condition for continuing connection to the Government Secure Internet (GSI).

Review of effectiveness

I have reviewed the effectiveness of the system of internal control and confirm that an ongoing process designed to identify, evaluate and prioritise risks to the achievement of the CRND's aims and objectives has been in place throughout 2012. This review included an assessment of any material risk and control issues identified and reported during the relevant period.

My review has been informed by the advice of the risk committees and by the work of the internal auditors and the executive managers within the DMO, who have been delegated responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

In my role as Secretary and Comptroller General I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board and the Audit Committee.

Plans to address weaknesses and ensure continuous improvement of the system are in place.

No significant internal control issues affecting or with the potential to affect this fund have been identified in 2012, and no ministerial directions were given.

In my opinion, the CRND's system of internal control was effective throughout the financial year and remains so on the date I sign this statement.

Jo Whelan

Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt

7 March 2013

INDEPENDENT AUDITOR'S REPORT TO THE COMMISSIONERS FOR THE REDUCTION OF THE NATIONAL DEBT

I have audited the financial statements of Government Annuities Investment Fund Account for the year ended 31 December 2012. The financial statements comprise: the Receipts and Payments Account, the Statement of Balances and the related notes. These financial statements have been prepared under the Government Annuities Act 1929.

Respective responsibilities of the Commissioners for the Reduction of the National Debt, the Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt and the Auditor

As explained more fully in the Statement of the Secretary and Comptroller General's Responsibilities, the Commissioners for the Reduction of the National Debt have a statutory duty to present a Receipts and Payments Account and a Statement of Balances in accordance with the Government Annuities Act 1929. They have appointed the Secretary and Comptroller General to the Commissioners for the Reduction of National Debt to discharge these responsibilities. My responsibility is to audit the financial statements. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Government Annuities Investment Fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Secretary and Comptroller General; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Foreword, the Statement of Secretary and Comptroller General's responsibilities, and the Governance Statement, to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

I am required to obtain evidence sufficient to give reasonable assurance that the receipts and payments recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

In my opinion, in all material respects, the receipts and payments recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on financial statements

In my opinion:

- the financial statements properly present the receipts and payments of the Government Annuities Investment Fund for the year ended 31 December 2012 and of the balances held at that date; and
- the financial statements have been properly prepared in accordance with the Government Annuities Act 1929.

Opinion on other matters

In my opinion the information given in the Foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

STEVEN CORBISHLEY

For and on behalf of the Comptroller and Auditor General

12 March 2013

National Audit Office
157-197 Buckingham Palace Road
Victoria
London, SW1W 9SP

Government Annuities Investment Fund

Receipts and Payments

For the year ended 31 December 2012

	2012 £	2011 £
Cash receipts		
From the Consolidated Fund	150	144
Cash payments		
Expenses	150	144
	<u>0</u>	<u>0</u>

Statement of Balances

There were no assets or liabilities at 31 December 2012 or 31 December 2011.

Statement of Activity

For the year ended 31 December 2012

	Number	Amount £
Payments made on contracts	0	0
Deferred annuities	0	0
Insurances	<u>0</u>	<u>0</u>
New contracts entered into	0	0
Deferred annuities	0	0
Insurances	<u>0</u>	<u>0</u>
Current contracts at the end of the year		
Deferred annuities	0	0
Insurances	183	3,929
	<u>183</u>	<u>3,929</u>

The following information is given in accordance with the Act.

The premiums charged for annuities and insurances were calculated on the under mentioned basis:

Interest 2 ½ % per annum, except for deferred annuities granted by the Commissioners for the Reduction of the National Debt under the Government Annuities Act 1929, in which case the rate depended upon the price of the public funds on the date the annuity was purchased.

Mortality:

Deferred annuities Table as set out in Parliamentary Paper No. 8 of 1884.

Insurances Mortality of healthy males insured with life insurance companies as shown in the table published by the Institute of Actuaries in 1872.

Jo Whelan

Secretary and Comptroller General to the Commissioners for the Reduction of the National Debt

7 March 2013



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