

# **The Insurance Charities**

**(A company limited by guarantee)**

## **Report and Financial Statements**

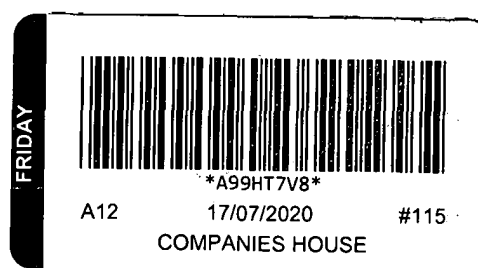
**Year ended 31 March 2020**

### **Company numbers:**

**England & Wales 74461  
Isle of Man 006098F**

### **Charity numbers:**

**England & Wales 206860  
Ireland 20200129  
Scotland SC047527  
Isle of Man 1230**



**The Insurance Charities**

**Report and Financial Statements**

**Year ended 31 March 2020**

<b>Contents</b>	<b>Page (s)</b>
Report of the Directors (incorporating the Strategic Report)	1 - 9
Report of the Auditor	10 - 12
Statement of Financial Activities	13
Balance Sheet	14
Statement of Cash Flows	15
Notes on the Accounts	16 - 24

## **The Insurance Charities**

### **Report of the Directors for the year ending 31 March 2020**

The Directors, who are also the Trustees for the purposes of Charity law, are pleased to present their annual report together with the financial statements of the Charity for the year ended 31 March 2020; which are prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

#### **Our purposes and activities**

The Charity's objects are to provide financial assistance towards the education, training and relief of need, hardship, sickness, disability, old age or distress of persons who are or have been engaged in any aspect of the insurance industry and of children, spouses, partners, former spouses or partners and other relatives or dependants of such persons. The principal activities to achieve these objects are the provision of charitable payments and signposting to practical advice. The objectives of the activities for the year and the Charity's achievements against them are discussed under **Achievements and Performance**.

Our vision is to achieve the situation where all past and present insurance employees and their dependants can readily access the Charity's support in times of need.

Our mission to realise this vision is to:

- provide appropriate financial assistance and money advice to eligible applicants to improve their lives;
- work in partnership with individuals and corporate bodies to create and maintain effective communication channels with those eligible for help;
- work in partnership with individuals, appropriate organisations and corporate bodies to generate and sustain adequate income streams.

Our strategic aim is to achieve all this through an ongoing programme of grant making and advice to individuals and various publicity and fundraising campaigns. The Charity's current grant making policy is to assist individuals and their dependants whose service to the insurance industries of the British Isles and Ireland normally covers at least five years and is a significant part of their most recent working life.

#### **Our volunteers**

We rely heavily on a team of volunteers to operate effectively and efficiently. Each local and associated institute of the Chartered Insurance Institute (CII), covering the UK and Ireland, nominates one or more members to act as visitors to current and prospective beneficiaries and to fundraise and publicise our work locally. Some insurance employers provide services through their Human Resources or Welfare departments. Visitors are Disclosure and Barring Service (DBS) checked and provided with resources to support them in their role. The amount of time and resources donated in this way varies but the total is significant and substantially reduces Charity's operating costs. The expenses of such volunteers are often financed by the local institutes or employers. The Charity is very grateful for such tangible support.

## **The Insurance Charities**

### **Report of the Directors for the year ending 31 March 2020**

#### **What we do**

As a grant making organisation, we provide financial assistance and advice to individuals to ease financial pressure and improve quality of life. Individuals are advised on income maximisation and expenditure control as well as given practical support and reassurance in respect of day-to-day and one-off issues. Where appropriate, individuals are helped to access support from organisations with expertise in areas such as money management and health issues. We do not engage external or commercial participators in respect of fundraising. Any fundraising activity and resultant complaints are managed by the Secretariat.

#### **Public Benefit**

The principles of public benefit, as defined by the Charity Commission, were noted by the Board on 12 March 2008. Since then, the Directors have had regard to the Charity Commission's guidance, including 'public benefit: running a charity (PB2)', and are aware of the Public Benefit discussions within the charitable sector. The Directors continue to believe that the Charity provides identifiable benefits to a significant section of the public as its support is available to past and present employees of the insurance industry. Correspondence from those in receipt of support regularly confirms the positive impact such help makes to them and how welcome home visits by the Charity's volunteer visitors are.

#### **Strategic Report**

##### **Achievements and Performance**

The key objectives agreed for the year ended 31 March 2020 and the impact of our achievements in delivering the public benefit are summarised as follows:

##### ***Provision of financial and practical assistance***

We aimed to increase the number of cases we helped. Financial assistance was authorised in 249 out of the Charity's 429 active cases, with some cases considered on more than one occasion. Help was authorised for the first time in 64 cases; a decrease on the previous year. 178 cases received support solely by way of advice; an increase on the previous year's total. Net outright grants payable increased by approximately 12% compared to the previous year.

We have continued to explore ways to supplement the financial help we have long provided. Having determined some of the most common health and general challenges faced by our beneficiaries and the insurance sector, we have continued to investigate what practical support can be secured. We have continued to benefit from working with Shelter, The Silver Line (Age UK) and The Alzheimer's Society to facilitate easy access to their specialist advice and services in respect of housing, elder befriending and dementia. The Toolkit on Domestic Abuse, launched in 2018 to help employers identify and support employees who are victims or perpetrators, continues to be widely accessed. We have continued discussions with Mind, with whom Depression Alliance merged, in respect of the successor to the Friends in Need network we funded. Discussions have also continued in Ireland with potential partners able to replicate the services we have in the UK in support of our Irish beneficiaries.

The restrictions imposed by the developing pandemic have seen us adjust our procedures. We have temporarily suspended home visits to new and potential beneficiaries but have continued to verify information provided to ensure its accuracy and completeness.

##### ***Creation and maintenance of effective communication channels***

We again made Insurance Charities Awareness Week (ICAW) a more effective publicity vehicle by securing the participation of an increased number of insurance employers. We distributed higher volumes of publicity materials and held a reception at Lord's Cricket Ground where major insurance employers heard about the work of the Charity and its partnership with the Alzheimer's Society.

## **The Insurance Charities**

### **Report of the Directors for the year ending 31 March 2020**

As well as increasing communications with employers and supporters, the Charity again benefited from complimentary exhibition space at various industry events, for which it is very grateful. We provided speakers for a number of local insurance institute wellbeing events.

#### ***Generation and sustenance of adequate income streams***

We aimed to generate and sustain adequate income streams. Unsurprisingly, due to the impact of COVID-19, in the last quarter there was a decrease in most income sources. Many local institutes cancelled their Annual Dinners; the source of much of their regular fundraising.

#### ***Reinforcing and improving governance***

We have continued our policy of open recruitment and have been delighted to have three new Board members over the past year; all of whom are actively involved in the insurance industry and bring supplementary skills and experience to complement those already in existence. The Board finalised its Business Continuity Plan, to complete its internal governance document. Board members continued to make compliance with, and embedding of, the Charity Governance Code's principles a priority.

#### ***General Data Protection Regulation (GDPR)***

On 16 March 2018, the Board agreed the Charity's response to the above. It determined the basis on which the Charity holds data and agreed procedures in respect of its capture, retention and any breach. The Charity has continued its compliance over the year.

#### **Financial Review**

The Statement of Financial Activities (SoFA), on page 13, reflects all incoming resources receivable in the year irrespective of when income is spent. Total incoming resources decreased by £103,000 to £1,400,000. Expenditure on charitable activities increased by £158,000 to £1,983,000. Total resources expended of £2,206,000 (2019: £2,023,000) resulted in a net outflow for the year of £806,000 (2019: £520,000). After taking into account realised and unrealised gains on investments, total fund balances decreased by £5,260,000 (2019: increase of £1,301,000) to £32,738,000 (2019: £37,998,000).

The Directors do not consider that the current pandemic of COVID-19 will impact on the financial sustainability of the Charity and that the Charity is still deemed to be a going concern. The Directors consider the value of the investment portfolio and the forecast investment income will be sufficient to sustain the Charity for at least twelve months from the date of signing the financial statements.

#### **Investment Policy and Performance**

During the year the Directors reviewed the Charity's policy to reinforce its position of not holding investments in companies whose principal activities could be seen adversely to affect those we help. The Charity has an agreed investment performance benchmark with its investment managers based on the income requirements to support grant giving, Trustees' attitude to investment risk and the timeframe for investment. The performance benchmark comprises 14% of the return of the FTA British Government All Stocks Index, 70% of the FTSE All Share index, 10% of the FTSE World Ex UK Index, 3% of the Investment Property Database Index, 2% of the BoE Base Rate +2% return (for infrastructure investment) and 1% of the cash return. This allocation is classified as *Medium/High* risk and imposes agreed limitations as to the minimum and maximum amounts of each asset class that can be held.

## **The Insurance Charities**

### **Report of the Directors for the year ending 31 March 2020**

The Directors understand that over the long term this agreed format will allow the capital value of the portfolio to be retained in real terms and generate a good level of income to fund grant making. The Directors also understand that investments do not move in a linear fashion and there will be individual years, and periods perhaps in excess of a year, when the portfolio value may fall. They also understand that, based on historical returns, equity investment is necessary if the value of both the capital value of the fund and income is to maintain its purchasing power when compared with inflation.

The 12 months to 31 March 2020 saw the portfolio lose substantial value as a result of the huge disruption wrought by the impact on the global economy, and thereby share prices, of the coronavirus global pandemic. The disease started in China and quickly spread. Western governments imposed lockdown conditions on citizens to halt the risk of infection. The real impact on portfolio values occurred from February but it is unclear to what extent stock market movements at that time were as a result of virus fears. Equity markets had been stubbornly clinging close to all-time highs, the oil price was in freefall resulting from a Saudi/Russian fight for market share and changes in the line-up of candidates for the November 2020 USA presidential election might all have played a part.

Equity markets however came thundering down in March with the main western equity markets losing circa 14% of their value over the month; having reached a low of minus 24% a week earlier. The major business casualties were travel companies, leisure operators, retailers not selling essential items and indeed any companies selling goods or services where the purchase could be cancelled or delayed. Food producers and retailers, healthcare and pharmaceuticals, tobacco and perhaps utilities were amongst few areas not badly affected by the emergency measures introduced to contain the virus. Ongoing Brexit negotiations thus became a sideshow.

The portfolio continues to be managed for long term growth in both its capital value and the level of income it can generate and 2020 saw a good rise in income. For 2020 the portfolio's total return (capital growth with income added) was -9.7%, compared to the benchmark's -12.1%. The three year cumulative return shows +2.0% compared to the benchmark's -4.9%, the five year return showing +15.8% compared to the benchmark's +11.6%.

### **Reserves policy**

Reserves are needed to bridge the gap between spending and receiving of income and to cover unplanned expenditure. Budgetary and financial control continues to be exercised to reduce the risk of over expenditure and mitigate the effect of a significant reduction in income in any financial year. The General Fund represents funds which are readily realisable, less those whose uses are restricted or designated for particular purposes. The calculation excludes fixed assets used in the Charity's day-to-day running. The Directors keep under review reserves required to be held in investments and cash not restricted to any particular purpose. The Directors consider that the sum of £32,738,000, held by way of reserves as at the year end (2019: £37,998,000), is adequate, in view of the current economic climate and stock market activity, as it should generate adequate future investment income to meet likely demands after other income is accounted for, and that the long term position of the portfolio is able to withstand fund drawdowns where necessary. The Directors do not consider it to be necessary to establish a specific target reserve total and to monitor against it, the current level is deemed to be the level required to generate income for the charity in the long term to continue to be able to support its beneficiaries and achieve its charitable objectives in the absence of other income streams.

## **The Insurance Charities**

### **Report of the Directors for the year ending 31 March 2020**

#### **Plans for future periods to continue delivering public benefit**

##### ***Provision of financial and practical assistance***

We will continue to seek out ways in which the Charity's funds can be released to benefit insurance people in hardship through misfortune. We will strive to increase the number of cases we support; still strongly believing there to be many more individuals in need of financial assistance than we are currently helping.

Following the Directors' decision in 2012 to extend the benefits provided by The Insurance Charities, we will continue to develop partnerships with external charitable bodies, particularly to extend practical support to Ireland. The Directors will endeavour to identify other issues and health concerns which adversely affect the wellbeing of a significant proportion of the Charity's existing beneficiaries and past and present insurance employees, to help identify suitable

partners. When restrictions allow, the Charity will promote the extension of the volunteering element of our partnership with The Alzheimer's Society in more areas across the UK following the initial pilot in the Midlands.

The governments advice for COVID-19 on social distancing, use of public transport and working from home has been considered and adopted by the Charity for its day to day operations. We will continue not to make personal visits to our beneficiaries until social distancing restrictions are lifted. We and our beneficiaries consider these visits to be a fundamental part of our service to them and will consider all health implications on their reintroduction.

##### ***Creation and maintenance of effective communication channels***

We had planned to extend the effectiveness of Insurance Charities Awareness Week (ICAW) in June, so as to reach an increased number of individuals across the UK and Ireland, as well as hold an increased number of Welfare Briefings during and beyond ICAW. These were to give individuals employed in the sector information about our work and access to vital advice and support in the areas where we have developed partnerships. The Board has decided that the restrictions of COVID-19 and social distancing have changed how effective ICAW in its usual format would be and decided to replace it with an Awareness Day (ICAD) in June which will be delivered digitally using social media channels and other forms of technology. We will await details of how any major return to work programme will be implemented before deciding whether our annual distribution of complimentary branded giveaways will proceed in 2020.

##### ***Generation and sustenance of adequate income streams***

We will continue to discuss with our investment advisers the stability of our investments, particularly in the light of COVID-19, to ensure the return of essential income to fund the Charity's operations. We will work to maintain support from insurance employees and employers, recognising that requests for donations help facilitate opportunities for publicity and communication with potential beneficiaries. We understand that whilst social distancing is in place our income will be depleted from local institutes and other planned fundraising.

##### ***Reinforcing and improving governance***

We will continue to work to follow and embed the principles of the Charity Governance Code as well as recruit more Directors and Committee members with current involvement in the insurance industry and skills needed to complement those already evident within the Board.

**The Insurance Charities**  
**Report of the Directors for the year ending 31 March 2020**

**Reference and administrative details**

Charity numbers:      England & Wales      206860  
                                 Ireland                      20200129  
                                 Scotland                    SC047527  
                                 Isle of Man                1230  
Company numbers:    England & Wales      74461  
                                 Isle of Man                006098F  
Registered offices:    Third Floor, 2 St Andrew's Hill, London, EC4V 5BY  
                                 Third Floor, 10 Prospect Hill, Douglas, IM1 1EJ

***Our advisers***

*Auditor*  
RSM UK Audit LLP                      Portland 25 High Street Crawley RH10 1BG  
*Bankers*  
National Westminster Bank plc      1 Princes Street London EC2R 8PA  
Ulster Bank Limited                    33 College Green Dublin 2 Republic of Ireland  
*Solicitors*  
Hunters                                    9 New Square Lincoln's Inn London WC2A 3QN  
*Investment Managers*  
Investec Wealth & Investment Ltd    30 Gresham Street London EC2V 7QN

***Directors***

The Directors and officers serving during the year and since the year end were as follows:

*Key management personnel: Directors*

Mr John Greenway **Chairman**  
Mrs Kirsten Hardiker **Deputy Chairman & Chair of the Grants Committee**  
Mr Graham Cave **Chair of the Marketing Committee**  
Mr Richard Wood **Chair of the Audit Committee**  
Mr Anthony Alderman  
Professor David Bland  
Mr Joshua Brekenfeld (appointed 13.04.2019)  
Mr George Gager (appointed 13.04.2019)  
Ms Adrienne O'Sullivan  
Mr Peter Staddon  
Mr Richard Talbot-Jones (appointed 30.04.2019)  
Mr Lindsay Williamson (resigned 18.09.19)  
Mr Kevin Wood

*Key management personnel: Vice-President*

Mr Michael Bewes

*Key management personnel: Senior management*

Chief Executive Officer and Company Secretary      Annali-Joy Thornicroft  
Accountant    Phyllis Stanton



## **The Insurance Charities**

### **Report of the Directors for the year ending 31 March 2020**

#### **Structure, Governance and Management**

##### ***Governing Document***

The Charity is governed by its Memorandum and Articles of Association adopted on 21 July 1902. The latest revision of the Memorandum and Articles of Association was approved on 29 September 2016. It is registered as a charity with the Charity Commission. The members of the Charity each agree to contribute £10 in the event of the Charity winding up.

##### ***Appointment of Directors***

Directors are either elected by members or appointed by the Directors mid-term. Those appointed mid-term by the Directors must stand down at the following Annual General Meeting and may submit themselves for election by the members. Elected Directors may remain in office for three years and offer themselves for re-election by the members for a further final three years. Only in exceptional circumstances can a Director be considered for a third term of office. Composition of the Board is reviewed, at least annually, to assess needs in terms of skills, knowledge and corporate and geographical representation. An open recruitment policy is followed to identify suitable candidates to complete the Board's needs when vacancies arise.

##### ***Director induction and training***

New Directors receive an information pack about the Charity and all that is needed for effective and informed decision-making, their legal obligations under charity and company law, the Charity Commission guidance on public benefit, the Memorandum and Articles of Association, the committee and decision making processes and recent financial performance of the Charity. Since 1 December 2005, Director training sessions, on at least an annual basis, have formed part of regular Board meetings. Directors are also encouraged to attend appropriate external training events where these will support and enhance their role. Directors have agreed to maintain a log of their personal training and development.

##### ***Organisation***

The Board of Directors, which can have up to 13 members, is responsible for the overall governance of the Charity. Directors must hold at least five meetings a year, including four quarterly Board meetings, at which strategy, operational and investment performance are reviewed and operating plans and budgets set, and the Annual General Meeting. The Board has three standing committees; Audit, Grants and Marketing to which it delegates certain powers in conjunction with the management and administration of the charity. To ensure Directors discharge their roles and responsibilities effectively, each serves on one of the Charity's committees with responsibility for specific aspects of the Charity's work. This is controlled by regular reporting back to the Board, so that all decisions made under delegated powers are ratified by the Board in due course.

Attendance at meetings	Board (4)	Audit (4)	Grants (4)	Marketing (4)
Mr John Greenway	4	4	4	4
Mrs Kirsten Hardiker	4	4	4	3
Mr Graham Cave	4	N/A	N/A	4
Mr Richard Wood	4	4	N/A	N/A
Mr Anthony Alderman	3	N/A	2	N/A
Professor David Bland	4	4	N/A	N/A
Mr Joshua Brekenfeld	4	N/A	N/A	3
Mr George Gager	3	N/A	2	N/A
Ms Adrienne O'Sullivan	3	N/A	N/A	1
Mr Peter Staddon	1	N/A	2	N/A
Mr Richard Talbot-Jones	3	N/A	4	N/A
Mr Kevin Wood	4	4	N/A	N/A

## **The Insurance Charities**

### **Report of the Directors for the year ending 31 March 2020**

A Chief Executive Officer (CEO) is appointed by the Directors to manage the day-to-day operations of the Charity. To facilitate effective operations the CEO has delegated authority, with the terms of delegation approved by the Directors, for operational matters.

The Charity paid premiums of £1,200 for Directors' & Officers' liability insurance during the period.

#### ***Related parties and co-operation with other organisations***

None of our Directors receives remuneration from working with the Charity. Any connection between a Director or senior manager of the Charity with a beneficiary or supplier is disclosed to the full board of Directors in the same way as any other contractual relationship with a related party. The Board are aware that one of the Charity's suppliers is related to the CEO and that she does not participate in the discussions or decision making process concerning the placing of business with him.

The Charity's Directors are indebted to the many companies, individuals and local and associated institutes of the CII who have given both financial and practical support so generously over the year. Some employers provide significant practical support in place of or in addition to the financial support recorded in these financial statements. The Charity also wishes to record its sincere thanks to the representatives who give many hundreds of hours voluntarily in visiting beneficiaries and promoting the work of the Charity throughout the British Isles and Ireland.

#### ***Pay policy for key management personnel and staff***

The board of Directors and the senior management team comprise the key management personnel of the charity in charge of directing, controlling, running and operating the charity on a day-to-day basis. All Directors give their time freely and no Director received remuneration in the year. Details of Directors' expenses and related party transactions are disclosed in note 9 to the accounts.

The pay of staff is reviewed annually, taking into account CPI increases (basic salary and London Allowance for travel) and any exceptional performance during the year. The CEO suggests reviews for all the staff, excluding herself, to be considered by the Chairman and Deputy Chairman. The annual review of the CEO's package is agreed by the Chairman and Deputy Chairman.

#### ***Risk Management***

The Directors have an active risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating such risks.

As part of the risk management process, the Directors review the adequacy of the Charity's internal controls. The systems of internal control are designed to provide reasonable but not absolute assurance against material misstatement or loss. To strengthen these, monitoring responsibilities have been allocated to members of the Audit Committee, who have specific and relevant knowledge and expertise and who make regular and irregular visits to the Charity's office. The activities undertaken include checking receipts and payments and their internal recording. The Board is then briefed, at least on a biannual basis.

During the year the Directors identified the major risks as loss of key personnel or trustees, cyber-crime and insufficient skills knowledge or tools to support objectives. At the Board meeting in March COVID-19 was identified as a new risk to the charity. The Board identified that staff working in the office was a risk and measures were put in place for working at home.

## **The Insurance Charities**

### **Report of the Directors for the year ending 31 March 2020**

#### **Directors' responsibilities in relation to the financial statements**

The Directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Charity's Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Statement as to disclosure to our auditors**

In so far as the Directors are aware at the time of approving our Directors' Annual Report:

- there is no relevant information, of which the Charity's auditor is unaware; and
- the Directors, have each taken all steps that he/she is obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board of Directors on 17 June 2020



John Greenway  
Chairman

## **Independent Auditor's Report to the members of The Insurance Charities**

### **Opinion**

We have audited the financial statements of The Insurance Charities (the 'charitable company') for the year ended 31 March 2020 which comprise the Statement of Financial Activities (including Income and Expenditure account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, 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 FRS 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 charitable company's affairs as at 31 March 2020 and of its incoming resources and application of resources, including its income and expenditure, 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, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **Basis for opinion**

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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 charitable 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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable 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 trustees are responsible for the other information. The other information comprises the information included in the other than the financial statements and our auditor's report thereon. 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.

## **Independent Auditor's Report to the members of The Insurance Charities**

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 matter 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 and the incorporated Strategic Report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the incorporated Strategic Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records, 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Statement of Directors' responsibilities set out on page 9, the trustees' (who are also the directors of the charitable company for the purposes of company law) 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 trustees 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 trustees are responsible for assessing the charitable 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Independent Auditor's Report  
to the members of The Insurance Charities**

**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 <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's trustees 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 charity, its members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**RSM UK Audit LLP**

Zoe Longstaff-Tyrrell FCA DChA (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Portland  
25 High Street  
Crawley  
West Sussex RH10 1BG

Date 6 July 2020.

**Statement of Financial Activities**  
**(including Income and Expenditure account)**

Year ended 31 March 2020

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2020 £000	Total Funds 2019 £000
<b>Income</b>					
Donations and legacies	2	121	6	127	286
Investment income	3	1,133	138	1,271	1,215
<i>Income from charitable activities:</i>					
Interest charged on loans	13	2	0	2	2
<b>Total income</b>		<b>1,256</b>	<b>144</b>	<b>1,400</b>	<b>1,503</b>
<b>Expenditure</b>					
Expenditure on raising funds	4	176	0	176	152
Investment management costs	5	41	6	47	46
Expenditure on charitable activities	6	1,482	501	1,983	1,825
<b>Total expenditure</b>		<b>1,699</b>	<b>507</b>	<b>2,206</b>	<b>2,023</b>
<b>Net expenditure</b>		<b>(443)</b>	<b>(363)</b>	<b>(806)</b>	<b>(520)</b>
Gain/ (Losses) on investment assets	12	(3,910)	(544)	(4,454)	1,821
<b>Net movement in funds for the year</b>		<b>(4,353)</b>	<b>(907)</b>	<b>(5,260)</b>	<b>1,301</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	17	34,111	3,887	37,998	36,697
<b>Total funds carried forward</b>		<b>29,758</b>	<b>2,980</b>	<b>32,738</b>	<b>37,998</b>

The Insurance Charities

Balance Sheet

Company number England & Wales 74461

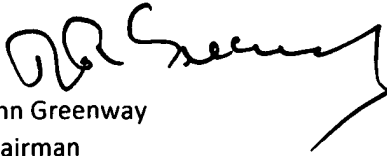
Company number Isle of Man 006098F

As at 31 March 2020

	Notes	2020 £000	2019 £000
Fixed assets			
Tangible assets	11	9	16
Investments:			
Investments	12	30837	35833
Loans to beneficiaries	13	2715	2727
<b>Total fixed assets</b>		<b>33561</b>	<b>38576</b>
Current assets			
Debtors	14	106	123
Cash at bank and in hand		168	193
<b>Total current assets</b>		<b>274</b>	<b>316</b>
Liabilities			
Creditors falling due within one year	15	-1085	-878
<b>Net current liabilities</b>		<b>-811</b>	<b>-562</b>
<b>Total assets less current liabilities</b>		<b>32750</b>	<b>38014</b>
Creditors: falling due after more than one year	16	-12	-16
<b>Total net assets</b>		<b>32738</b>	<b>37998</b>

		2020 £000	2019 £000
The funds of the charity:			
Restricted income funds	17	2980	3887
Unrestricted general fund	17	24925	24250
Investment revaluation reserve	17	4818	9842
Pension reserve	17	15	19
<b>Total Charity Funds</b>		<b>32738</b>	<b>37998</b>

The financial statements on pages 13 to 24 were approved by the Board of Directors and authorised for issue on 17 June 2020 and signed on its behalf by

  
John Greenway  
Chairman

  
Richard Wood  
Chair Audit Committee



**Statement of cash flows**  
for the year ending 31 March 2020

		<b>2020</b>	<b>2019</b>
		<b>£000</b>	<b>£000</b>
	<b>Notes</b>		
<b>Cash used in operating activities:</b>			
Net cash used in operating activities	19	(1,840)	(1,705)
<b>Cash flows from investing activities:</b>			
Purchase of fixed assets		0	(22)
Dividends and interest from investments		1,273	1,217
Proceeds from sale of investments		3,360	2,864
Purchase of investments		(3,142)	(2,824)
Cash movements from investing activities		324	402
<b>Net cash provided by investing activities</b>		<b>1,815</b>	<b>1,637</b>
Change in cash and cash equivalents in the reporting period		(25)	(68)
Cash and cash equivalents at the beginning of the year		193	261
<b>Total cash and cash equivalents at the end of the year</b>		<b>168</b>	<b>193</b>

## The Insurance Charities

### Notes on the accounts

Year ended 31 March 2020

#### 1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### **Basis of Preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019) - (Charities SORP (FRS 102)), and with the Companies Act 2006, and the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

The Insurance Charities meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost convention or transaction value unless otherwise stated in the relevant accounting policy note(s).

##### **Preparation of the accounts on a going concern basis**

The trustees consider that there are no material uncertainties about the Charity's ability to continue as a going concern for the foreseeable future. The trustees have considered the impact of COVID-19 pandemic on the assessment of the going concern basis for the preparation of these financial statements. The trustees consider that the current cash levels, forecast investment income and investment portfolio provide the charity with free reserves that will allow it withstand the potential impacts of COVID-19 for at least 12 months from the approval of the financial statements.

The impact of the outbreak is not considered to materially impact on that assessment and the financial statements continue to be prepared on a going concern basis.

##### **Income**

Income is recognised when the charity has entitlement to the funds, any conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date in which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executors intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Compound interest, if charged, on loans secured by mortgages on private property owned by beneficiaries or made against promissory notes is accrued from the date of the advance, unless exceptionally deferred, and credited annually to the Statement of Financial Activities.

Income received in advance of a specified service is deferred until the criteria for income recognition are met.

##### **Donated services**

In accordance with the Charities SORP (FRS 102) the general volunteer time of friends is not recognised and refer to the trustees' annual report for more information about their contribution.

##### **Gifts in Kind**

The value of gifts in kind is recognised as income and as a cost where the value exceeds £500 on an individual basis and the value can be assessed with reasonable accuracy.

##### **Fund accounting**

Funds held by the charitable company are:

###### *Unrestricted*

Unrestricted funds are funds that can be used in accordance with the charitable objects at the discretion of the Trustees.

The investment revaluation reserve represents the difference between the historical cost of investments and their revalued amount at the balance sheet date.

Designated funds have been set aside by the Trustees from general reserves towards certain projects and committed expenditure.

###### *Restricted*

These are funds that can only be used for particular restricted purposes within the objects of the charitable company. The restrictions arise by the donor or when funds are raised for a specific purpose.

###### *The Paul Golmick Fund*

The Paul Golmick Fund was a charity whose objects fell within those of The Insurance Charities.

It was of mutual benefit to both charities for The Insurance Charities to administer the grants of The Paul Golmick Fund. The Insurance Charities could direct some of its applicants to The Paul Golmick Fund leaving more funds available for other applicants. Also administration costs could be shared.

Grants payable were shown before and after contributions from The Paul Golmick Fund. The contribution of The Paul Golmick Fund to expenses was also shown separately.

The Paul Golmick Fund transferred its assets to The Insurance Charities in April 2015 as a restricted fund.

###### *Pension reserve*

These are funds that been allocated for paying the Defined Benefit Pension Scheme Recovery Plan.

## Notes on the accounts

Year ended 31 March 2020

### Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds comprise of the costs of marketing and fundraising activities, the costs of investment management, and their associated support costs.

Expenditure on charitable activities include the grants payable, less any contribution from other funds, and activities to further the purposes of the charity and their associated support costs. Grants payable are accrued when approved by the Grants Committee.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

### Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include governance costs. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

### Foreign Currencies

Statement of Financial Activities transactions in foreign currencies are translated into sterling at an estimated exchange rate ruling on the date of such transactions. Assets and liabilities denominated in foreign currencies are translated into sterling on the balance sheet date.

### Tangible fixed assets

Fixed assets are stated at cost less depreciation.

All equipment costing more than £500 has been capitalised and depreciated on a straight-line basis over its estimated useful life of three years. The carrying values of tangible fixed assets are reviewed for impairment when events or changes indicate the carrying value may not be recoverable. All equipment costing £500 or less is written off in the year of acquisition.

### Investments - Investments

Investments are stated at market value in the balance sheet, if listed, or at directors' valuation, if unlisted. The market value is based on the closing middle market price. Net gains and losses on revaluation and disposals of investments are taken to the statement of financial activities. All movements in value are shown in note 12.

### Investments - Loans to beneficiaries

Loans to beneficiaries are stated at the amount awarded. Loans are made predominately on a secured basis, with security being a charge on the beneficiaries properties, and occasionally on an unsecured basis (promissory notes) where the beneficiary does not own property or has insufficient capital.

Provision for doubtful loans is made based upon the likelihood of repayment and the ongoing level of contact with the beneficiary.

### Debtors

Other debtors are recognised at the settlement amount. Prepayments are valued at the amount relating to future periods based on a time apportionment.

### Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid (less than 3 months) investments

### Creditors and provisions

Creditors and provisions are recognised where the charity 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 to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### Financial instruments

The Charity 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.

### Pension Costs

The Charity participates in a multi-employer defined benefit pension scheme and a stakeholder pension scheme. The stakeholder pension scheme costs are charged on the accruals basis.

The defined benefit pension scheme is administered by trustees and is separate from the Charity. An independent qualified actuary completes a valuation triennially and, in accordance with his recommendations, contributions are paid to the scheme so as to secure the benefits set out in the rules and the periodic augmentation of current pensions. The present position in relation to this scheme is described in note 21.

## Notes on the accounts

Year ended 31 March 2020

### Legal status of the Company

The Company was incorporated pursuant to section Part 1 section 3(3) of the Companies Act 2006 and is limited by guarantee and does not therefore have a share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the charity.

<b>2</b>	<b>Income from donations and legacies</b>	<b>2020 £000</b>	<b>2019 £000</b>
	Insurance Charities Awareness Week	4	3
	Fundraising by local and associated institutes	68	103
	Membership subscriptions	7	7
	Insurance employers' donations	1	51
	Legacies	36	27
	Other donations and income	11	95
		<b>127</b>	<b>286</b>

Percentage of income from non-UK source 2% 3%

The income from donations and legacies was £127,000 (2019: £286,000) of which £121,000 (2019: £242,000) was unrestricted and £6,000 restricted (2019: £44,000).

The Company benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

<b>3</b>	<b>Investment income</b>	<b>2020 £000</b>	<b>2019 £000</b>
	Listed investments		
	Equity	1,094	1029
	Fixed interest	177	186
		<b>1,271</b>	<b>1,215</b>

The income from investments was £1,271,000 (2019: £1,215,000) of which £1,133,000 (2019: £1,096,000) was unrestricted and £138,000 restricted (2019: £119,000).

<b>4</b>	<b>Expenditure on raising funds</b>	<b>2020 £000</b>	<b>2019 £000</b>
	Salaries, wages and related costs	102	73
	Other costs	74	79
		<b>176</b>	<b>152</b>

The expenditure was unrestricted in both years.

<b>5</b>	<b>Investment management costs</b>	<b>2020 £000</b>	<b>2019 £000</b>
	Stockbroker's fees and commission	47	46

The costs of investment management were £47,000 (2019: £46,000) of which £41,000 was unrestricted (2019: £40,000) and £6,000 restricted (2019: £6,000).

<b>6</b>	<b>Expenditure on charitable activities</b>	<b>2020 £000</b>	<b>2019 £000</b>
	Grantmaking		
	Total grants payable	1,443	1,286
	Support costs (note 7)	481	480
	Governance costs (note 7)	59	59
		<b>1,983</b>	<b>1,825</b>

Grants payable in support of 236 (2019: 238) 'hardship' cases.

Expenditure on charitable activities was £1,983,000 (2019: £1,825,000) of which £1,482,000 was unrestricted (2019: £1,517,000) and £501,000 restricted (2019: £308,000).

## The Insurance Charities

### Notes on the accounts

Year ended 31 March 2020

#### 7 Analysis of governance and support costs

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with governance costs are apportioned. Refer to the table below for the basis of apportionment and the analysis of support and governance costs.

	Basis of apportionment	Raising funds £000	Charitable activities £000	Governance £000
Salaries, wages and related costs	Allocated on time	102	213	29
General office	Allocated on time	72	257	6
Audit fees	Governance	0	0	19
Legal and professional fees	Allocated on purpose	0	11	0
Travel and subsistence for trustees	Allocated on purpose	2	0	5
		<u>176</u>	<u>481</u>	<u>59</u>

#### 8 Net income/ (expenditure) for the year

<b>This is stated after charging:</b>	<b>2020 £000</b>	<b>2019 £000</b>
Operating lease rentals	48	46
Depreciation	6	6
Auditors' remuneration: Audit fee's	<u>19</u>	<u>19</u>

#### 9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	<b>2020 £000</b>	<b>2019 £000</b>
Salaries and wages	273	234
Social security costs	25	26
Pension costs	<u>46</u>	<u>41</u>
	<u>344</u>	<u>301</u>

One employee received gross emoluments of between £70,000 and £80,000 (2019: one) and pension contributions were made on their behalf of £15,434 (2019: £14,907). No other employees received emoluments in excess of £60,000.

Pension costs are allocated to activities in proportion to the related staffing costs incurred and are wholly charged to unrestricted funds.

The charity trustees were not paid or received any other benefits from employment in the year (2019: £Nil).

Travel and subsistence expenses reimbursed to five trustees amounted to £3,968 (2019: six trustees £3,066).

No charity trustee received payment for professional or other services supplied to the charity (2019: £Nil).

There are no other related party transactions.

The key management personnel of the charity comprise the trustees, the Chief Executive Officer and Accountant. The total employee benefits of the key management personnel of the charity were £174,711 (2019: £174,159).

The average head count for employees (including part time staff) (all administrative) during the financial year was six (2019: six).

#### 10 Corporate Taxation

The charity is exempt from tax on income and gains falling within sections 466 to 493 of the Corporation Tax Act 2010 to the extent that these are applied to its charitable objectives.

## Notes on the accounts

Year ended 31 March 2020

### 11 Tangible fixed assets

	Info Tech	Office Equipment	Total
	£000	£000	£000
<b>Cost</b>			
Opening balance 1 April 2019	31	12	43
Additions	0	0	0
Disposals	(1)	0	(1)
Closing balance 31 March 2020	30	12	42
<b>Depreciation</b>			
Opening balance 1 April 2019	24	3	27
Disposals	(1)	0	(1)
Charge for the year	3	4	7
Closing balance 31 March 2020	26	7	33
<b>Net book value</b>			
As at 31 March 2020	4	5	9
As at 31 March 2019	7	9	16

### 12 Investments

	2020 £000	2019 £000
Market value at 1 April 2019	35,833	34,454
Acquisitions at cost	3,142	2,824
Disposals - Gross sale proceeds	(3,360)	(2,864)
Net movement in cash	(324)	(402)
Net gain	(4,454)	1,821
<b>Market value at 31 March 2020</b>	<b>30,837</b>	<b>35,833</b>
<b>Historical cost at 31 March 2020</b>	<b>26,019</b>	<b>25,991</b>

	Market value 2020 £000	Historical cost 2020 £000	Market value 2019 £000	Historical cost 2019 £000
UK listed - Equity	18,933	15,728	22,888	15,538
Overseas - Equity	5,145	3,542	5,799	3,606
UK listed - Fixed interest	4,477	4,811	4,537	4,586
Property	1,120	953	1,152	953
Infrastructure	1,013	836	985	836
Cash deposits	149	149	472	472
	<b>30,837</b>	<b>26,019</b>	<b>35,833</b>	<b>25,991</b>

The investment revaluation reserve represents the difference between the market value and the historical cost as shown above.

## Notes to the Financial Statements

Year ended 31 March 2020

### 13 Loans to beneficiaries

	Secured loans £000	Unsecured loans £000	Total 2020 £000	Total 2019 £000
Loans before provisions				
Balance at 1 April	2,717	191	2,908	2,777
Revaluation of euro denominated loans	0	0	0	30
Advances	374	32	406	474
Write back of undrawn loans/ write offs	(67)	(7)	(74)	(79)
Interest	2	0	2	2
Repaid	(257)	(7)	(264)	(296)
Balance at 31 March	2,769	209	2,978	2,908

Less: Provision for doubtful loans

Balance at 1 April	65	116	181	108
Revaluation of euro denominated provisions	0	0	0	3
Movement	0	82	82	70
Balance at 31 March	65	198	263	181

Loans after provisions at 31 March

2,704	11	2,715	2,727
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	Interest rate	Secured loans £000	Unsecured loans £000	Total 2020 £000	Total 2019 £000
Capital	0%	2,720	209	2,929	2,826
Capital	3%	107	0	107	113
Accumulated interest	3%	(58)	0	(58)	(31)
		2,769	209	2,978	2,908

	Secured loans £000	Unsecured loans £000	Total 2020 £000	Total 2019 £000
Sterling based loans	2,610	169	2,779	2,740
Euro based loans	159	4	163	168
AUS \$ based loans	0	36	36	0
	2,769	209	2,978	2,908

Loans to beneficiaries are mainly secured by first mortgage charges with a few secured by second or subsequent charges and the remainder by promissory notes. They are repayable at death, or when property is not the place of residence, or on disposal.

### 14 Debtors

	2020 £000	2019 £000
Amounts due within one year		
Other debtors	6	7
Prepayments and accrued income	100	116
	106	123

### 15 Creditors: Amounts falling due within one year

	2020 £000	2019 £000
Beneficiary year end commitments	1,005	805
Taxation and Social Security	12	8
Pension Contributions	13	12
Accruals	44	47
Deferred income	11	6
	1,085	878

Deferred income is comprised of advance payments for the golf competition held in September and the benefit derived from the lease rental free periods.

## The Insurance Charities

### Notes on the accounts

Year ended 31 March 2020

	2020 £000	2019 £000
Deferred income		
Balance as at 1 April	6	1
Amounts release to income in year	(3)	(1)
Amounts deferred in year	8	6
	<u>11</u>	<u>6</u>

#### 16 Creditors: Amounts falling due over one year

	2020 £000	2019 £000
Pension Contributions	12	16

The details of the Recovery Plan are detailed in note 21.

#### 17 Analysis of charitable funds

##### Analysis of movements in unrestricted funds

	Balance 1 April 2019 £000	Incoming resources £000	Outgoing resources £000	Investment losses £000	Transfers £000	Balance 31 March 2020 £000
General fund	24,250	1,256	(1,695)	(3,910)	5,024	24,925
Investment revaluation reserve	9,842	0	0	0	(5,024)	4,818
Designated pension fund	19	0	(4)	0	0	15
<b>Total</b>	<b>34,111</b>	<b>1,256</b>	<b>(1,699)</b>	<b>(3,910)</b>	<b>0</b>	<b>29,758</b>

##### Analysis of movements in unrestricted funds - previous year

	Balance 1 April 2018 £000	Incoming resources £000	Outgoing resources £000	Investment gains £000	Transfers £000	Balance 31 March 2019 £000
General fund	24,924	1,340	(1,705)	1,522	(1,831)	24,250
Investment revaluation reserve	8,011	0	0	0	1,831	9,842
Designated pension fund	23	0	(4)	0	0	19
<b>Total</b>	<b>32,958</b>	<b>1,340</b>	<b>(1,709)</b>	<b>1,522</b>	<b>0</b>	<b>34,111</b>

##### Name of unrestricted fund

##### Description, nature and purpose of the fund

General fund	The 'free reserves' after allowing for all designated funds.
Investment revaluation reserve	The difference between the historical cost of investments and their revalued amount at the balance sheet date.
Designated pension fund	Funds for the Defined Benefit Pension Scheme Recovery Plan. To be drawn down on an annual basis over the period 2015 - 2023.

##### Analysis of movements in restricted funds

	Balance 1 April 2019 £000	Incoming resources £000	Outgoing resources £000	Investment losses £000	Balance 31 March 2020 £000
CILA Benevolent Fund	1,049	44	(11)	(146)	936
Paul Golmick Fund	2,838	100	(496)	(398)	2,044
<b>Total restricted funds</b>	<b>3,887</b>	<b>144</b>	<b>(507)</b>	<b>(544)</b>	<b>2,980</b>

##### Analysis of movements in restricted funds - previous year

	Balance 1 April 2018 £000	Incoming resources £000	Outgoing resources £000	Investment gains £000	Balance 31 March 2019 £000
CILA Benevolent Fund	877	152	(17)	37	1,049
Paul Golmick Fund	2,862	92	(378)	262	2,838
<b>Total restricted funds</b>	<b>3,739</b>	<b>244</b>	<b>(395)</b>	<b>299</b>	<b>3,887</b>



## The Insurance Charities

### Notes on the accounts

Year ended 31 March 2020

#### Name of restricted fund

#### Description, nature and purpose of the fund

CILA Benevolent Fund  
Paul Golmick Fund

To support members of CILA  
To support children and young persons who are under 24 years of age and at least one of whose parents has been engaged in the insurance industry.

The funds have been created when the schemes assets have been transferred to the insurance charities.

Awards made with the purposes are fully allocated against the restricted funds. A contribution towards administration is charged based on the awards granted.

Portfolio income and charges are allocated based on the percentage on transfer date compared to the value of the combined portfolio and cash holdings. At the financial year end the investment gain for the period has been allocated based on the same percentage as the income and charges.

#### 18 Analysis of net assets between funds

	General £000	Revaluation £000	Designated £000	Restricted £000	2020 £000	2019 £000
Tangible fixed assets	9	0	0	0	9	16
Investments	25,754	4,818	0	2,980	33,552	38,560
Current assets	259	0	15	0	274	316
Current liabilities	(1,085)	0	0	0	(1,085)	(878)
Long term liabilities	(12)	0	0	0	(12)	(16)
<b>Total net assets</b>	<b>24,925</b>	<b>4,818</b>	<b>15</b>	<b>2,980</b>	<b>32,738</b>	<b>37,998</b>

#### Analysis of net assets between funds - previous year

	General £000	Revaluation £000	Designated £000	Restricted £000	2019 £000	2018 £000
Tangible fixed assets	16	0	0	0	16	0
Investments	24,831	9,842	0	3,887	38,560	37,123
Current assets	297	0	19	0	316	377
Current liabilities	(878)	0	0	0	(878)	(784)
Long term liabilities	(16)	0	0	0	(16)	(19)
<b>Total net assets</b>	<b>24,250</b>	<b>9,842</b>	<b>19</b>	<b>3,887</b>	<b>37,998</b>	<b>36,697</b>

#### 19 Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £000	2019 £000
Net movement in funds	(5,260)	1,301
Add back depreciation charge	7	6
Losses/ (gains) on investments	4,454	(1,821)
Dividend and interest income shown in investing activities	(1,271)	(1,215)
Interest charged on loans	(2)	(2)
Decrease/ (increase) in debtors	17	(7)
Decrease/ (increase) in loans to beneficiaries	12	(58)
Increase in creditors	203	91
<b>Net cash used by operating activities</b>	<b>(1,840)</b>	<b>(1,705)</b>

#### 20 Total commitments under operating leases

	2020 £000	2019 £000
Operating leases which expire:		
Commitments due in under 1 year	50	45
Commitments due in 2 - 5 years	215	180
Commitments due in over 5 years	90	90

The lease relates to 2 St Andrews Hill premises.

## Notes on the accounts

Year ended 31 March 2020

### 21 Pension scheme

#### Defined benefit scheme

The Charity participates in the Chartered Insurance Institute Pension Scheme 1993, a multi-employer defined benefit scheme in the UK. The assets of the scheme are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the Scheme and hence contributions to the Scheme are accounted for as if it were a defined contribution scheme. The scheme was closed to future service accrual on 30 June 2006.

This information has been taken from a report on the FRS 102 results for the Chartered Insurance Institute Pension Scheme 1993 as at 31 December 2019, dated 19 February 2020, which was produced for the Chartered Insurance Institute and is based on assumptions and accounting policies chosen by the Chartered Insurance Institute. It has been provided under the terms of the Project Agreement between Mercer and the Chartered Insurance Institute dated 14 January 2020. The main assumptions were:

	At year end 31.12.2019	At year end 31.12.2018	At year end 31.12.2017	At year end 31.12.2016
Rate of increase in salaries	n/a	n/a	n/a	n/a
Rate of increase to pensions in payment:				
Pension earned before 6/4/97	0.00%	0.00%	0.00%	0.00%
Pension earned after 6/4/97	2.80%	3.00%	2.90%	3.10%
Discount rate	2.05%	2.90%	2.60%	2.70%
Inflation assumption	2.90%	3.15%	3.10%	3.20%

At 31 December 2019, the market value of the assets of the Scheme was £46,875,000 and the value of past service liabilities was £38,365,000 leaving a surplus of assets of £8,510,000. The assets therefore were sufficient to cover 122% of the benefits that had accrued to members. However, this surplus is not shown on the balance sheet under FRS 102.

The charity is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore as required by Section 28 of FRS 102 accounts for the scheme as if it were a defined contribution scheme.

As part of the Recovery Plan, employers contributions of £Nil (2019: £Nil) were payable in respect of employees of The Insurance Charities for the period ended 31 March 2020. Additional future amounts payable under the Recovery Plan have been identified in the Designated Fund.

No additional payments (2019: £Nil) were made to purchase future services. It is not expected that service costs will increase as the members approach retirement age.

#### Stakeholder pension scheme

Employees whose pension provisions are not fully provided for in the above scheme can join the defined contributions scheme with Legal and General Assurance Association. The scheme provides benefits directly determined by the value of the contributions paid in respect of each member.

Employer's contributions during the year amounted to £46,345 (2019: £41,140).