

Charity Registration No. 01163896 (England and Wales)

Charity Registration No. SC047495 (Scotland)

Company Registration No. 09617554 (England and Wales)

**THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON
DIVISION**

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Jamil Bahou Stuart Bartram Bruce Basso Kieran Jones David Matcham Dawn Miller Christopher Moseley William Ross Suzanne Scatliffe Janis Stylianou Hank Watkins Pedro Mairos Caroline Rankin
Secretary	Wendy Wilder
Charity number (England and Wales)	01163896
Charity number (Scotland)	SC047495
Company number	09617554
Registered office	71-75 Shelton Street Covent Garden London WC2H 9JQ
Independent examiner	Catherine Biscoe, FCA Buzzacott LLP 130 Wood Street London EC2V 6DL

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

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THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 DECEMBER 2020

The trustees present their report and accounts for the year ended 31 December 2020.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Foundation's Articles of Association, the Companies Act 2006 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)".

Objectives and activities

The Insurance Industry Charitable Foundation – London Division ("IICF UK") exists to enrich lives and enhance local communities by uniting the Insurance industry in grants, volunteering and leadership. It furthers those charitable purposes which the trustees may from time to time determine.

The primary activity of IICF UK is the provision of grants to registered nonprofit organisations in the UK.

The trustees, also known as the board of directors, confirm they have referred to the Charity Commission's guidance on public benefit when reviewing the Foundation's aims and objectives, in planning future activities, and in preparing the strategy and procedures for grant making. The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the Foundation should undertake.

The IICF UK, is a charity registered with the Charity Commission in England and Wales and Office of the Scottish Regulator (OSCR).

Achievements and performance

Although the worldwide coronavirus pandemic (Covid-19) had an impact on IICF's operations and income generation. However, IICF UK successfully created new ways to raise funds for community grants through fundraising campaigns and online events to mitigate the financial impact of the pandemic. Key achievements realised by the trustees and Executive Director in 2020 are set out below.

Fundraising and Events

- Launched an industry-wide campaign in April 2020, The IICF UK Covid-19 Community Relief Fund, to provide short-term support to people at risk in communities across the country, and a second campaign in December in response to needs expressed by IICF's grant recipient charities: The IICF UK Covid-19 Revitalising Communities Fun
- Introduced the IICF International Step-Up Challenge for IICF supporters in the United States and UK, which brought together hundreds of industry employees to promote well-being and raise funds for the campaign.
- Held two fundraising events to promote leadership and raise funds for community grants:
 - A series of four webinars on Being Heard: The Many Voices of Diversity in October. Topics included Finding Exceptional Talent in Uncommon Places, Being the Best Version of Yourself and Developing Your Leadership Talent.
 - An in-person conference on Building a Sustainable Future at HAC in London in early March 2020. Speakers from within and outside the industry shared insights and advice, on topics including the protection gap, aligning sustainability and strategy across the supply chain and Insurtech for good.
- In response to the pandemic, IICF UK cancelled its CSR Breakfast Briefings and Golf Tournament, and annual Gala Dinner.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2020*

Grants Programme

- With funds raised through IICF UK's Covid-19 Community Relief Fund, IICF awarded £90,000 in grants to eight charities it supported in 2020: Advance Advocacy and Non-Violence Community Education ('Advance'), City in the Community, KidsOut, Power2, Scran Academy, St. Giles Trust, The Access Project and Vision Foundation.
- In addition, the Grants Committee followed the approved strategy to select 2021 grant recipients. The Board of Directors approved grants totalling £30,000 to four charities: Founders4Schools, Key4Life, Spartans Community Football Academy and Women's Inclusive Team. Grants were paid out in December 2020.

Volunteering

- In response to the pandemic, IICF adapted to offer virtual projects for Week of Giving, a dedicated week of volunteer projects in each of IICF's five regions. In the UK, approximately 50 volunteers participated in projects including a preparation of digital maps to aid humanitarian relief efforts, clothing and food donations and safely helping one charity set up a new food pantry.

Leadership

- IICF UK appointed two new companies to the board of directors: Berkshire Hathaway Specialty Insurance (BHSI) and Marsh. Three companies resigned from the board in 2020 so the board stands at 14 members.
- A new Chair of the IICF Board of Governors was appointed in 2020 and so the company represented on the IICF UK board changed to reflect this.
- The Associate Board, 21 young professionals representing 19 companies, played an integral role in planning new, virtual events and volunteering projects and delivering social media campaigns on IICF's community impact.

Communications

- To recognise IICF's first five years in the UK, the charity published a Five-Year Impact Report and Fundraising Pack and delivered a year-long social media campaign featuring IICF's grant recipient charities and impact.

Financial review

The statement of financial activities shows total income of £228,385 (2019: £299,280) and total expenditure of £248,128 (2019: £356,380). As indicated above, included in expenditure are grant commitments of £91,200 (2019: £75,500).

The balance sheet shows total funds of £623 (2019: £20,366), all of which was unrestricted.

Reserves policy

Reserves are needed to bridge the gap between the spending and receiving of income and to cover unplanned grant making expenditure. The trustees consider that the ideal level of reserves as at 31 December 2020 would be £60,000, to cover six months of operations. At the period end, free (unrestricted reserves) stood at £623 (2019: £20,366). The shortfall is due to projected board membership and sponsorship revenue that was not realised. The trustees will put a formal Reserves Policy in place once consistent revenue growth is achieved.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2020*

Going concern

The Trustees have assessed going concern needs to consider all circumstances and uncertainties up to the date of the approval of the annual accounts for year-ending 2020 and for at least 12 months from the date of the approval of the accounts, as outlined below.

The Insurance Industry Charitable Foundation UK (IICF) achieved steady event and membership income growth in its first three years in operation. However, the Division experienced an unexpected number of board member resignations in 2019, largely due to changes in the Board members' company policies or structures.

To restore membership levels, IICF planned a series of events and communications in 2020 to celebrate its 5th anniversary and, at the same, increase and diversify membership revenue.

The worldwide pandemic had a significant impact on these plans and IICF's ability to raise funds through traditional means, namely in-person events, and to successfully reach new audiences and attract new members.

To mitigate impacts of the pandemic, IICF reduced operating expenses where feasible and has achieved cost savings through reduced travel. For instance, IICF negotiated a 50% discount on financial consulting services, in effect since May 2020 and continues to source pro-bono digital marketing services.

In addition, IICF proactively planned virtual fundraising events and launched the Covid-19 Crisis: Community Relief Fund to continue delivering on its mission of granting funds to charities in local UK communities. IICF successfully raised £106,000 through this campaign.

Prior to the pandemic, the Board agreed to award grants up to the amount of net profits from events and membership. For instance, if IICF raises £100K for grants (in net profits from events), yet there's a shortfall in net operating profits of £10K, IICF will only award £90K in grants. In 2020, IICF made an exception and awarded £90K in grants even though this created negative profitability because the Board agreed to pay out all funds raised for Covid-19 less the 15 percent administrative fee retained by IICF for managing the campaign.

At the same time, sponsorship income for 2021 events, which has traditionally created steady cashflow from Q4 into Q1 of the following year, was not achieved largely due to events having to be cancelled or postponed due to the on-going uncertainty surrounding the pandemic. These circumstances collectively resulted in a negative position at year-end, 2020.

IICF secured an interest-free loan from the affiliated charity in the United States at the end of 2020 to cover any unexpected expenditure that would result in negative short-term cashflow.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2020*

Plan to Recover our Financial Position

At the time of writing, the Covid-19 pandemic is ongoing and while uncertainties remain regarding fundraising opportunities and income levels, IICF is better equipped to plan virtual fundraising events and confident that it will successfully recover its financial position. Key strategies discussed and approved by the Board to achieve this are outlined below.

1. Re-launch Affiliate Membership. Target SMES and regional companies with whom the Board of Directors has a relationship.
2. Grow the Board of Directors. Focus on companies only represented on the Associate Board and on companies formerly represented on the Board and on companies represented on IICF USA boards.
3. Fundraise for local community grants. IICF has launched a second fundraising campaign focused on digital and food poverty and is planning virtual and in-person fundraising events throughout 2021. A portion of this fundraising (15%) will support IICF operating expenses.

In the first quarter of 2021, IICF successfully secured one new board member and raised £50,000 through its virtual 5th Anniversary Celebration.

To mitigate risks and to proactively manage performance, the IICF has produced a risk-based strategic plan and a financial forecast through June 2022. The Board will review performance against the 2021 strategic plan and budget and agree contingency plans as required at quarterly meetings

Conclusion

Based on these considerations, the Board of Directors (trustees) have concluded that while the degree of uncertainty described above warrants transparent disclosure, the deficit is temporary and it does not constitute a material uncertainty related to going concern. Therefore, the financial statements of IICF UK for the year ended 31 December 2020 should be prepared on the going concern basis.

To make this assessment in relation to the preparation of the financial statements of the IICF UK for the year ended 31 December 2020, the Trustees have considered the following evidence:

- Financial controls in place
- Forward projection of funding, costs and cashflow
- Significant risks that may result in materially different outcomes

Risk management

The board of directors established a risk management strategy in June 2016 which comprises:

- an annual review of the principal risks and uncertainties that the charity faces,
- the establishment of policies, systems and procedures to mitigate risks identified in the annual review, and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risks materialise.

There is a risk based approach to measuring performance against stated strategies and budget.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2020*

Plans for future periods

Since IICF adapted many of its strategic priorities for 2021 to respond effectively to the Covid-19 pandemic, its primary strategic objective for 2021 is to return to a focus on diversifying and growing revenue to create greater long-term financial stability. To achieve this, the board of directors defined and approved the following strategic priorities:

- Proactively grow the board of directors. Focus on c-suite engagement and relationships with companies represented on the Associate Board and with former board members.
- Re-launch Affiliate Membership for small-to-medium sized businesses in London and regional cities in the UK.
- Strengthen stewardship of board members and raise the profile of IICF within companies represented on the board to retain existing board of directors and to grow the associate board.
- Continue to increase year-round volunteering opportunities to strengthen employee engagement and stewardship of existing corporate donors.
- Deliver integrated marketing campaigns to raise awareness and reach of IICF within new industry sectors.

To reflect pandemic guidelines and market conditions, IICF is planning virtual events in the first half of the year and intends to hold in-person events in the second half.

Fundraising policy

The IICF UK undertakes the following fundraising activities to raise funds for grants to registered not for profit organisations in the UK:

- Hold in-person and on-line fundraising events incorporating ticket sales and sponsorships as well as a raffle, or live auction at each event. These events are planned by a professional events planner and promoted by the Executive Director, the board of directors and active supporters of the charity. The IICF UK does not engage a professional fundraiser or commercial participator. The Executive Director and Events Committee monitor fundraising activities carried out prior to and during events.
- Run an annual Personal Leadership Campaign in which the board of directors are invited to make an optional, personal donation to the IICF UK.

Neither the charity nor any person acting on behalf of the charity was subject to an undertaking to be bound by any voluntary scheme for regulating fundraising, or any voluntary standard of fundraising, in respect of activities on behalf of the charity. Nor do they receive a complaint for the purpose of fundraising.

To protect vulnerable people and other members of the public from behaviour that intrudes on an individual's privacy or places undue pressure on an individual to give money or other resources, the IICF UK reviews and cleans its database of contacts (all of whom have attended an event or meeting with the charity) annually, gives individuals the option to unsubscribe from emails and does not pass on individuals' contact details to any third party not contracted by the charity for a specific purpose such as event planning.

Structure, governance and management

The Insurance Industry Charitable Foundation - London Division is a company limited by guarantee (no. 9617554) governed by its Memorandum and Articles of Association dated 1 June 2015. This document was amended following approval by the board of directors on 2 June 2016 and 8 December 2016. The amendments clarified the charity's objects to refine activities undertaken by the charity and to register in Scotland, respectively. It is also registered as a charity with the Charity Commission of England and Wales (no. 1163896) and the Office of the Scottish Charity regulator (no. SC047495).

Each member of the company agrees to contribute £1 in the event of the charitable company winding up.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2020*

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Jamil Bahou	
Stuart Bartram	
Bruce Basso	
David Brosnan	(Resigned 1 April 2020)
Barbara Bufkin	(Resigned 2 December 2020)
Stephen Coates	(Resigned 2 December 2020)
Riva Dumeny	(Resigned 31 March 2021)
Aliette Fenton-Sharp	(Resigned 29 January 2020)
Kieran Jones	
David Matcham	
Brendan McManus	(Resigned 31 March 2021)
Dawn Miller	
Christopher Moseley	
William Ross	
Colin Scagell	(Resigned 2 December 2020)
Suzanne Scatliffe	
Jolle Wever	(Resigned 31 March 2021)
Janis Stylianou	(Appointed 31 March 2021)
Hank Watkins	(Appointed 2 December 2020)
Pedro Mairos	(Appointed 2 December 2020)
Caroline Rankin	(Appointed 1 April 2020)

Recruitment and appointment of trustees

As set out in the Articles of Association the trustees can be nominated by Founding members, or Sustaining members, who are firms within the insurance industry, who are in good standing, and who have made a sufficient financial contribution to the charity. There is no restriction on the length of appointment.

The board of directors, which requires a minimum of three members, administers the charity. The board typically meets quarterly and holds an annual strategic planning session.

An Executive Director is appointed by the trustees and the CEO of IICF to manage the day-to-day operations and growth of the charity. To facilitate effective operations, the Chief Executive has delegated authority, within terms of delegation approved by the trustees.

Trustee induction and training

New trustees participate in orientation to brief them on: their legal obligations under charity and company law, the Charity Commission guidance on public benefit, and inform them of the content of the Memorandum and Articles of Association, charity policies, decision-making processes, the business plan and strategy, and recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Pay policy for senior staff

The directors consider the board of directors, who are the Foundation's trustees, and the Executive Director, to be the key management personnel of the charity responsible for leading the Foundation and managing its day-to-day operations. All directors give of their time freely and no director received remuneration in the year.

The pay of the Executive Director is set by IICF's Compensation Committee, which also reviews the Executive Director's performance each year. Members of this committee include the IICF UK's Board Chair, the CEO of IICF and Board Chairs of divisions of IICF, the related US non-profit. The charity pays the Executive Director's salary.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2020*

None of the Foundation's trustees receive remuneration or other benefit from their work with the charity.

Any connection between a trustee of the charity with a recipient charity, supplier of services or substantial donor must be disclosed to the full board of trustees. In the current year, no such related party transactions were reported, other than the relationship to the Insurance Industry Charitable Foundation, a US non-profit body that has provided support to the charity.

Statement of trustees' responsibilities

The trustees, who are also the directors of The Insurance Industry Charitable Foundation-London Division for the purpose of company law, are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

The trustees' report was approved by the Board of Trustees.

.....
Suzanne Scatliffe

Trustee

Dated: ...29 June 2021

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

I report to the trustees on my examination of the accounts of The Insurance Industry Charitable Foundation-London Division (the Foundation) for the year ended 31 December 2020.

Responsibilities and basis of report

As the trustees of the Foundation (and also its directors for the purposes of company law) you are responsible for the preparation of the accounts in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the accounts of the Foundation are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the Foundation's accounts carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

Material uncertainty related to going concern

I draw attention to the accounting policy on going concern, which describes the economic difficulties the charity has faced and its low level of reserves, and which explains the basis for concluding that the charity remains a going concern. My opinion is not qualified with regard to the above.

Independent examiner's statement

Since the Foundation is required by company law to prepare its accounts on an accruals basis and is registered as a charity in Scotland your examiner must be a member of a body listed in Regulation 11(2) of the Charities Accounts (Scotland) Regulations 2006 (as amended). I confirm that I am qualified to undertake the examination because I am a member of ICAEW, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe:

- 1 accounting records were not kept in respect of the Foundation as required by section 386 of the 2006 Act; or
- 2 the accounts do not accord with those records; or
- 3 the accounts do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the accounts have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the accounts to be reached.

Catherine Biscoe, FCA

Buzzacott LLP
130 Wood Street
London
EC2V 6DL

Dated: ...7.July.2021...

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		Unrestricted funds 2020 £	Unrestricted funds 2019 £
	Notes		
<u>Income from:</u>			
Donations and legacies	3	91,194	106,617
Other trading activities	4	137,189	192,640
Investments	5	2	23
Total income		228,385	299,280
<u>Expenditure on:</u>			
Raising funds	6	109,889	221,906
Charitable activities	7	138,239	134,474
Total expenditure		248,128	356,380
Net expenditure for the year/ Net movement in funds		(19,743)	(57,100)
Fund balances at 1 January 2020		20,366	77,466
Fund balances at 31 December 2020		623	20,366

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Current assets					
Debtors	13	26,799		29,570	
Cash at bank and in hand		36,200		7,279	
		<u>62,999</u>		<u>36,849</u>	
Creditors: amounts falling due within one year	14	(62,376)		(16,483)	
Net current assets			623		20,366
Income funds					
Unrestricted funds			623		20,366
			<u>623</u>		<u>20,366</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 December 2020.

The trustees' are responsible for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its income and expenditure for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to accounts, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime, as set out in Financial Reporting Standard 102 section 1A and part 15 of the Companies Act 2006 applicable to small companies.

The financial statements were approved by the Trustees on 29 June 2021

.....
Suzanne Scatliffe
Trustee

Company Registration No. 09617554

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

NOTES TO THE FINANCIAL STATEMENTS *FOR THE YEAR ENDED 31 DECEMBER 2020*

1 Accounting policies

Charity information

The Insurance Industry Charitable Foundation-London Division is a private company limited by guarantee incorporated in England and Wales. The registered office is 71-75 Shelton Street, Covent Garden, London, WC2H 9JQ.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Foundation's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) 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). The Foundation is a Public Benefit Entity as defined by FRS 102.

The Foundation has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the Foundation. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Trustees have made this assessment in respect of a period of one year from the date of approval of these financial statements.

Prior to the year end, the Foundation obtained an interest free £30,000 loan from the affiliated charity, The Insurance Industry Charitable Foundation, to provide additional short-term cashflow. There are no requirements for any repayment of the loan, or any part of it, until at least after the end of 2021.

Financial forecasts have been prepared to June 2022 showing the continued ability of the Foundation to operate, and generate funds. In the first quarter of 2021, forecast income targets have been met with the receipt of donations from a new board member and the raising of £50,000 from the virtual 5th Anniversary Celebration.

Further detail of the Trustees' actions to address going concern and future plans are given in the Trustees' Report.

Therefore at the time of approving the financial statements, the trustees have a reasonable expectation that the Foundation has adequate resources to continue in operational existence for the foreseeable future. Thus, the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

1.4 Income

Income is recognised when the Foundation is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Cash donations are recognised on receipt. Other donations are recognised once the Foundation has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Foundation has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Where services are provided to the charity as a donation that would normally be purchased from suppliers, the contribution is included in the financial statements as both income and expenditure at its estimated fair value based on the value of the contribution to the charity.

1.5 Expenditure

Expenditure is recognised when a liability is incurred. Contractual arrangements and performance related grants are recognised as goods or services are supplied. Other grant payments are recognised when a constructive obligation arises that result in the payment being unavoidable.

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Expenditure on charitable activities includes expenditure associated with the research activities and include both the direct costs, support costs and governance costs relating to these activities. Overhead costs have been allocated as follows:

- | | |
|-------------------------|-----|
| • Fundraising | 67% |
| • Charitable activities | 33% |

1.6 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The Foundation has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Foundation's balance sheet when the Foundation becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Foundation's contractual obligations expire or are discharged or cancelled.

1.8 Employee benefits

Termination benefits are recognised immediately as an expense when the Foundation is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the Foundation's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

Deferred income

Deferred income arises when payment has been received in advance for a service to be delivered in a future period. Some transactions require judgement on the period to which that service relates and therefore the element of income to be deferred. The carrying amount of deferred income at 31 December 2020 was £14,000 (2019 - £0).

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Critical accounting estimates and judgements (Continued)

Key sources of estimation uncertainty

Accrued expenditure

Determining expenditure that should be accrued for requires some estimation to future liabilities. The estimates are made by reference to previous transactions of a similar nature. The carrying amount of accruals at 31 December 2020 was £7,490 (2019 - £5,738).

In addition to the above, the full impact following the recent emergence of the global coronavirus pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, suppliers, beneficiaries and the wider economy. At the date of approval of these financial statements. However, the trustees are closely monitoring the impact of Covid-19 on the charity.

3 Donations and legacies

	2020 £	2019 £
Donations and gifts	77,194	90,517
Donated goods and services (gifts in kind)	14,000	16,100
	<u>91,194</u>	<u>106,617</u>

4 Income from other trading activities

	2020 £	2019 £
Fundraising events	<u>137,189</u>	<u>192,640</u>

5 Income from investments

	Unrestricted funds	Total
	2020 £	2019 £
Interest receivable	<u>2</u>	<u>23</u>

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Expenditure on raising funds

	2020 £	2019 £
<u>Fundraising and publicity</u>		
Other fundraising costs	16,094	103,958
Support costs	93,795	117,948
	<u>109,889</u>	<u>221,906</u>

7 Expenditure on charitable activities

	2020 £	2019 £
Grant funding of activities (see note 8)	91,200	75,500
Share of support costs (see note 9)	45,959	57,884
Share of governance costs (see note 9)	1,080	1,090
	<u>138,239</u>	<u>134,474</u>

8 Grants payable

	2020 £	2019 £
Grants to institutions:		
Other	91,200	75,500
	<u>91,200</u>	<u>75,500</u>

The analysis of grants payable is detailed in the Trustees' Report.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Support costs

	Support costs £	Governance costs £	2020 £	2019 £
Staff costs	108,711	-	108,711	105,667
Exchange losses	736	-	736	827
Administrative support	305	-	305	210
Printing, postage & stationery	110	-	110	729
Telephone	1,072	-	1,072	625
Accountancy	8,050	-	8,050	9,752
Computer running costs	963	-	963	1,053
Consulting	18,359	-	18,359	42,329
Motor and travel expenses	(2,309)	-	(2,309)	10,877
Insurance	1,364	-	1,364	1,380
Bank charges	233	-	233	203
Independent examination fees	-	3,240	3,240	3,270
	<u>137,594</u>	<u>3,240</u>	<u>140,834</u>	<u>176,922</u>
Analysed between:				
Fundraising	91,635	2,160	93,795	117,948
Charitable activities	45,959	1,080	47,039	58,974
	<u>137,594</u>	<u>3,240</u>	<u>140,834</u>	<u>176,922</u>

10 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Foundation during the year.

11 Employees

The average monthly number of employees during the year was:

	2020 Number	2019 Number
	<u>1</u>	<u>1</u>
Employment costs	2020 £	2019 £
Wages and salaries	98,187	94,193
Social security costs	8,055	8,800
Other pension costs	2,469	2,674
	<u>108,711</u>	<u>105,667</u>

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Employees

(Continued)

The number of employees whose annual remuneration was £60,000 or more were:

	2020 Number	2019 Number
£90,000 - £99,999	-	1
£100,000 - £109,999	1	-
	<u> </u>	<u> </u>

12 Taxation

The Insurance Industry Charitable Foundation is a registered charity and therefore is not liable to income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	10,500	2,862
Prepayments and accrued income	16,299	26,708
	<u> </u>	<u> </u>
	26,799	29,570
	<u> </u>	<u> </u>

14 Creditors: amounts falling due within one year

	2020 £	2019 £
Other loans (see note 15)	30,000	-
Other taxation and social security	3,501	3,368
Deferred income (see note 16)	14,000	-
Payments received on account	-	460
Trade creditors	3,026	3,853
Other creditors	4,359	-
Accruals	7,490	8,802
	<u> </u>	<u> </u>
	62,376	16,483
	<u> </u>	<u> </u>

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

15 Loans and overdrafts

	2020 £	2019 £
Other loans	30,000	-
Payable within one year	30,000	-

The charity has taken a short term, interest free, unsecured loan of £30,000 from the affiliated charity in the United States which requires no repayment of the loan, or any part of it, until at least after the end of 2021.

16 Deferred income

	2020 £	2019 £
Other deferred income	14,000	-

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate compensation	108,711	105,668

Transactions with related parties

During the year the Foundation entered into the following transactions with related parties:

The Insurance Industry Charitable Foundation, a United States 501(c)(3) non-profit organisation (IICF) is related to IICF London, as Mr. William Ross, a director of IICF London, is Chief Executive Officer of IICF. In 2015 IICF provided initial funding by way of donation to IICF London. During the year the United States foundation made an interest free, unsecured loan of £30,000 to IICF and refunded IICF London £3,147 for travel expenses, which had been paid to the United States foundation in the previous year. At the year end IICF London owed £30,000 to the United States foundation (2019: £3,085 was owed).

18 Control

The Trustees make up the members of the charitable company. There is no overall controlling party.

THE INSURANCE INDUSTRY CHARITABLE FOUNDATION-LONDON DIVISION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) *FOR THE YEAR ENDED 31 DECEMBER 2020*

19 Members Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, an amount not exceeding £1.