the insurance charities

20/21

119th directors' report & financial statements

for the year ended 31 March 2021
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
for the things you can't insure against

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Report & Financial Statements
Year ended 31 March 2021

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Report of the Directors

for the year ending 31 March 2021

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 2021; 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. Whilst home visits have been suspended since last Spring, visitors have continued to publicise the work of the Charity and encourage applications for financial support. The amount of time and resources donated in this way varies but the total is significant and substantially reduces the 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.

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 and given practical support and reassurance in respect of ongoing 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.

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Report of the Directors

for the year ending 31 March 2021

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.

Strategic Report
Achievements and Performance

The key objectives agreed for the year ended 31 March 2021 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 272 out of the Charity's 400 active cases, with some cases considered on more than one occasion. Help was authorised for the first time in 117 cases; an increase on the previous year. 153 cases received support solely by way of advice; a decrease on the previous year's total. Net outright grants payable decreased by approximately 60% compared to the previous year. We believe this resulted from several factors including additional government support and reduced expenditure opportunities during the COVID-19 pandemic.

We have continued to explore ways to supplement the financial help we have long provided by identifying some of the most common health and general challenges faced by our beneficiaries and the insurance sector and investigating what practical support can be secured. We have continued partnerships with Shelter, The Silver Line (Age UK) and The Alzheimer's Society to facilitate fast track support 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 committed to fund an updated version of this which will be launched later in the year. We have financed a series of life skill courses run by Aware in Ireland to help those with depression. During the pandemic we administered a fund established by the Chartered Insurance Institute (CII EATT Fund) to finance industry specific and soft skills courses to assist the career development and employment prospects of current and former insurance and financial planning employees. Help was given to 68 individuals, some of whom applied for help with more than one course.

Discussions have continued in Ireland with potential partners able to replicate the services we have in the UK to support our Irish beneficiaries. Discussions with Mind, with whom Depression Alliance merged, have not resulted in any partnership to deliver a successor to the Friends in Need network we funded.

The restrictions imposed by the pandemic have seen us continue adjustments to our procedures. Home visits remain suspended and information provided has been verified to confirm its accuracy and completeness, where appropriate, via video conferencing.

Creation and maintenance of effective communication channels

Due to the pandemic, and few physical offices being open, no physical distribution of publicity materials took place. Rather, Insurance Charities Awareness Week (ICAW) was delivered by means of a one day digital event with presentations from the CEO, Directors and a past beneficiary. Nearly two hundred attendees registered for the day with the webinar made available on social media after the event.

As well as increasing communications with employers and supporters, the Charity again benefited from complimentary virtual exhibition space at various industry events, for which it is very grateful.

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Report of the Directors

for the year ending 31 March 2021

Generation and sustenance of adequate income streams

We aimed to generate and sustain adequate income streams. Unsurprisingly, due to the impact of pandemic, there was a decrease in most income sources. Most local institutes cancelled their Annual Dinners; the source of much of their regular fundraising. We were successful in applying for a City of London Local Authority Discretionary grant due to the pandemic.

Reinforcing and improving governance

We have continued our policy of open recruitment and have been delighted to have two new Board members over the past year; both of whom bring supplementary skills and experience to complement those already in existence. 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 14, reflects all incoming resources receivable in the year irrespective of when income is spent. Total incoming resources decreased by £291,000 to £1,109,000. Expenditure on charitable activities decreased by £897,000 to £1,086,000. Total resources expended of £1,265,000 (2020: £2,206,000) resulted in a net outflow for the year of £156,000 (2020: £806,000). After taking into account realised and unrealised gains on investments, total fund balances increased by £6,095,000 (2020: decreased by £5,260,000) to £38,833,000 (2020: £32,738,000).

The Directors do not consider that the current pandemic will impact on the financial sustainability of the Charity and it remains 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 Ethical policy to reinforce its position of not holding investments in companies whose principal activities are at odds with the Charity's objects. The Charity has an agreed investment performance benchmark with its investment managers based on the income requirements to support grant giving, Directors' attitude to investment risk and the timeframe for investment. The benchmark was amended during the year to reflect the improved capital growth opportunities available outside UK investment markets, partly driven by the large falls in UK equities' dividend income. The new benchmark comprises 12% of the return of the FTA British Government All Stocks Index, 45% of the FTSE All Share index, 35% of the FTSE World Ex UK Index, 3% of the Investment Property Database Index, 4% of the BoE Base Rate +2% return (for infrastructure investment) and 1% of the cash return.

This allocation remains classified as Medium/High risk and imposes agreed limitations as to the minimum and maximum holdings in each asset class.

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 of more than 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.

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Report of the Directors

for the year ending 31 March 2021

The 12 months to 31 March 2021 saw the portfolio gain substantial value as a result of the identification of the nature of the COVID-19 virus and hopes that "global pharma" could quickly develop a vaccine which would enable life, and economies, and businesses to get back to some form of normality. Several vaccines were indeed discovered quickly and, at the time of writing, developed stock markets have, with the exception of the much higher USA stock market, largely recovered to pre-pandemic levels. The oil price has bounced, interest rates remain at ultra-low levels but the risk of inflation is real because the enormous sums of money distributed by governments to assuage the devastating effects of the pandemic were largely given to individuals and companies; this "economic" crisis contrasts with the "financial" crisis of 2007/08 where supporting capital was directed towards banks to support their balance sheets, so was thus not viewed as inflationary.

The portfolio continues to be managed for long term growth in both its capital value and the level of income it can generate and 2021 saw a satisfactory investment return. For 2021, the portfolio's total return (capital growth with income added) was +23.9%, compared to the benchmark's +21.8%. The three year cumulative return shows +21.9% compared to the benchmark's +13.9% and the five year return showing +48.3% compared to the benchmark's +38.5%.

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 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 £38,833,000, held by way of reserves as at the year end (2020: £32,738,000), 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 that required to generate income for the Charity in the long term to continue to support its beneficiaries and achieve its charitable objectives in the absence of other income streams.

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Report of the Directors

for the year ending 31 March 2021

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 widen the Charity's offering, we will continue to develop partnerships with external charitable bodies, particularly to extend practical support in 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 secure suitable partnerships.

The government's advice for the pandemic 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 re-establish the annual distribution of complimentary branded giveaways in June but have decided to deliver ICAW by means of a virtual offering again. 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 return in 2022.

Online meetings that have occurred during the lockdown period have established and revived connections with many insurance companies which will be useful as offices reopen and new challenges faced.

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 the pandemic, 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 have regard for diversity and inclusion as we recruit additional Directors and Committee members, who have current involvement in the insurance industry and skills needed to complement those already evident within the Board.

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Report of the Directors

for the year ending 31 March 2021

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
Mr Allan Clare (appointed 16.12.2020)
Mr George Gager
Ms Adrienne O'Sullivan
Miss Elizabeth Robinson (appointed 16.12.2020)
Mr Peter Staddon (resigned 23.09.2020)
Mr Richard Talbot-Jones
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

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Report of the Directors

for the year ending 31 March 2021

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 it 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, diversity 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 its 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	4
Mr Graham Cave	4	N/A	N/A	4
Mr Richard Wood	4	4	N/A	N/A
Mr Anthony Alderman	3	N/A	1	N/A
Professor David Bland	4	4	N/A	N/A
Mr Joshua Brekenfeld	4	N/A	N/A	3
Mr Allan Clare	2	1	N/A	N/A
Mr George Gager	4	N/A	4	N/A
Ms Adrienne O'Sullivan	4	N/A	N/A	2
Miss Elizabeth Robinson	2	1	N/A	N/A
Mr Richard Talbot-Jones	4	N/A	4	N/A
Mr Kevin Wood	4	4	N/A	N/A

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Report of the Directors

for the year ending 31 March 2021

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 is 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 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 to account for CPI increases to 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 contact with the Charity's Secretariat, this year by video conferencing. The activities undertaken include checking receipts and payments and their internal recording. The Board is then briefed quarterly.

During the year, the Directors identified the major risks as a significant major national or international event such as the pandemic, cyber crime, the sudden loss of key personnel or trustees and insufficient skills knowledge or tools to support objectives.

The pandemic changed the way in which the charity operated with major functions being carried out remotely and minimal office cover. Regular communications to staff from the CEO and daily updates with the Chairman have been maintained throughout.

Cyber crime has been at the forefront of consideration with home working. Two factor authentication has been added to our database software. Staff training has been carried out to increase awareness. Additional segregation of duties and monitoring has been implemented.

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Report of the Directors

for the year ending 31 March 2021

We have established a BCP team who hold key contact details, appointed an assistant to the CEO and strived to implement a robust recruitment process for our new trustees. We have established a training log for the trustees to ensure that they are kept up to date with charity developments. We have further expanded our committees' knowledge base by having non trustee members with expert experience.

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 16 June 2021

John Greenway
Chairman

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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 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 2021 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Directors' Report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Directors' Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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Independent Auditor's Report

to the members of The Insurance Charities

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors Report, which includes the Directors' Report and the 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 Strategic Report included within the Directors' 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 or the Strategic Report included within the Directors' 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) requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Trustees' 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.

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.

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Independent Auditor's Report

to the members of The Insurance Charities

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the charitable company operates in and how the charitable company is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), Charities Act 2011, the charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Directors' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the General Data Protection Regulations. We performed audit procedures to inquire of management whether the charitable company is in compliance with these law and regulations and inspected minutes.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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.

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the insurance charities

Independent Auditor's Report

to the members of The Insurance Charities

Use of our report

This report is made solely to the charitable company's 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP.

Zoe Longstaff-Tyrrell (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 12 July 2021

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the insurance charities

Statement of Financial Activities (including Income and Expenditure account)

Year ended 31 March 2021

	Notes	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2021 £000	Total Funds 2020 £000
Income					
Donations and legacies	2	69	0	**69**	127
Investment income	3	902	96	**998**	1,271
Income from charitable activities:					
Interest charged on loans	13	1	0	**1**	2
		972	96	**1,068**	1,400
Other income:					
Funds transferred from other charities	17	0	41	**41**	0
Total income		972	137	**1,109**	1,400
Expenditure					
Expenditure on raising funds	4	134	0	**134**	176
Investment management costs	5	41	5	**46**	47
Expenditure on charitable activities	6	824	261	**1,085**	1,983
Total expenditure		999	266	**1,265**	2,206
Net expenditure		(27)	(129)	**(156)**	(806)
Gain/ (Losses) on investment assets	12	5,686	565	**6,251**	(4,454)
Net movement in funds for the year		5,659	436	**6,095**	(5,260)
Reconciliation of funds					
Total funds brought forward	17	29,758	2,980	**32,738**	37,998
Total funds carried forward		35,417	3,416	**38,833**	32,738

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the insurance charities

Balance Sheet

Company number England & Wales 74461
Company number Isle of Man 006098F
As at 31 March 2021

	Notes	2021 £000	2020 £000
Fixed assets			
Tangible assets	11	**5**	9
Investments:			
Investments	12	**36,644**	30,837
Loans to beneficiaries	13	**2,761**	2,715
Total fixed assets		**39,410**	33,561
Current assets			
Debtors	14	**179**	106
Cash at bank and in hand		**142**	168
Total current assets		**321**	274
Liabilities			
Creditors falling due within one year	15	**(890)**	(1,085)
Net current liabilities		**(569)**	(811)
Total assets less current liabilities		**38,841**	32,750
Creditors: falling due after more than one year	16	**(8)**	(12)
Total net assets		**38,833**	32,738
The funds of the charity:			
Restricted income funds	17	**3,416**	2,980
Unrestricted general fund	17	**24,370**	24,925
Investment revaluation reserve	17	**11,035**	4,818
Pension reserve	17	**12**	15
Total Charity Funds		**38,833**	32,738

The financial statements on pages 14 to 27 were approved by the Board of Directors and authorised for issue on 16 June 2021 and signed on its behalf by

John Greenway
Chairman

Richard Wood
Chair Audit Committee

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Statement of cash flows

for the year ending 31 March 2021

	Notes	2021 £000	2020 £000
Cash used in operating activities:			
Net cash used in operating activities	19	**(1,466)**	(1,840)
Cash flows from investing activities:			
Purchase of fixed assets		**(3)**	0
Dividends and interest from investments		**999**	1,273
Proceeds from disposal of investments		**9,345**	3,360
Purchase of investments		**(8,548)**	(3,142)
Cash movements from investing activities		**(353)**	324
Net cash provided by investing activities		**1,440**	1,815
Change in cash and cash equivalents in the reporting period		**(26)**	(25)
Cash and cash equivalents at the beginning of the year		**168**	193
Total cash and cash equivalents at the end of the year		**142**	168

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the insurance charities

Notes on the accounts

Year ended 31 March 2021

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainy 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 the 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 reliabily 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 criterial 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.

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Notes on the accounts

Year ended 31 March 2021

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.

CILA Benevolent Fund

CILA Benevolent Fund was a charity whose objects fell within those of The Insurance Charities.

The CILA Benevolent Fund transferred its assets to The Insurance Charities in 2013 as a restricted fund.

The Insurance Charities could direct some of its applicants to the CILA Benevolent Fund leaving more unrestricted funds available for other applicants.

CII EATT Fund

A fund established by the CII EATT, administered by The Insurance Charities, to enable those suffering from the financial hardship associated with COVID-19 to attend training courses.

Pension reserve

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

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 activites, the costs of investment management, and their associated support costs.

Grants payable

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.

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the insurance charities

Notes on the accounts

Year ended 31 March 2021

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 directorsí 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 on an estimation based upon the likelihood of repayment and the ongoing level of contact with the beneficiary. The amount is reviewed on a regular basis.

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.

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Notes on the accounts

Year ended 31 March 2021

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.

2 Income from donations and legacies

	2021	2020
	£000	£000
Insurance Charities Awareness Week	**5**	4
Fundraising by local and associated institutes	**13**	68
Membership subscriptions	**6**	7
Insurance employers' donations	**2**	1
Legacies	**0**	36
Other donations and income	**43**	11
	69	127
Percentage of income from non-UK source	**0%**	2%

The income from donations and legacies was £69,000 (2020: £127,000) of which £69,000 (2020: £121,000) was unrestricted and £Nil restricted (2020: £6,000).
Included with other donations and income are amounts totalling £10,000 (2020: £Nil) from the City of London in the form of a grant in respect of the impact of COVID-19. There are no unfulfilled conditions or other contingencies attached to the grant.

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.

3 Investment income

	2021	2020
	£000	£000
Listed investments		
Equity	**771**	1,094
Fixed interest	**227**	177
	998	1,271

The income from investments was £998,000 (2020: £1,271,000) of which £902,000 (2020: £1,133,000) was unrestricted and £96,000 restricted (2020: £138,000).

4 Expenditure on raising funds

	2021	2020
	£000	£000
Salaries, wages and related costs	**108**	102
Other costs	**26**	74
	134	176

The expenditure was unrestricted in both years.

5 Investment management costs

	2021	2020
	£000	£000
Stockbroker's fees and commission	**46**	47

The costs of investment management were £46,000 (2020: £47,000) of which £41,000 was unrestricted (2020: £41,000) and £5,000 restricted (2020: £6,000).

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Year ended 31 March 2021

6 Expenditure on charitable activities

	2021 £000	2020 £000
Grantmaking		
Total grants payable	**586**	1,443
Support costs (note 7)	**443**	481
Governance costs (note 7)	**56**	59
	1,085	1,983

Grants payable in support of 260 (2020: 236) 'hardship' cases.

Expenditure on charitable activities was £1,087,000 (2020: £1,983,000) of which £824,000 was unrestricted (2020: £1,482,000) and £261,000 restricted (2020: £501,000).

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.

		Raising funds	Charitable activities	Governance
Basis of apportionment		**£000**	**£000**	**£000**
Salaries, wages and related costs	Allocated on time	108	218	29
General office	Allocated on time	26	212	6
Audit fees	Governance	0	0	21
Legal and professional fees	Allocated on purpose	0	13	0
Travel and subsistance for trustees	Allocated on purpose	0	0	0
		134	443	56

8 Net expenditure for the year

This is stated after charging:	2021 £000	2020 £000
Operating lease rentals	**48**	48
Depreciation	**7**	6
Auditors' remuneration:		
Audit fee	**21**	19

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

	2021 £000	2020 £000
Salaries and wages	**281**	273
Social security costs	**18**	25
Pension costs	**57**	46
	356	344

One employee received gross emoluments of between £70,000 and £80,000 (2020: one) and pension contributions were made on their behalf of £19,697 (2020: £15,434). No other employees received emoluments in excess of £60,000.

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Notes on the accounts

Year ended 31 March 2021

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 (2020: £Nil).

Travel and subsistence expenses were not reimbursed to trustees in the year (2020: five trustees £3,968).

No charity trustee received payment for professional or other services supplied to the charity (2020: £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 £186,085 (2020: £174,711).

The average head count for employees (including part time staff) (all administrative) during the financial year was six (2020: 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.

11 Tangible fixed assets

	Info Tech	Office Equipment	Total
Cost	**£000**	**£000**	**£000**
Opening balance 1 April 2020	30	12	42
Additions	0	3	3
Closing balance 31 March 2021	30	15	45
Depreciation			
Opening balance 1 April 2020	26	7	33
Charge for the year	3	4	7
Closing balance 31 March 2021	29	11	40
Net book value			
As at 31 March 2021	1	4	5
As at 31 March 2020	4	5	9

12 Investments

	2021	2020
	£000	£000
Market value at 1 April 2020	**30,837**	35,833
Acquisitions at cost	**8,548**	3,142
Disposals	**(9,345)**	(3,360)
Net movement in cash	**353**	(324)
Net gain/ (loss)	**6,251**	(4,454)
Market value at 31 March 2021	**36,644**	30,837
Historical cost at 31 March 2021	**25,609**	26,019

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Notes on the accounts

Year ended 31 March 2021

	Market value 2021 £000	Historical cost 2021 £000	Market value 2020 £000	Historical cost 2020 £000
UK listed – Equity	16,905	11,116	18,933	15,728
Overseas – Equity	13,083	8,177	5,145	3,542
UK listed – Fixed interest	3,276	3,321	4,477	4,811
Property	1,104	953	1,120	953
Infrastructure	1,775	1,541	1,013	836
Cash deposits	501	501	149	149
	36,644	25,609	30,837	26,019

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

13 Loans to beneficiaries

	Secured loans £000	Unsecured loans £000	Total 2021 £000	Total 2020 £000
Loans before provisions				
Balance at 1 April	2,769	209	2,978	2,908
Advances	368	81	449	406
Write back of undrawn loans/ write offs	(116)	(7)	(123)	(74)
Interest	1	0	1	2
Repaid	(222)	(5)	(227)	(264)
Balance at 31 March	2,800	278	3,078	2,978
Less: Provision for doubtful loans				
Balance at 1 April	65	198	263	181
Movement	0	54	54	82
Balance at 31 March	65	252	317	263
Loans after provisions at 31 March	2,735	26	2,761	2,715

	Interest rate	Secured loans £000	Unsecured loans £000	Total 2021 £000	Total 2020 £000
Capital	0%	2,756	278	3,034	2,929
Capital	3%	103	0	103	107
Accumulated interest	3%	(59)	0	(59)	(58)
		2,800	278	3,078	2,978

	Secured loans £000	Unsecured loans £000	Total 2021 £000	Total 2020 £000
Sterling based loans	2,694	230	2,924	2,779
Euro based loans	106	12	118	163
AUS $ based loans	0	36	36	36
	2,800	278	3,078	2,978

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.

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Notes on the accounts

Year ended 31 March 2021

14 Debtors

	2021 £000	2020 £000
Amounts due within one year		
Other debtors	**1**	6
Prepayments and accrued income	**178**	100
	179	106

15 Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Beneficiary year end commitments	**810**	1,005
Taxation and Social Security	**8**	12
Pension Contributions	**13**	13
Accruals	**44**	44
Deferred income	**15**	11
	890	1,085

Deferred income is the benefit derived from the lease rental free periods.

	2021 £000	2020 £000
Deferred income		
Balance as at 1 April	**11**	6
Amounts release to income in year	**(3)**	(3)
Amounts deferred in year	**7**	8
	15	11

16 Creditors: Amounts falling due over one year

	2021 £000	2020 £000
Pension Contributions	**8**	12

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 2020 £000	Incoming resources £000	Outgoing resources £000	Investment gains £000	Transfers £000	Balance 31 March 2021 £000
General fund	24,925	972	(996)	5,686	(6,217)	**24,370**
Investment revaluation reserve	4,818	0	0	0	6,217	**11,035**
Designated pension fund	15	0	(3)	0	0	**12**
Total	29,758	972	(999)	5,686	0	**35,417**

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the insurance charities

Notes on the accounts

Year ended 31 March 2021

Analysis of movements in unrestricted funds – previous year

	Balance 1 April 2019 £000	Incoming resources £000	Outgoing resources £000	Investment gains £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**
Total	34,111	1,256	(1,699)	(3,910)	0	**29,758**

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 2020 £000	Net (out)/ incoming resources £000	Investment gains £000	Transfers £000	Balance 31 March 2021 £000
CILA Benevolent Fund	936	30	(5)	177	**1,138**
Paul Golmick Fund	2,044	66	(220)	388	**2,278**
CII EATT Fund	0	41	(41)	0	**0**
Total restricted funds	2,980	137	(266)	565	**3,416**

Analysis of movements in restricted funds – previous year

	Balance 1 April 2019 £000	Net (out)/ incoming resources £000	Investment gains £000	Transfers £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**
CII EATT Fund	0	0	0	0	**0**
Total restricted funds	3,887	144	(507)	(544)	**2,980**

Name of restricted fund	Description, nature and purpose of the fund
CILA Benevolent Fund	To support members of CILA
Paul Golmick Fund	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.

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Notes on the accounts

Year ended 31 March 2021

CII EATT	To fund training courses for those working in insurance if they have suffered financial hardship from the impact of COVID 19.

The fund has been created when cash assets have been transferred to the insurance charities.
Awards made with the purposes are fully allocated against the restricted funds. A flat fee per award has been charged towards administration.
The fund ran until 31 March 2021 when the scheme was transferred to the CII to administer.

18 Analysis of net assets between funds

	General £000	Revaluation £000	Designated £000	Restricted £000	2021 £000	2020 £000
Tangible fixed assets	5	0	0	0	5	9
Investments	24,954	11,035	0	3,416	39,405	33,552
Current assets	309	0	12	0	321	274
Current liabilities	(890)	0	0	0	(890)	(1,085)
Long term liabilities	(8)	0	0	0	(8)	(12)
Total net assets	24,370	11,035	12	3,416	38,833	32,738

Analysis of net assets between funds – previous year

	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)
Total net assets	24,925	4,818	15	2,980	32,738	37,998

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

	2021 £000	2020 £000
Net movement in funds	6,095	(5,260)
Add back depreciation charge	7	7
(Gains)/Losses on investments	(6,251)	4,454
Dividend and interest income shown in investing activities	(998)	(1,271)
Interest charged on loans	(1)	(2)
(Increase)/ Decrease in debtors	(73)	17
(Increase)/ Decrease in loans to beneficiaries	(46)	12
(Decrease)/ increase in creditors	(199)	203
	(1,466)	(1,840)

20 Total commitments under operating leases

	2021 £000	2020 £000
Operating leases which expire:		
Commitments due in under 1 year	50	50
Commitments due in 2 – 5 years	226	215
Commitments due in over 5 years	58	90

The lease relates to 2 St Andrews Hill premises.

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Notes on the accounts

Year ended 31 March 2021

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 2020, dated 10 February 2021, 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 13 January 2021. The main assumptions were:

	At year end 31.12.2020	At year end 31.12.2019	At year end 31.12.2018	At year end 31.12.2017
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	2.75%	2.80%	3.00%	2.90%
Discount rate	1.40%	2.05%	2.90%	2.60%
Inflation assumption	2.85%	2.90%	3.15%	3.10%

At 31 December 2020, the market value of the assets of the Scheme was £52,302,000 and the value of past service liabilities was £43,496,000 leaving a surplus of assets of £8,806,000. The assets therefore were sufficient to cover 120% 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 (2020: £Nil) were payable in respect of employees of The Insurance Charities for the period ended 31 March 2021. Additional future amounts payable under the Recovery Plan have been identified in the Designated Fund.

No additional payments (2020: £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 £57,255 (2020: £46,345).

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Schedule 1 – Insurance Employers' Donations

Year ended 31 March

	2021	2020	2019	2018	2017
	£	£	£	£	£
Abbey Life Assurance Co	-	-	-	-	500
Ageas	-	-	-	-	5,000
Allianz Cornhill plc	-	-	-	-	10,000
Assicurazioni Generali	-	-	-	-	1,500
Aviva	-	-	50,000	-	25,000
Chubb	2,000	-	-	-	-
Griffiths & Armour	-	1,000	1,000	1,000	1,000
Miller Charitable Fund	-	-	-	-	500
Royal & Sun Alliance Insurance Group	-	-	-	-	10,000
Zurich Community Trust	-	-	-	-	500
Other donations under £ 500 threshold	120	120	120	120	620
Total	2,120	1,120	51,120	1,120	54,620

Schedule 2 – Legacies

Year ended 31 March

	2021	2020	2019	2018	2017
	£	£	£	£	£
P McGovern	-	20,833	-	-	-
J Worth	-	10,000	-	-	-
I How	-	5,000	-	-	-
Coleman	-	-	17,078	-	-
Searby	-	-	10,010	-	-
D Amor	-	-	-	5,000	-
M Kuiken	-	-	-	-	117
Other legacies under £500 threshold	-	-	-	-	-
Total	0	35,833	27,088	5,000	117

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the insurance charities

Schedule 3 – Amounts included within Other donations and income

Year ended 31 March

	2021 £	2020 £	2019 £	2018 £	2017 £
Adrian Flux – Dress Down Days	-	716	-	-	-
Allianz(Ireland)	-	-	3,334	-	-
BIBA incl Young Brokers	30	419	62	-	196
Chartered Insurance Institute's Fines Imposed	-	-	-	300	-
Chartered Insurance Institute's Fire Mark Sale	25,000	-	-	-	-
Chartered Institute of Loss Adjusters – Annual Dinner	-	5,840	4,804	5,643	5,484
City of London COVID Grant	10,000	-	-	-	-
Colin Cooper	5,000	-	-	-	-
Eaton Gate – Xmas Party	500	-	-	-	-
John Farrer	-	-	2,000	-	-
Flint Group	-	1,190	-	-	-
Global Aerospace liquidation	-	-	-	3,953	-
ISS Restoration	487	-	-	-	-
Life Insurance Association	-	-	833	-	-
Mrs Lingard	-	-	-	-	1,000
Marathon – Nuala O'Connor	-	-	-	4,006	-
RSA Pensioners	30	370	300	558	436
Sedgwick	-	-	77,524	-	-
Eric Wills	300	-	300	300	-
	41,347	8,535	89,157	14,760	7,116
Other donations under £500 threshold	1,415	2,885	6,005	4,975	4,321
Total	42,762	11,420	95,162	19,735	11,437

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FIVE YEAR FINANCIAL SUMMARY

Year ended 31 March

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
STATEMENT OF FINANCIAL ACTIVITIES					
Fundraising by local and associated institutes	13	68	103	98	118
Donations from insurance employers	2	1	51	1	55
Legacies and other income	54	58	132	34	22
Investment income and interest income	999	1,273	1,217	1,154	1,180
Other incoming resources	41	0	0	0	0
Total Income	1,109	1,400	1,503	1,287	1,375
Investment management costs	46	47	46	46	43
Charitable activities					
Grants	586	1443	1,286	954	967
Other grant making activities	443	481	480	347	296
Costs of generating voluntary income	134	176	152	162	147
Governance costs	56	59	59	60	66
Total Expenditure	1,266	2,206	2,023	1,569	1,519
Net Income / (Expenditure) before gains/ (losses) on investments	(157)	(806)	(520)	(282)	(144)
Gains/(Losses) on investments	6,251	(4,454)	1,821	144	3,958
Net Income/ (Expenditure) and net movement in funds	6,094	(5,260)	1,301	(138)	3,814

BALANCE SHEET

as at 31 March

	2021 £000	2020 £000	2019 £000	2018 £000	2017 £000
Fixed Assets					
Tangible Assets	5	9	16	0	1
Investments	36,644	30,837	35,833	34,454	34,501
Loans to beneficiaries	2,761	2,715	2,727	2,669	2,696
	39,410	33,561	38,576	37,123	37,198
Current Assets					
Debtors	179	106	123	116	79
Cash at bank and in hand	142	168	193	261	219
	321	274	316	377	298
Creditors:					
Amounts due within one year	(890)	(1,085)	(878)	(784)	(638)
Amounts due over one year	(8)	(12)	(16)	(19)	(23)
	(898)	(1,097)	(894)	(803)	(661)
Net assets	38,833	32,738	37,998	36,697	36,835
The funds of the charity:					
Restricted income funds	3,416	2,980	3,887	3,739	3,332
Unrestricted income funds	24,370	24,925	24,250	24,924	24,540
Investment revaluation reserve	11,035	4,818	9,842	8,011	8,936
Designated income funds	12	15	19	23	27
Total charity funds	38,833	32,738	37,998	36,697	36,835

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Support we have provided in 2020/21

the insurance charities
for the things you can't insure against

£912k

We gave out over £912k to help current and former insurance employees and their families across the UK and Ireland

We made **711 awards** totalling **£912k**

£

Largest award
£150k
for property adaptations

Smallest award
£20
for educational grant

Some of the ways we've been able to help

- **£448k** Day-to-day hardship
- **£96k** Educational grants
- **£32k** Specialist assessments & therapies
- **£11k** Specialist beds
- **£6.5k** Wheelchairs, scooters & trikes
- **£264k** Property adaptations
- **£6.5k** Clothing, including school uniform
- **£6k** Funeral expenses

www.theinsurancecharities.org.uk

Support we have provided in 2020/21

the insurance charities
for the things you can't insure against

€1.1 million

We gave out over €1.1 million to help current and former insurance employees and their families across the UK and Ireland

In Ireland we made **38 awards** totalling **€77k**

Some of the ways we've been able to help

- **€28k** Day-to-day hardship
- **€31k** Educational grants
- **€9k** Specialist assessments & therapies
- **€2k** Child maintenance payments
- **€1.5k** Furniture & appliances
- **€3k** Advanced rents and deposits

www.theinsurancecharities.ie