

# Shell Pensioners Benevolent Association

Object: The relief of poverty among persons who are members of the Shell Pensioners Association (and the wives, husbands, widows, widowers, children and other dependants of such persons) who are also retired Shell employees in receipt of a pension from the Shell Contributory Pension Fund (SCPF) or the Shell Overseas Contributory Pension Fund (SOCPF) or the Combined Petroleum Companies Pension Fund (CPCPF) and are resident in the United Kingdom.

## Notice of Annual General Meeting, Report and Financial Statements

for the year ended 31 December 2020

### Notice

is hereby given that the 51st Annual General Meeting of the Association will be held remotely by Zoom at 10:30am on Wednesday 9 June 2021. Due to the current Covid-19 restrictions, we are reluctantly meeting remotely as it appears unlikely that a face-to-face meeting will be able to take place.

Please could members participate by giving advance 'approval' of the agenda items by e-mail or letter to Ken Sleat, details below.

If you wish to join the call please contact Ken at [ken.k.sleat@shell.com](mailto:ken.k.sleat@shell.com) or on 020 7934 5131 who will supply the joining information. If you want further details or clarifications it would be helpful to send these to Ken in advance as it will be difficult to deal with many questions using these emergency protocols which are in line with Charity Commission guidance.

### Agenda

1. To approve the Minutes of the 50th Annual General Meeting held remotely at 10:30am on Wednesday 10 June 2020
2. To receive an oral report from the Chairman of the Board of Management
3. To receive and consider:
  - a) The Report of the Trustees
  - b) The Financial Statements
  - c) The Report of the Independent Examiner
4. To elect the Board members. The Board will elect Trustees at the meeting of the Board following this meeting at 11:00am
5. To appoint an Independent Examiner, Simon Ingall
6. To delegate setting the date and location of the 52nd Annual General Meeting to the Board
7. Any other business

Shell Centre  
London SE1 7NA  
Tel: 020 7934 5131

By Order of the Board:  
**Ken Sleat** – *Secretary*  
10 February 2021

## **Reference and administrative details** for the year ended 31 December 2020

### **Charity number**

262049

### **Status**

The organisation is a charity registered on 15 March 1971

### **Governing document**

The organisation is governed by its constitution

### **Registered office and Mailing address**

Shell Centre, London SE1 7NA

### **Board members and Trustees**

Mr R Waight Chairman

Ms V Carter

Mrs C Nancarrow

Mrs G Springett

Mr C Bowkley

Mr D Lewis

Mr S Tester

Mrs S Oxspring

### **Secretary, Treasurer and Board member**

Mr K Sleat FCA FCT

Shell Centre, London SE1 7NA

Email: ken.k.sleat@shell.com

Tel: 020 7934 5131

### **Bankers**

Lloyds Banking Group

The Strand London Branch,

PO Box 1000 BX1 1LT

### **Solicitors**

Legal Division

Shell International Limited

Shell Centre,

London SE1 7NA

### **Independent Examiner**

Mr S Ingall ACA

1 Walham Rise,

Wimbledon Hill Road,

London SW19 7QY

In this report, 'SPA' is used for convenience where reference is made to the Shell Pensioners Association, and 'the Association' for the Shell Pensioners Benevolent Association

## **Report of the Trustees** for the year ended 31 December 2020

The Trustees present their report and the independently examined Financial Statements for the year ended 31 December 2020.

The Financial Statements have been prepared in accordance with the accounting policies set out in Note 1 to the Financial Statements and comply with the charity's constitution, the Charities Act 2011, 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).

### **Structure, governance and management**

The details of the Trustees, Bankers, Solicitors, Independent Examiner and charity name, number and address are to be found on the previous page.

Membership of the Association is open to all members of the SPA. The qualification for membership is a donation to the Association.

The Association, which is unincorporated, is governed by its constitution as approved by the Charity Commission. It is managed by Trustees who, as a Board of Management, meet six times a year. Up to nine Board members are elected at each Annual General Meeting (AGM) who serve until the conclusion of the next AGM and have the power to co-opt up to a further three persons whom they consider having special knowledge or experience.

At the first Board meeting after the AGM the Board appoints Trustees of the Association to serve until the next AGM. The Board seeks Trustees who have an empathy for the object of the Association and who have experience of the necessary business and professional skills, such as management, medical, marketing, financial, human resources, legal and pensions.

On appointment, new Trustees to the Association are provided with copies of, or are directed to, the Charity Commission briefing material covering a Trustee's job description and "The Essential Trustee: What you need to know".

In accordance with its constitution, and to ensure that funds are used in accordance therewith, all proposals for assistance are submitted through the Secretary of the Association. Pensioner Programme Officers (PPOs) assess claimant needs and make recommendations accordingly. The proposals are then considered in detail at the meetings of the Trustees bearing in mind the object and powers of the Association.

In case of urgency, any two members of the Board are authorised to agree immediate assistance and their action is tabled for noting at the next meeting of the Trustees.

### **Donations and fund raising**

Donations and legacies are encouraged through occasional communications to current pensioners. In addition, SPA National Committee members, the Association Chairman and the Secretary visit SPA branches and report on the activities of the Association. However, due to the prevailing Covid-19 restrictions, it has been impossible to visit branches this year. Branch members donate, either individually or collectively, to the Association. Generally, donations are not sought from current employees of Shell in the UK or from the public.

Assistance is given by Shell International Limited in the form of accommodation, office services and other administration together with the employment costs of the Secretary.

### **Reserves policy**

The reserves policy of the Trustees is to maintain sufficient reserves, which, together with donations, will generate the necessary ongoing resources to make grants and loans to SPA members. This has largely been achieved from legacies, which are invested to generate income for future benevolence. This situation is kept regularly under review.

### **Investment policy**

The investment policy is to maximise the Association's investment income in a relatively low risk manner so as to meet securely the object of the Association. As fixed interest rates have fallen, the policy is to invest surplus funds into low risk equity investments and managed equity investment funds.

As a registered charity, the Association's investment income is not subject to tax and the Trustees are mindful of this fact when making investment decisions. Investment policy is implemented by an investment sub-committee which reports regularly to the Trustees on performance. The Trustees review the investment policy at least annually.

### **Unrestricted funds**

The funds are unrestricted and can therefore be used for any purpose permitted by the Association's constitution.

### **Indemnification of Officers**

During the financial year, the Association, in accordance with its constitution, indemnified the Board, the Secretary and other Officers against liabilities in relation to the Association. In addition, insurance was taken out by the Association to cover this indemnification.

### **Material changes**

During 2020 Shell has sponsored and funded the Shell Pensioner Programme (SPP) which is a free of charge facility but only for SPA members who are in receipt of a SCPF / SOCPF / CPCPF pension. The SPP runs the help desk for pensioners to discuss their problems directly with a PPO. As a result of Covid-19, the PPOs could not visit as many pensioners as in previous years, visiting only 37, compared with 361 in 2019. However, the PPOs were still extremely busy as the number of contacts, mainly by telephone, rose from 3,408 to 5,930. Nevertheless this has led to a halving of the number of requests for benevolence, as visits often enabled PPOs to identify needy pensioners reluctant to directly request benevolence.

The impact of Covid-19 has not only affected the way in which the PPOs operate, but also the level of donations, benevolence granted and the value of the investments. However, the Association remains well funded and able to operate effectively.

### **Serious incidents**

There have been no serious incidents or other matters relating to the Association that should have been brought to the attention of the Charity Commission.

The Trustees have made a risk assessment of the activities of the Association and procedures are in place to mitigate the negative impact of such risks. However, the fact that a pandemic was not included in the Association's Risk Register prior to its happening reminds the Trustees of the need for continual vigilance in assessing emerging risks.

**Report of the Trustees** for the year ended 31 December 2020 – *continued*

**Object and public benefit**

The object of the Association is specified on the front page. In managing the Association's activities, the Trustees have had regard to the guidance issued by the Charities Commission on public benefit. They have noted that the activities directed towards the relief of poverty and financial need, albeit exclusively to a group of former employees, satisfy the public benefit specified in the Charities Act 2011. All activities as described below are directed to the relief of poverty and financial need.

**Activities**

Pensioners in poverty and in need of assistance are generally identified by the PPOs. If a PPO believes the Association might be able to assist the pensioner, he / she brings the case to the attention of the Secretary, by discussion, and subsequently by submitting an AFA (Application for Assistance) which is reviewed by the Trustees. The Trustees may seek further information or modify, reject or accept any application.

If appropriate, a grant or an interest-free loan may be awarded. In the past, both dated and undated loans have been given. From 2020, the Association's policy is to give only dated loans, which are repayable in monthly instalments based on the pensioner's ability to pay with any amount outstanding being paid from the borrower's estate in the event of death.

Whenever appropriate, for larger amounts interest-free loans are made rather than a grant as repayment enables recycling of the funds to others in need of benevolence.

In addition to the above assistance, the PPOs, in conjunction with the Secretary, nominated pensioners in need of Christmas grants in 2020.

Some pensioner problems are capable of resolution at no direct cost to the Association, for example by directing the pensioner to the appropriate social service or by providing advice and guidance about state benefits. To facilitate this guidance, the Association has contracted the services of Tina Gilchrist of CBG Solutions Ltd. As a result, regular update bulletins on state benefits and a confidential help desk service are provided to SPA members. This service has been retained and is valued by pensioners.

**Achievements and performance**

The benevolence assistance was higher in 2020 than in 2019 despite the number of requests being half of the number in the previous year. This was mainly due to 3 grants approved in 2019 amounting to £14,910 not being completed until 2020 and the value of Christmas grants being higher in 2020.

During 2020, 28 (2019: 57) new cases were brought to the attention of the Trustees. In addition, there were 4 (2019: 4) unresolved cases brought forward from the previous year. These resulted in 25 (2019: 36) grants totalling £53,020 (2019: £44,750) and 1 (2019: 1) new loan of £5,955 (2019: £4,000) being made to pensioners.

The largest benevolence cost is the Christmas grant award. 305 (2019: 310) payments of £400 (2019: £350) each were made in November 2020 through to January 2021 costing £122,000 (2019: £108,500). The Trustees concluded that £400 was the appropriate amount for 2020 after taking into account the available funds.

During 2020, Tina Gilchrist of CBG Solutions Ltd, in addition to writing articles in the SPA magazine, handled 535 (2019: 444) queries from Shell pensioners on matters relating to, but not

limited to, state benefits / pension reforms or tax and lasting powers of attorney. The Association is extremely grateful to Tina for her highly regarded work.

During the year, the Trustees made no new investments as there were no additional funds to invest. This contrasts with the situation in 2019 when the Association made substantial investments from legacy income received.

In the current climate of low interest rates, the Trustees continued to hold higher-earning equities with a relatively low risk. At the end of 2020 the mix of assets held when compared with 2019 changed due to changes in market valuations. 19% of the portfolio was invested in fixed interest securities, 61% in equities and 13% in property. The return on investment was 4.7% (before capital gains / losses), higher than the 4.3% achieved in 2019, mainly due to a fall in the underlying asset value.

In the opinion of the Trustees, the investments are sufficient to fulfil the obligations of the Association.

Acknowledgement is made of the accommodation, office services and other administration together with the employment costs of the Secretary provided by Shell International Limited which amounted to £48,862 for the year (2019: £51,872).

The Trustees also acknowledge the considerable support of the PPOs and the Pensioner Programme Manager whose workload increased substantially due to the unavoidable delays in replacing PPOs who left during the year and long-term sickness, in addition to the constraints caused by Covid-19.

Finally, the active fundraising by the SPA members of the various SPA branches and numerous donations by many individual pensioners are very much appreciated. In addition, the Trustees give their services free and this is also gratefully acknowledged.

During 2018, the Trustees undertook a strategic review looking at the age profile of potential beneficiaries, the methods of giving Christmas grants, the rationale of giving grants versus loans, and the investment profile required to support this going forward. The major conclusions were that there was a need for benevolence to continue for thirty plus years, that some changes were required in delivering benevolence in the future, and that funds are required from donations and legacies to continue giving support into the future. The Trustees reviewed projected cash flows during 2020 and believe the conclusions are still valid.

During 2020, the Secretary and Chairman issued an updated guideline which would help continue to ensure that the PPOs and Trustees share a common understanding of the basis on which benevolence is granted in line with the Association's constitution. This guideline will be updated regularly based on the experience of the benevolence cases submitted.

**Financial review**

There was one significant item in the financial results of 2020 being the net losses on revaluation of assets of £164,423, compared with net gains of £212,757 in 2019. This was a consequence of the dramatic fall in equity and property values in the first quarter of 2020. The impact was mitigated by a sound performance by the CCLA COIF equity funds and fixed interest funds which, taken together, made substantial gains.

As it is the policy and practice to hold the investments for the long term, fluctuations in gains and losses due to volatility in



the financial markets are not a cause for concern provided the overall income is maintained and the underlying investments are still considered sound.

Excluding these revaluation losses and gains, the Association showed a surplus of £7,480 in 2020 compared with £169,429 in 2019. The variance is mainly caused by the substantial legacy income recorded in 2019.

In 2020, donations decreased significantly compared with 2019 owing, first, to the 2019 figure being augmented by a one-off donation from the Sussex SPA Branch which was closing, and, second, due to the impact of Covid-19.

There was no write-off against loans in the year (2019: nil). The Trustees agreed the provision for bad debts should remain at the same level as 2019 of £18,463.

The result of the year including the significant item mentioned above was a decrease in funds of £156,943 (2019: an increase of £382,186). The total funds carried forward are £3,081,072 (2019: £3,238,015). This level of total funds is near the threshold at which a full audit must be carried out and the Trustees will continue to monitor this to ensure compliance.

### **Risks and future plans**

The Association regularly updates its risks and submits them for discussion by the Trustees at least once a year.

The downward trend in donations is a concern particularly those from the SPA and its branches and Covid-19 has decreased the source significantly this year since members have not been able to meet for much of the year. The level of donations has been mitigated to date by increases in investment income from legacies received.

The Trustees will make every effort to convince potential donors that the need for assistance for some pensioners has not diminished, that the organisation to deliver assistance is robust, and that the Association's finances are well managed to satisfy the needs.

Following the implementation of the Data Privacy Act in 2018, the SPA and the Association set up databases of pensioner members. The result remains a challenge since the Association no longer receives details of changes of address from Shell databases, which continues to make it more difficult to keep in touch with pensioners.

The Trustees will continue to make grants and loans to pensioners in need whose cases are submitted to them and which meet the stated object of the Association and indications are that the current level can be maintained for at least the next five years.

Shell International Limited introduced the SPP / PPO service towards the end of 2017 and the Trustees have assessed the effectiveness of the new scheme as positive with the ability to deliver benevolence thanks to the personal commitment and knowledge of the PPOs. The Association relies on Shell International Limited to pay for the administrative costs of the charity.

The Trustees continue to welcome legacies, which will continue to be invested so that such gifts enable future benevolence. This policy will continue in the future.

Investment income, together with donations received each year, generally enables the Association to meet foreseeable calls on the funds of the Association, but it also allows deficits to be funded.

There is no evidence to suggest that the funds available are in any way surplus to potential future needs but give the Association a solid foundation for future benevolence activities.

### **The Board**

No new members joined the Board in 2020. All nine existing members of the Board are offering themselves for re-election at the AGM.

### **Trustees' responsibilities in relation to the Financial Statements**

The Association's Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Association's Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the incoming resources and application of resources of the Association for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities Statement of Recommended Practice
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in operation. The Trustees confirm that it has sufficient reserves and can generate future income to pay benevolence for the foreseeable future.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the constitution.

The Trustees are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Financial Statements for the year ended 31 December 2020

## Statement of Financial Activities

	Note	2020 £	2019 £
<b>Income</b>			
<i>Donations and legacies</i>			
Donations and legacies	2	72,560	219,431
Donation as contribution for administration costs		48,862	51,872
		<u>121,422</u>	<u>271,303</u>
Investment income (before capital gains / losses)		109,940	102,948
<b>Total income</b>		<u>231,362</u>	<u>374,251</u>
<b>Expenditure</b>			
<i>Expenditure on charitable activities</i>			
Grants	3	175,020	152,950
Administration and other costs	4	48,862	51,872
<b>Total expenditure</b>		<u>223,882</u>	<u>204,822</u>
<b>Net income before net gains and losses on investments</b>		7,480	169,429
Net (losses) / gains on revaluation of investments	8	(164,423)	212,757
<b>Net movement in funds</b>		(156,943)	382,186
<b>Reconciliation of funds</b>			
Total funds brought forward		3,238,015	2,855,829
<b>Total funds carried forward</b>		<u>3,081,072</u>	<u>3,238,015</u>

## Statement of Cash Flows

	Note	2020 £	2019 £
<b>Net cash (used in) / provided by operating activities</b>	6	(105,686)	480,727
<b>Cash flow from investing activities</b>			
Investment income		109,940	102,948
Purchase of investments		–	(558,000)
<b>Net cash provided by / (used in) investing activities</b>		<u>109,940</u>	<u>(455,052)</u>
<b>Increase in cash and cash equivalents in the year</b>		4,254	25,675
Cash and cash equivalents at the beginning of the year		119,903	94,228
<b>Total cash and cash equivalents at the end of the year</b>	7	<u>124,157</u>	<u>119,903</u>

## Balance Sheet as at 31 December

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	8	2,845,794	3,010,217
<b>Long-term loans</b>			
Loans to SPA members repayable in more than one year	9	61,622	68,240
<b>Current assets</b>			
Loans to SPA members repayable in less than one year	9	7,173	1,540
Accrued income		1,496	10,670
Other debtors		44,434	28,847
Cash and cash equivalents	7	124,157	119,903
		<u>177,260</u>	<u>160,960</u>
<b>Current liabilities</b>			
Creditors falling due within one year		3,604	1,402
<b>Net current assets</b>		<u>173,656</u>	<u>159,558</u>
<b>Net assets</b>		<u>3,081,072</u>	<u>3,238,015</u>
 <b>The funds of the Association</b>			
Unrestricted income funds		3,081,072	3,238,015
<b>Total funds</b>		<u>3,081,072</u>	<u>3,238,015</u>

Approved by the Trustees on 10 February 2021 and signed on their behalf by **R Waight** – *Chairman*

# Notes to the Financial Statements for the year ended 31 December 2020

## 1. Basis of preparation and accounting policies

- a) 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 (FRS 102) and with the Charities Act 2011.
- b) The Financial Statements have been prepared on a going concern basis.
- c) Income is accounted for in full when receivable. All funds received and generated are unrestricted and are therefore available as general funds. Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes. However, legacies are invested to fund benevolence for future years. Legacies are recognised as income when probate has been granted, when the executors have confirmed that the estate's assets are sufficient to pay the legacy and when any conditions have either been met or are under the control of the charity.
- d) Investments are valued at market value.
- e) Loans repayable in monthly instalments are classified as dated loans. Loans not repayable until an event crystallises repayment (usually sale of the recipient's house, or their death) are classified as undated loans. From 2020, all loans given are dated loans.
- f) Cash and cash equivalents comprise cash at bank and deposits of less than 3 months duration.
- g) Individual grants are included in the Statement of Financial Activities when they have been authorised by the Trustees and the costs necessitating the grant has been incurred by the pensioner. However, non-specific grants, such as Christmas grants, are included in the Statement of Financial Activities in the year for which the grant is made.
- h) Accommodation, office services and other administration costs, together with the employment costs of the Secretary, are contributed by Shell International Limited. An estimate of the cost of these services is, in accordance with the Statement of Recommended Practice, included in the Financial Statements as both a donation and an expense. No cost is included in the Financial Statements for the Trustees, who give their services free, or for the support by the Pensioner Programme Officers who make visits to Shell pensioners to discuss their needs.

## 2. Donations and legacies

	2020	2019
	£	£
Donations	36,475	48,174
Legacies	36,085	171,257
Total	<u>72,560</u>	<u>219,431</u>

Donations included unconditional donations from Trustees of £1,785 (2019: £1,680).

## 3. Grants

There were no grants authorised by the Trustees but unpaid at 31 December 2020 (2019: £14,910).

4. Administration and other costs	2020	2019
	£	£
Salary costs	34,932	31,484
Accommodation, office services and other costs	13,930	20,388
Total	<u>48,862</u>	<u>51,872</u>

The Secretary is the only member of staff and works three days per week. The average number of full-time equivalent employees in 2020 was 0.6 people (2019: 0.6 people).

No fees are paid to the Examiner. However, expenses incurred solely due to the performance of this Examination are reimbursed.

## 5. Trustees' costs

No Trustee received remuneration from the Association. The expenses paid to four Trustees were Board meeting related and amounted to £105 (2019: £1,245). Except for the unconditional donations shown in Note 2, there were no other related party transactions except for a donation from the spouse of a Trustee amounting to £120.

## 6. Reconciliation of net movement in funds to net cash (used in) / provided by operating activities

	2020	2019
	£	£
Net movement in funds	(156,943)	382,186
Deduct investment income	(109,940)	(102,948)
Add / (deduct) net losses / (gains) on revaluation of investments	164,423	(212,757)
New loan	(5,955)	(4,000)
Loan repayments	6,940	40,350
Shares received as a legacy	–	(363,105)
(Increase) / decrease in debtors	(6,413)	750,099
Increase / (decrease) in creditors	2,202	(9,098)
Net cash (used in) / provided by operating activities	<u>(105,686)</u>	<u>480,727</u>

## 7. Cash and cash equivalents

	2020	2019
	£	£
Interest-earning cash at bank	98,544	35,352
Other cash at bank	25,613	84,551
Total	<u>124,157</u>	<u>119,903</u>

<b>8. Investments</b>	<b>2020</b>	<b>2019</b>
<b>Net (losses) / gains on investments (realised and unrealised):</b>	<b>£</b>	<b>£</b>
COIF Charities Fixed Interest Fund	14,270	21,783
COIF Charities Investment Fund	27,942	65,757
COIF Charities Global Equity Income Fund	74,042	76,020
COIF Charities Property Fund	(21,557)	(8,799)
M&G Charifund	(75,816)	39,786
Shares	(184,304)	16,272
Permanent Interest Bearing Shares (PIBS)	1,000	1,938
	<u>(164,423)</u>	<u>212,757</u>
 <b>The movement in the market value during the year:</b>	 <b>£</b>	 <b>£</b>
At 1 January	3,010,217	1,876,355
Purchases at cost	–	558,000
Shares received as a legacy	–	363,105
Net (losses) / gains	(164,423)	212,757
At 31 December	<u>2,845,794</u>	<u>3,010,217</u>
 <b>The market value at 31 December:</b>	 <b>£</b>	 <b>£</b>
COIF Charities Fixed Interest Fund	538,449	524,179
COIF Charities Investment Fund	478,854	450,912
COIF Charities Global Equity Income Fund	491,884	417,842
COIF Charities Property Fund	386,055	407,612
M&G Charifund	361,179	436,995
Shares	557,123	741,427
Permanent Interest Bearing Shares (PIBS)	32,250	31,250
	<u>2,845,794</u>	<u>3,010,217</u>
 <b>Historic cost at 31 December</b>	 <u><b>2,555,418</b></u>	 <u><b>2,555,418</b></u>

## 9. Loans to SPA members

Loans to SPA members are unsecured and interest free.

<b>The change in the number of loans:</b>	<b>2020</b>	<b>2019</b>
At 1 January	23	29
Fully repaid	(3)	(7)
	<u>20</u>	<u>22</u>
New loan	1	1
At 31 December	<u>21</u>	<u>23</u>

<b>The movement in the amount of loans during the year:</b>	<b>£</b>	<b>£</b>
At 1 January	88,243	124,593
Repayments	(6,940)	(40,350)
	<u>81,303</u>	<u>84,243</u>
New loan	5,955	4,000
At 31 December	<u>87,258</u>	<u>88,243</u>

<b>The outstanding loans at 31 December:</b>	<b>£</b>	<b>£</b>
Undated loans repayable in more than one year	68,684	79,387
Dated loans repayable in more than one year	10,681	6,596
	<u>79,365</u>	<u>85,983</u>
Provision for bad and doubtful loans	(17,743)	(17,743)
Loans repayable in more than one year, net of provision	<u>61,622</u>	<u>68,240</u>
Undated loans repayable in less than one year	6,141	–
Dated loans repayable in less than one year	1,752	2,260
	<u>7,893</u>	<u>2,260</u>
Provision for bad and doubtful loans	(720)	(720)
Loans repayable in less than one year, net of provision	<u>7,173</u>	<u>1,540</u>

## **Independent Examiner's report** to the Trustees of Shell Pensioners Benevolent Association

I have examined the Financial Statements of the Shell Pensioners Benevolent Association for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Statement of Cash Flows, Balance Sheet and related Notes. These Financial Statements have been prepared in accordance with the accounting policies set out therein and the requirements of the 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).

### **Respective responsibilities of the Trustees and Examiner**

The Association's Trustees are responsible for the preparation of the accounts. The Association's Trustees consider that an audit is not required for the year under section 144 of the Charities Act 2011 (the Charities Act) and that an independent examination is needed.

It is my responsibility:

- to examine the financial statements under section 145 of the Charities Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the Charities Act; and
- to state whether particular matters have come to my attention.

### **Basis of Independent Examiner's report**

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Association and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from the Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently no opinion is given as to whether the financial statements present a 'true and fair' view and the report is limited to those matters set out in the statement below.

### **Independent Examiner's statement**

In connection with my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in, any material respect, the requirements:
  - to keep accounting records in accordance with section 130 of the Charities Act; and
  - to prepare financial statements which accord with the accounting records and comply with the accounting requirements of the Charities Acthave not been met; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.

**S Ingall** 10 February 2021



## Ten Year Summary 2011–2020

The following financial data, extracted from the Financial Statements for the period 2011-2020, illustrate the trend of the Association in pursuance of its object.

								£ thousands
	Investment income	Donations	Grants	Surplus (deficit)	Loans repaid	Loans made	Loans less repayments	Net benevolence cash
<b>2011</b>	81.1	52.8	(113.3)	<b>20.6</b>	23.4	(26.3)	<b>(2.9)</b>	<b>17.7</b>
<b>2012</b>	90.8	54.4	(134.6)	<b>10.6</b>	27.1	(14.9)	<b>12.2</b>	<b>22.8</b>
<b>2013</b>	85.8	55.0	(131.8)	<b>9.0</b>	21.5	(14.6)	<b>6.9</b>	<b>15.9</b>
<b>2014</b>	79.9	54.5	(132.0)	<b>2.4</b>	18.6	(10.6)	<b>8.0</b>	<b>10.4</b>
<b>2015</b>	79.4	52.4	(155.1)	<b>(23.3)</b>	35.9	(28.8)	<b>7.1</b>	<b>(16.2)</b>
<b>2016</b>	81.4	47.2	(111.0)	<b>17.6</b>	24.0	(8.9)	<b>15.1</b>	<b>32.7</b>
<b>2017</b>	84.9	44.9	(152.0)	<b>(22.2)</b>	15.3	(3.6)	<b>11.7</b>	<b>(10.5)</b>
<b>2018</b>	83.1	46.5	(178.3)	<b>(48.7)</b>	24.4	(20.0)	<b>4.4</b>	<b>(44.3)</b>
<b>2019</b>	102.9	48.2	(153.0)	<b>(1.9)</b>	40.3	(4.0)	<b>36.3</b>	<b>34.4</b>
<b>2020</b>	109.9	36.5	(175.0)	<b>(28.6)</b>	6.9	(5.9)	<b>1.0</b>	<b>(27.6)</b>
	879.2	492.4	(1,436.1)	<b>(64.5)</b>	237.4	(137.6)	<b>99.8</b>	<b>35.3</b>

Legacies are not included as they are invested to generate income to fund future benevolence.

## Minutes of the 50th Annual General Meeting

held by Skype conference call  
on Wednesday 10 June 2020 at 10.30am

Mr. Roy Waight, Chairman of the Association, explained the need to hold the AGM remotely owing to the self-isolation rules imposed following the Covid-19 pandemic. He noted that the AGM marked the Association's half century.

He confirmed that there was a quorum present and took the chair. He informed the meeting that 8 members had emailed or written with their agreement to the items in the AGM agenda requiring approval.

1. The minutes of the 49th AGM held on 8 May 2019, having been previously circulated to members of the Association, were taken as read. The Chairman proposed that they be approved, and the members duly agreed.
  2. The Chairman gave a report on behalf of the Trustees.
    - The benevolence assistance was lower in 2019 than in 2018. This was mainly due to 3 grants approved in 2019 amounting to £14,910 not being completed until 2020, and fewer Christmas grants being awarded. The overall level of benevolence was in line with the average for the past ten years. During the year, 57 new cases were brought to the attention of the Trustees in comparison with 40 the year before. In addition, there were 4 unresolved cases brought forward from the previous year. These resulted in 36 grants, totaling £44,750, and 1 new loan of £4,000 being made to pensioners. This compared with the previous year's figures of 28 grants totalling £46,549 and 1 new loan of £20,000. The largest benevolence cost is the Christmas grant award. Some 310 pensioners received payments compared with 442 in 2018. The Trustees decided to increase the payments to £350 from the level, £300, in 2018. The decision to increase the Christmas grant was taken in view of the reduced number of beneficiaries and in consideration of the Association's healthy cashflow position. The payments were made in November 2019 through to January 2020, costing £108,500. In the previous year, the Christmas grants had cost £131,800, of which £300 was written back in 2019. The Shell Pensioner Programme, with its PPO support organization, has continued to prove effective. Total grants were £153,000 as compared with £178,000 in 2018. With repayment of old loans, outstanding interest-free loans to pensioners decreased in total from £106,000 at the end of 2018 to £70,000 at the end of 2019. No loans were written off in 2019.
    - The PPO organization continued working effectively. In February 2019, the PPOs took over the BUPA hotline as a result of which they assumed direct and immediate contact with those needing help. This has worked well. Inevitably there is some staff turnover amongst the PPOs, and this has been successfully tackled through temporary reassignment of job scopes. Nevertheless, covering the whole of the UK with 6 PPOs remains a challenge.
- The data protection regulations introduced in 2018 continued to compound the difficulties faced by the PPOs in identifying pensioners in need of assistance. These regulations mean the SPA and the Association are excluded from the Shell pensioner database. The SPA and the Association have had to establish their own databases to keep track of pensioners and their personal details. This development is an unavoidable consequence of the new data protection regulations, but the database has been established and is working.

- To help circumvent the difficulty of reaching as many as possible of those suffering financial hardship, steps were taken at the end of 2019 through the agency of the SPA magazine to identify additional pensioners in need and this initiative is bearing fruit in 2020.

The nature of the hardship through poverty seen by the PPOs and brought to the attention of the Trustees has not changed. Cases involve illness, accidents, infirmity and unmanageable levels of debt. Nor has the means of resolution changed: the provision of finance for home improvements - mobility aids, recliners, new boilers, walk-in showers - medical assistance and help with care needs. Debt assistance is exceptional and usually only given in extreme cases, for example when eviction from a home seems likely.

Financial help is not always what is needed. Sometimes advice and counsel are all that is required. Such help in facilitating access to and understanding central government and local authority entitlements has been given to many pensioners during 2019, as in previous years, by Tina Gilchrist of CBG Solutions. She has continued to write articles for the SPA magazine and handled 444 queries relating to state benefit, tax and similar issues, compared with 503 in 2018. The Chairman thanked Tina for her work which is much appreciated by pensioners.

Since new PPOs had been appointed, it was felt expedient to draft guidelines to help ensure consistency between PPOs and Trustee decisions and this was done before the end of the year. It is not the intention of such guidelines to contradict the articles of the Association, but rather to make more explicit what levels of income might constitute poverty and summarise what must be considered before support is given or withheld. These guidelines are being currently tested and will be revised in the light of experience.

### ■ Financial review

Turning to the financial results in 2019: there were two significant items:

First the legacies left to the Association by five pensioners recorded in the previous year and estimated as worth £803,000, significantly increased in value by £170,000. In addition, 2 pensioners left additional legacies worth £1,500. Further changes will probably occur in 2020 when the final values of the estates are realized.

As cash from these legacies were realized in 2019, the Trustees increased significantly the sums invested in the Association's portfolio. Specifically, in funds managed by CCLA: that is in the COIF Property Fund (£146,000), COIF Investment Fund (£86,000), COIF Global Equity Fund (£86,000); and in the M&G Charifund (£240,000) and in inherited Royal Dutch Shell 'B' shares from a legacy (£363,000). In the continuing climate of low interest rates, the Trustees have continued to invest in higher-earning equities with relatively low risk. At the end of 2019, 18% of the portfolio was invested in fixed interest securities, compared with 27% at the end of 2018, 65% in equities, compared with 58% and 13% in property, compared with 14%. The return on investment was 4.3% before capital gains and losses, as in 2018. In the opinion of the Trustees, the investments are sufficient to fulfil the obligations of the Association.

The second item of significance was the net gain of £213,000 based on revaluation of assets at the end of the year, as equity markets continued their recovery from the 2018 low. These more than reversed the capital losses of £104,000 recorded in the previous year. Only the property fund recorded a capital loss

in 2019, reversing the position in 2018. The current year has already seen both an early and dramatic decline in equity prices and a more recent dramatic rise. Volatility is likely to continue throughout the remainder of the year.

Investment income of £103,000 was significantly above the previous year's figure of £83,000 owing to the higher level of investments. The yield of 4.3% was, as has been said, the same as in 2018.

Donations from traditional donors slightly increased in 2019 against the recent declining trend owing to a receipt of funds from the Sussex Branch of the SPA which closed. Donors continue to be encouraged to Gift Aid their donations so that income can be maximized.

The figure for overall investment income and donations excluding legacies amounted to £151,000, higher than the 2018 figure of £130,000, whereas grants in total came to £153,000, somewhat lower than the 2018 figure of £178,000.

There was a small resulting deficit in 2019 of £2,000 but, together with the 2019 legacy income of £171,000, reserves increased by £169,000. There were no write-offs of loans and the Trustees agreed that the provision for bad debts should remain at the same level as 2018, £18,000. After the capital gain of £213,000, the reserves position for the Association improved by £382,000 from £2.85 million at the end of 2018 to £3.24 million at the end of 2019. This was still below the threshold at which a full audit is required.

Investment income is important to the financial results of the Association. The Trustees are conscious of the risks that face any investor and review the portfolio and its performance regularly.

#### ■ Risks and future plans

The Chairman felt it incumbent on him to say something of the current circumstances under which the Association was having to operate, even though the comments apply to 2020.

The unprecedented lockdown, isolation and self-distancing rules have posed challenges to the Association.

For non-trustees, I know that reassurance will be needed that the PPO system is working and that we can respond to the extraordinary situation confronting us. I believe I can assure you of that. The PPOs and PPM have met and developed a *modus operandi* which involves not only fielding requests for help but working to ensure that adequate contact is made between individuals in need and the various public and private bodies capable of giving help. PPOs are keeping in touch as best they can with those whom they know are vulnerable.

They are working to help the many pensioners who are uneasy about using the internet and on-line services. We will keep under review the effectiveness of this whilst ensuring that in the new *modus operandi* the rules over social distancing are being observed at all times. We clearly need to look after both our pensioners and our own staff.

#### ■ For the Trustees, other issues are also important.

It is clear that in future years the economic depression which is likely to follow the 'lockdown' will probably increase financial hardship and, therefore, the claims made on the Association. Pensions will fail to keep pace with rising costs, personal savings will disappear; many more pensioners may well become victims of poverty.

The demands made upon us are therefore likely to increase. At the same time, the return on our investment portfolio is likely to be hit as companies cut dividends and retrench. Although current applications for help are quite low, our

expectation is that soon demand for support will increase and income fall.

The Trustees maintain an up-to-date risk register with proposed mitigation actions and review the same annually. It says something about the unpredictability of things that a pandemic was not in our risk matrix. Suffice to say, that we will follow this extraordinary episode with a renewed examination of our projected long-term cashflows to ensure that the Association is able to continue to fulfill its objectives. We are confident it will be able to do so. Our financial position remains healthy.

#### ■ The Chairman wished to thank various people for their contributions to the Association.

He would like to acknowledge the generosity of Shell International Limited who reimburse the cost of accommodation, office services and administration as well as the employment costs of the Secretary. In addition, he thanked the PPOs who identify cases and manage expectations under often difficult circumstances, the donors, both individual and those who donate through the SPA branches, the Independent Examiners, Mr Paul Myers who is retiring, and Mr Simon Ingall, who is assuming the role. In particular, he thanked Paul, suffering ill health, and the Chairman wished him well. The Chairman thanked the Secretary of the SPBA, Mr Ken Sleat, and the Trustees for their understanding, support and time which are given freely throughout the year.

#### 3. It was proposed by the Chairman that the following reports which had been circulated to members prior to the meeting be received and considered

The Report of the Trustees.

The Financial Statements made up to 31 December 2019.

The Report of the Independent Examiner.

Upon this proposal being put to the meeting it was carried unanimously.

#### 4. Of the current Board of nine members, all offer themselves for re-election. They are Mr Roy Waight, Ms Veronica Carter, Mrs Chris Nancarrow, Mrs Gil Springett, Mr Colin Bowkley, Mr Stuart Tester, Mr David Lewis, Mrs Sue Oxpring and Mr Ken Sleat, Secretary.

All candidates have been properly proposed and seconded. The meeting unanimously agreed to the election of the above nine Board members proposed who will serve until the AGM in 2021. It is the intention of the Board to nominate all Board members, except the Secretary, as Trustees of the Association at its first meeting in June 2020.

#### 5. The meeting appointed Mr Simon Ingall as the Independent Examiner for the forthcoming year. The meeting thanked Mr Paul Myers for the work he has done for the Association.

#### 6. The AGM in 2021 it is currently believed will be held in Shell Centre, London SE1, but the date and the location will be confirmed with the SPA.

#### 7. Any other business. The Chairman indicated that 2020 will be a challenging year for the reasons given.

There being no further business the Chairman thanked all members for attending the meeting and supporting such a worthwhile Association.

The meeting having started at 10.30 closed at 11.00.

## Please give generously to the Association

Your Association could not help ex-colleagues without your help. The Association, with the help of the Pensioner Programme Officers, frequently come across those in poverty needing help, for example:

- Pensioners with very small pensions due to short service or who relied significantly on overtime which was non-pensionable.
- Pensioners or their dependants who are suffering illness or pain from asthma, Alzheimer's, blindness, cancer, diabetes, stroke, MND, paralysis, etc, making it very difficult for people to look after themselves.
- Those in debt to the extent it is no longer manageable, possibly due to financial mismanagement but sometimes due to illness or unfortunate family circumstances. Guidance is provided to them by the Pensioner Programme Officers. If the Trustees are satisfied that the pensioner will manage their affairs better (cut up credit cards, etc) temporary financial assistance such as an interest-free loan will be provided to assist a "fresh start".

The sort of help with which your Association assists:

- Stair lifts, recliner chairs and bathroom modifications.
- Wheelchairs and mobility scooters.
- Nursing care for a few days to give a partner a break.
- Prompt medical treatment if in pain, or taxis to hospital for treatment or visiting partners / dependants.
- Urgent house repairs, central heating repairs, new boiler, etc.
- Small items such as replacement dentures, spectacles, etc.
- 300-400 Christmas grants of £300-£400 each.

To give this assistance, we need your help. There is no benevolence budget from Shell. The Association relies on generous voluntary donations from SPA members. Unlike most other charities, none of the members' donations are spent on advertising or administrative costs - 100% is spent on assisting fellow pensioners in need.

The qualification for membership is a donation to the Association. This report has been sent to all members – currently over six hundred pensioners. The Trustees are extremely grateful to you all.

If you are not a current donor and would like to donate by Gift Aid, please use the attached cut off document and send it to the Secretary / Treasurer at the address indicated on the form. Alternatively please give the form to a fellow pensioner who may wish to donate.

All donations are welcome, no matter how small.

However, regular giving is particularly beneficial as it enables the Trustees to plan future benevolence. If you are a taxpayer, giving by Gift Aid is the most tax efficient method. The ways in which you could make your donation are:

1. Single or occasional cheque payments to us (the Association would get the basic rate tax back through your Gift Aid Declaration and you would get any higher rate tax relief - £10.00 given by you would be worth £12.50 to the Association).
2. An annual or monthly standing order from your bank to ours (the Association would get the basic rate tax back through your Gift Aid Declaration and you would get any higher rate tax relief – again, each £10.00 given by you would be worth £12.50 to the Association).
3. Charities Aid Foundation vouchers and cheques are also very welcome.

To use 1 or 2 above, please send a cheque or completed Standing Order form together with the completed Gift Aid Declaration.

Making a bequest is a convenient way of supporting the charity after your death. Legacies received give a long-term benefit to the Association as the amount is invested to fund future benevolence. Legacies to charities are excluded from an individual's estate for Inheritance Tax purposes, thereby reducing the inheritance tax payable by 40% of the legacy. To make a bequest, include in your will as a beneficiary "Shell Pensioners Benevolent Association, Charity No. 262049" with any communication for the attention of the Secretary / Treasurer, Shell Pensioners Benevolent Association, Shell Centre, London SE1 7NA. It would be very helpful if you could inform the Secretary / Treasurer of any legacy that you plan to give to the Association.

## Gift Aid declaration

(On completion, please send to: The Secretary / Treasurer, Shell Pensioners Benevolent Association, Shell Centre, London SE1 7NA)

### Shell Pensioners Benevolent Association

Charity No. 262049 registered with the Charities Commission on 15 March 1971

Title	
Forename(s)	
Surname	
Address	
Postcode	Email
Phone no.	Shell pension no.
Please treat as Gift Aid to the Shell Pensioners Benevolent Association all donations I make from the date below until I notify you otherwise. I am a UK taxpayer and understand that if I pay less Income Tax and / or Capital Gains Tax in a tax year than the amount of Gift Aid claimed on all my donations in that tax year it is my responsibility to pay any difference.	
Please notify the SPBA if you: <input type="checkbox"/> want to cancel this declaration <input type="checkbox"/> change address <input type="checkbox"/> no longer pay sufficient tax on your income and / or capital gains	
Signature	Date

## Standing order

(On completion, please send to: The Secretary / Treasurer, Shell Pensioners Benevolent Association, Shell Centre, London SE1 7NA)

To	Bank Plc
Address	
	Postcode
My Account No.	Branch Sort Code

Please pay the Shell Pensioners Benevolent Association, Account No. 25488860, Sort Code 30-91-79 held at Lloyds Bank plc, The Strand London Branch, PO Box 1000 BX1 1LT

the sum of £ \_\_\_\_\_ (in words – \_\_\_\_\_ pounds only)

commencing on or about the fifth day of \_\_\_\_\_ (specify month)

and every **month / year** (*specify frequency by deleting as appropriate*) thereafter until further notice.

Please quote reference (*insert donor's name*) \_\_\_\_\_ – **GIFT AID**

Signed	Date
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# Shell Pensioners Benevolent Association

Object: The relief of poverty among persons who are members of the Shell Pensioners Association (and the wives, husbands, widows, widowers, children and other dependants of such persons) who are also retired Shell employees in receipt of a pension from the Shell Contributory Pension Fund (SCPF) or the Shell Overseas Contributory Pension Fund (SOCPF) or the Combined Petroleum Companies Pension Fund (CPCPF) and are resident in the United Kingdom.

## Notice of Annual General Meeting, Report and Financial Statements

for the year ended 31 December 2020

### Notice

is hereby given that the 51st Annual General Meeting of the Association will be held remotely by Zoom at 10:30am on Wednesday 9 June 2021. Due to the current Covid-19 restrictions, we are reluctantly meeting remotely as it appears unlikely that a face-to-face meeting will be able to take place.

Please could members participate by giving advance 'approval' of the agenda items by e-mail or letter to Ken Sleat, details below.

If you wish to join the call please contact Ken at [ken.k.sleat@shell.com](mailto:ken.k.sleat@shell.com) or on 020 7934 5131 who will supply the joining information. If you want further details or clarifications it would be helpful to send these to Ken in advance as it will be difficult to deal with many questions using these emergency protocols which are in line with Charity Commission guidance.

### Agenda

1. To approve the Minutes of the 50th Annual General Meeting held remotely at 10:30am on Wednesday 10 June 2020
2. To receive an oral report from the Chairman of the Board of Management
3. To receive and consider:
  - a) The Report of the Trustees
  - b) The Financial Statements
  - c) The Report of the Independent Examiner
4. To elect the Board members. The Board will elect Trustees at the meeting of the Board following this meeting at 11:00am
5. To appoint an Independent Examiner, Simon Ingall
6. To delegate setting the date and location of the 52nd Annual General Meeting to the Board
7. Any other business

Shell Centre  
London SE1 7NA  
Tel: 020 7934 5131

By Order of the Board:  
**Ken Sleat** – *Secretary*  
10 February 2021