

# 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 2021

### Notice

is hereby given that the 52nd Annual General Meeting of the Association will be held at the York Road Building, Shell Centre, London SE1 7NA at 17:30 on Wednesday 8 June 2022 following the conclusion of the Shell Pensioners Association AGM.

### Agenda

1. To approve the Minutes of the 51st Annual General Meeting held remotely at 10:30 on Wednesday 9 June 2021
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
5. To appoint an Independent Examiner, Simon Ingall
6. To delegate setting the date and location of the 53rd 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*  
9 February 2022

## **Reference and administrative details** for the year ended 31 December 2021

### **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](mailto:ken.k.sleat@shell.com)

Tel: 020 7934 5131

### **Bankers**

Lloyds Banking Group

The Strand London Branch,

PO Box 1000, London 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 2021

The Trustees present their report and the independently examined Financial Statements for the year ended 31 December 2021.

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 fundraising

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 again 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. The quantum of donations from SPA branches is expected to continue to fall as more branches close; a further two branches closed during the year.

Assistance is given by Shell International Ltd in the form of 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 to meet securely the object of the Association. In the current climate of low interest rates, 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 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 2021 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 any pensioners compared with visiting 37 pensioners in 2020 and 361 in 2019 pre Covid-19.

The PPOs were still extremely busy as the number of contacts, mainly by telephone, rose from 5,930 in 2020 to 6,379. Nevertheless, this has led to a large reduction in the value of benevolence, as visits often enabled PPOs to identify needy pensioners reluctant to directly request benevolence. The benevolence requested was generally for smaller projects than usual also indicating that obtaining quotes and scheduling work to be done by tradespeople was difficult during Covid-19.

Although the impact of Covid-19 has also affected the level of donations, 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.

### 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

## **Report of the Trustees** for the year ended 31 December 2021 – *continued*

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 2021.

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. These services are valued by pensioners.

### **Achievements and performance**

The benevolence assistance was lower in 2021 than in 2020 with both the number of approved requests and monetary amount being lower due to the inability of visiting pensioners to identify their needs.

During 2021, 27 (2020: 28) new cases were brought to the attention of the Trustees. In addition, there were no (2020: 4) unresolved cases brought forward from the previous year. These resulted in 18 (2020: 25) grants totalling £19,293 (2020: £53,020) and no new loans (2020: 1 of £5,955) being made to pensioners.

The largest benevolence cost is the Christmas grant award. 274 (2020: 305) payments of £400 (2020: £400) each were made in November 2021 through to January 2022 costing £109,600 (2020: £122,000). The Trustees concluded that £400 was the appropriate amount for 2021 after taking into account the available funds.

During 2021, Tina Gilchrist of CBG Solutions Ltd, in addition to writing articles in the SPA magazine, handled 445 (2020: 535) 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.

At the beginning of the year, the Trustees sold shares received from a legacy for £182,520 and this plus other cash were invested in three of the CCLA funds, £110,000 in the Global Equity Fund, £88,000 in the Investment Fund and £22,000 in the Fixed Interest Fund.

During the year, the Trustees were informed that the CCLA Fixed Interest Fund was no longer giving the required return for investors and the managers were looking to change the credit quality and maturity to increase the yield. After discussion with the Association's advisors in CCLA, it was concluded that the Fixed Interest Fund no longer fitted requirements as the suggested changes would involve more credit risk with small returns. The Fixed Interest Fund, valued

at £534,116, was sold and a rounded up amount of £535,000 was reinvested in the CCLA Investment Fund.

The Trustees also reviewed the direct equity portfolio and sold part of the holding in two stocks, whose yield had fallen substantially due to an increase in value, realising £45,918, and reinvested £45,624 in three new shares to diversify the portfolio.

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 2021 the mix of assets changed significantly as the Association exited the Fixed Interest Fund. 75% was invested in equities, 14% in property, 1% in fixed interest securities, 5% in cash, and 5% in other investments. The return on investment was 3.5% (before capital gains / losses), lower than the 3.8% (restated) achieved in 2020, mainly due to a rise 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 office services and other administration together with the employment costs of the Secretary provided by Shell International Ltd which amounted to £41,611 for the year (2020: £48,862).

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.

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 were still valid but, in 2022, the Trustees will review in detail the long-term future of the Association to evaluate what changes could be required.

The Secretary and Chairman issue guidelines which helps 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. These guidelines have been updated during the year and reviewed by the Trustees. The guidelines will continue to be reviewed regularly based on the experience of the benevolence cases submitted, inflation and any poverty guidance issued.

### **Financial review**

The most significant item in the financial results of 2021 were the net gains on revaluation of assets of £357,885 compared with net losses of £164,423 in 2020. This was caused by the recovery of the equity and property market in 2021 compared with the dramatic fall in the first quarter of 2020.

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 net gains and losses, the Association showed a surplus of £78,980 in 2021 compared with £7,480 in 2020.

The variance was mainly caused by the fall in grants in 2021.

In 2021, donations decreased significantly compared with 2020, primarily due to the impact of Covid-19 on SPA branch income and the reduction in individual donations.

There was no write-off against loans in the year (2020: nil). The Trustees agreed the provision for bad debts should remain at the same level as 2020 of £18,463.

The result of the year including the significant item mentioned above was an increase in funds of £436,865 (2020: a decrease of £156,943). The total funds carried forward are £3,517,937 (2019: £3,081,072). This level of total funds is above the threshold at which a full audit must be carried out if income is above £250,000. As income is just below £250,000 an audit is not required but 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. Covid-19 has decreased this source significantly since members have not been able to meet for much of the last two years, but this has been partly offset by the one off receipt of residual funds from the closure of two SPA branches in 2021.

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 Association will take advantage of the new SPA website to communicate with members in need of benevolence.

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. Indications are that the current level of benevolence can be increased substantially after Covid-19 restrictions on identifying needs are eased.

Shell International Ltd introduced the SPP / PPO service towards the end of 2017 and the Trustees have assessed the effectiveness of this scheme as positive with the ability to deliver benevolence thanks to the personal commitment and knowledge of the PPOs. However, the absence of visits to pensioners is temporarily restricting the effectiveness of the PPOs. It is expected that visits will resume in 2022 and the level of benevolence increases back to historical levels.

The Association relies on Shell International Ltd 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 enable the Association to meet foreseeable calls on the funds of the Association, but it also allows deficits to be funded.

The funds available give the Association a solid foundation to continue to undertake future benevolence activities in an uncertain future.

### **The Board**

No new members joined the Board in 2021. 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 2021

## Statement of Financial Activities

	Note	2021 £	2020 £
<b>Income</b>			
<i>Donations and legacies</i>			
Donations and legacies	2	99,041	72,560
Donation as contribution for administration costs		41,611	48,862
		<u>140,652</u>	<u>121,422</u>
Investment income (before capital gains / losses)		108,832	109,940
<b>Total income</b>		<u>249,484</u>	<u>231,362</u>
<b>Expenditure</b>			
<i>Expenditure on charitable activities</i>			
Grants	3	128,893	175,020
Administration and other costs	4	41,611	48,862
<b>Total expenditure</b>		<u>170,504</u>	<u>223,882</u>
<b>Net income before net gains and losses on investments</b>		78,980	7,480
Net gains / (losses) on revaluation of investments	8	357,885	(164,423)
<b>Net movement in funds</b>		436,865	(156,943)
<b>Reconciliation of funds</b>			
Funds brought forward		3,081,072	3,238,015
<b>Funds carried forward</b>		<u>3,517,937</u>	<u>3,081,072</u>

## Statement of Cash Flows

	Note	2021 £	2020 £
<b>Net cash used in operating activities</b>	6	(62,480)	(105,686)
<b>Cash flow from investing activities</b>			
Investment income		108,832	109,940
Proceeds from sales of investments	8	762,554	–
Purchases of investments	8	(850,624)	–
<b>Net cash provided by investing activities</b>		<u>20,762</u>	<u>109,940</u>
<b>(Decrease) / increase in cash and cash equivalents in the year</b>		(41,718)	4,254
Cash and cash equivalents at the beginning of the year		124,157	119,903
<b>Cash and cash equivalents at the end of the year</b>	7	<u>82,439</u>	<u>124,157</u>

## Balance Sheet as at 31 December

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	8	3,291,749	2,845,794
<b>Long-term loans</b>			
Loans to SPA members repayable in more than one year	9	54,590	61,622
<b>Current assets</b>			
Loans to SPA members repayable in less than one year	9	6,933	7,173
Accrued income		2,960	1,496
Other debtors		80,066	44,434
Cash and cash equivalents	7	82,439	124,157
		<u>172,398</u>	<u>177,260</u>
<b>Current liabilities</b>			
Creditors falling due within one year		800	3,604
<b>Net current assets</b>		<u>171,598</u>	<u>173,656</u>
<b>Net assets</b>		<u>3,517,937</u>	<u>3,081,072</u>
<b>The funds of the Association</b>			
Unrestricted income funds		3,517,937	3,081,072
<b>Total funds</b>		<u>3,517,937</u>	<u>3,081,072</u>

Approved by the Trustees on 9 February 2022 and signed on their behalf by **R Waight** – *Chairman*

# Notes to the Financial Statements for the year ended 31 December 2021

## 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 donations and other incoming resources received and generated are unrestricted and therefore available as general funds for charitable purposes. However, legacies are invested to fund benevolence for future years. Legacies are recognised as income when receipt is probable, which is generally 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 recognised 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 have 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) The employment costs of the Secretary together with office services and other costs 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

	2021	2020
	£	£
Donations	27,681	36,475
Legacies	71,360	36,085
Total	<u>99,041</u>	<u>72,560</u>

Donations included unconditional donations from Trustees of £1,740 (2020: £1,785).

## 3. Grants

There were no grants authorised by the Trustees but unpaid at 31 December 2021 (2020: nil).

4. Administration and other costs	2021	2020
	£	£
Salary costs	28,030	34,932
Office services and other costs	13,581	13,930
Total	<u>41,611</u>	<u>48,862</u>

The Secretary is the only member of staff and works three days per week. The average number of full-time equivalent employees was 0.6 people (2020: 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. There were no expenses paid to Trustees as all meetings were held remotely (2020: £105 paid to four Trustees). 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 operating activities

	2021	2020
	£	£
Net movement in funds	436,865	(156,943)
Deduct investment income	(108,832)	(109,940)
(Deduct) / add net (gains) / losses on revaluation of investments	(357,885)	164,423
New loan	–	(5,955)
Loan repayments	7,272	6,940
Increase in debtors	(37,096)	(6,413)
(Decrease) / increase in creditors	(2,804)	2,202
Net cash used in operating activities	<u>(62,480)</u>	<u>(105,686)</u>

## 7. Cash and cash equivalents

	2021	2020
	£	£
Interest-earning cash at bank	38,960	98,544
Other cash at bank	43,479	25,613
	<u>82,439</u>	<u>124,157</u>



<b>8. Investments</b>	2021	2020
<b>Net gains / (losses) on investments (realised and unrealised):</b>	<b>£</b>	<b>£</b>
COIF Charities Fixed Interest Fund	(26,333)	14,270
COIF Charities Investment Fund	115,996	27,942
COIF Charities Global Equity Income Fund	86,056	74,042
COIF Charities Property Fund	56,994	(21,557)
M&G Charifund	50,952	(75,816)
Shares	75,145	(184,304)
Permanent Interest Bearing Shares (PIBS)	(925)	1,000
	<u>357,885</u>	<u>(164,423)</u>

<b>The change in the market value during the year:</b>	<b>£</b>	<b>£</b>
At 1 January	2,845,794	3,010,217
Purchases at cost	850,624	–
Sales	(762,554)	–
Net gains / (losses)	357,885	(164,423)
At 31 December	<u>3,291,749</u>	<u>2,845,794</u>

<b>The market value at 31 December:</b>	<b>£</b>	<b>£</b>
COIF Charities Fixed Interest Fund	–	538,449
COIF Charities Investment Fund	1,267,850	478,854
COIF Charities Global Equity Income Fund	687,940	491,884
COIF Charities Property Fund	443,049	386,055
M&G Charifund	412,131	361,179
Shares	449,454	557,123
Permanent Interest Bearing Shares (PIBS)	31,325	32,250
	<u>3,291,749</u>	<u>2,845,794</u>

<b>Historic cost at 31 December</b>	<b><u>2,540,049</u></b>	<b><u>2,555,418</u></b>
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## 9. Loans to SPA members

Loans to SPA members are unsecured and interest free.

<b>The change in the number of loans during the year:</b>	<b>2021</b>	<b>2020</b>
At 1 January	21	23
Fully repaid	(1)	(3)
	<u>20</u>	<u>20</u>
New loan	–	1
At 31 December	<u>20</u>	<u>21</u>

<b>The change in the amount of loans during the year:</b>	<b>£</b>	<b>£</b>
At 1 January	87,258	88,243
Repayments	(7,272)	(6,940)
	<u>79,986</u>	<u>81,303</u>
New loan	–	5,955
At 31 December	<u>79,986</u>	<u>87,258</u>
Provision for bad and doubtful loans	(18,463)	(18,463)
Loans, net of provision, at 31 December	<u>61,523</u>	<u>68,795</u>

<b>The outstanding loans at 31 December:</b>	<b>£</b>	<b>£</b>
Undated loans repayable in more than one year	64,884	68,684
Dated loans repayable in more than one year	6,136	10,681
	<u>71,020</u>	<u>79,365</u>
Provision for bad and doubtful loans	(16,430)	(17,743)
Loans repayable in more than one year, net of provision	<u>54,590</u>	<u>61,622</u>
Undated loans repayable in less than one year	7,541	6,141
Dated loans repayable in less than one year	1,425	1,752
	<u>8,966</u>	<u>7,893</u>
Provision for bad and doubtful loans	(2,033)	(720)
Loans repayable in less than one year, net of provision	<u>6,933</u>	<u>7,173</u>
Total loans net of provision	<u>61,523</u>	<u>68,795</u>

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

I have examined the Financial Statements of the Shell Pensioners Benevolent Association for the year ended 31 December 2021 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** 9 February 2022

## Ten Year Summary 2012–2021

The following financial data, extracted from the Financial Statements for the period 2012-2021, 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>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>
<b>2021</b>	108.8	27.7	-128.9	<b>7.6</b>	7.3	–	<b>7.3</b>	<b>14.9</b>
	906.9	467.3	-1,451.7	<b>-77.5</b>	221.3	-111.3	<b>110.0</b>	<b>32.5</b>

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

## Minutes of the 51st Annual General Meeting

held on Wednesday June 9 2021

by Zoom conference call at 10.30 am

The Chairman opened the meeting and explained that, once again, the AGM had to be held remotely, owing to the rules imposed during the Covid-19 pandemic. He expressed regret that this was so and hoped that it would soon be possible to hold physical meetings again.

The Chairman confirmed that a quorum was present. He informed the meeting that 6 members had emailed or written their agreement to the items in the AGM agenda requiring approval.

1. The Chairman first addressed the minutes of the previous AGM held on 10 June 2020. These had been previously circulated to members of the Association and the Chairman proposed that they be taken as read. The minutes were unanimously approved.
2. The Chairman then gave a report on the activities of the SPBA in 2020 on behalf of the Trustees. He explained that regarding the financials, he would round the numbers to the nearest thousand or million where it seemed appropriate.

■ The Chairman explained that the Association gives specific grants for a specific need, Christmas grants, and can also give loans. Addressing the results for 2020, he said that benevolence assistance was higher in 2020 than in 2019, despite the number of requests being half the number in the previous year. This was mainly because 3 grants, approved in 2019, amounting to £15,000, were not completed until 2020, and because the value of Christmas grants was higher in 2020 than in 2019. Specifically, during the year, 28 new cases were brought to the attention of the Trustees in comparison with 57 the year before. In addition, there were 4 unresolved cases brought forward from the previous year (the same number brought forward into the previous year). These were duly considered and resulted in 25 grants totaling £53,000, and 1 new loan of £5,955 being made to pensioners. This compared with the previous year's figures of 36 grants totalling £45,000 in 2020 and 1 new loan of £4,000. The largest benevolence cost in 2020 was, as usual, the Christmas grant award. Some 305 pensioners received payments compared with 310 in 2019. The Trustees decided to increase the individual payments to £400 from the level, £350, in 2019, and £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 2020 through to January 2021, and cost in total £122,000. In the previous year, the Christmas grants had cost £108,000 in total. Total grants, both the 25 specific and the Christmas grants, came to £175,000 in 2020 as compared with £153,000 in 2019.

With repayment of old loans, outstanding interest-free loans to pensioners decreased in total from £70,000 at the end of 2019 to £69,000 at the end of 2020. No loans were written off during the year.

The Chairman explained that the PPO organisation had faced an enormous challenge in 2020, as had the Association's clients, as a result of the changing regulations over self-isolating and social distancing imposed by Government. At last year's AGM, the Chairman had explained that it was necessary to change our ways of working to ensure the safety from infection both of the Association's own staff and its clients. The PPOs and Pensioner Programme Manager met and developed a modus operandi which involved not only fielding requests for help but working to ensure that adequate contact be made between individuals in need and the various public and private bodies capable of giving help. The Chairman confirmed that the PPOs had kept in touch as best they could with those whom they knew to be vulnerable. Throughout the year they had worked to help the many pensioners who are uneasy about using the internet and on-line services. The number of telephone contacts, including helpline enquiries, had dramatically increased as house visits stopped. Trustee meetings had also been held remotely. The precise consequences of this remote way of working would become clearer over time.

The Chairman said that it was possible that some cases that would have come to light under normal circumstances may have been missed. But he believed that the PPOs had done a good job in continuing to provide benevolence and he thanked them for their work under difficult circumstances. Inevitably there has been some staff turnover amongst the PPOs, and this had been successfully tackled through temporary reassignment of job scopes. Nevertheless, covering the whole of the UK with 6 PPOs remained a challenge.

- To help circumvent the difficulty of reaching as many as possible of those suffering poverties, the Chairman said that the Association had started at the end of 2019 to seek out cases of financial hardship through the medium of the SPA News. The Association continued to do this during 2020, and several new cases of hardship came to light as a result of this initiative.

The nature of the hardship 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 (such as 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 2020, as in previous years, by Tina Gilchrist of CBG Solutions. She has continued to write articles for the SPA magazine and handled 535 queries relating to state benefit, tax and similar issues. In 2019 the corresponding figure was 444 queries. This increase may have owed something to the Covid crisis, and the Chairman thanked Tina for her work which is much appreciated by pensioners.

In 2019 the Association felt it expedient to draft guidelines for the PPOs to help ensure consistency between PPOs and Trustee decisions and these guidelines have been tested, and have proven useful, during 2020. They have been subject to minor modification during the year as issues have arisen. The guidelines do not contradict the articles of the Association but simply make more explicit what levels of income might constitute poverty and summarise what must be considered before support is given or withheld.

#### ■ Financial review

Turning to the financial results in 2020, the Chairman reminded the meeting that 2018 was marked by the receipt of significant legacies which were valued in the accounts for that year at £803,000. As the size of these legacies became clearer, a further £170,000 in value was included in the 2019 accounts. In 2020, re-estimation of previous legacies and inclusion of a new legacy of £27,000, added £36,000 to legacy income. The Trustees were extremely grateful to those who gave so generously.

In the financial results for 2020 there was one significant item. This was the net loss on revaluation of assets of £164,000 which compared with the net gain in 2019 of £213,000. This revaluation loss in 2020 was the result of the dramatic fall in equity and property values in the first quarter. The impact was mitigated by a sound performance by the CCLA COIF equity funds and fixed interest funds in which the Association invests and which, taken together, made substantial gains. As it is the policy and practice to hold investments for the long term, fluctuations in gains and losses due to volatility in financial markets are not a cause for concern if the overall income is maintained and the underlying investments are still considered sound.

Donations continued their expected decline. The 2020 figure of £36,000 was below the previous year's figure of £48,000, although this large variance was augmented by the inclusion in the 2019 figure of a one-off donation from the Sussex Branch of the SPA on its closure.

Investment income is usually the Association's major source of income. Before capital gains and losses, it was £110,000 in 2020, higher than the previous year's figure of £103,000. The yield of 3.8% was below the previous year's figure of 4.3%. Because investment income is so important to the financial results of the Association, the investment strategy and performance is regularly scrutinised by an investment sub-committee and the Trustees review the portfolio and its performance regularly.

The figure for overall investment income and donations excluding legacies is important since legacies are so irregular. This figure amounted in 2020 to £146,000, just below the 2019 figure of £151,000, whereas grants in total came to £175,000, above the 2019 figure of £153,000. The resulting deficit (excluding legacies) in 2020 of £29,000 was financed by using reserves. The corresponding deficit in 2019 was £2,000.

Including legacy income, the Association showed a surplus of £7,000 in 2020 compared with £169,000 in 2019. The variance was mainly caused by the substantial legacy income recorded in 2019 already referred to. There were no write-offs of loans and the Trustees agreed that the provision for bad debts should remain at the same level as in 2019, namely £18,000.

The result of the year including the significant item already mentioned, that is the net capital loss figure, was a decrease in funds of £157,000 compared with the increase in 2019 of £382,000. The total funds carried forward were £3,081,000 compared with the figure for 2019 of £3,238,000. This level of total funds was near the threshold at which a full audit must be carried out and the Trustees will continue to monitor this to ensure compliance with audit requirements.

The total funds of the Association are unrestricted. Most of these funds are held as fixed assets. During the year, the overall level of these fixed assets reduced from £3.01 million to £2.85 million. The bulk of these fixed assets were held as funds managed by CCLA and M&G, or as equities held directly by the Association. At the end of the year the funds managed by CCLA comprised: the COIF Property Fund (£386,000), the COIF Investment Fund (£479,000), the COIF Global Equity Fund (£492,000) and the COIF Fixed Interest fund (£538,000). The fund managed by M&G comprised its Charifund (£361,000). Directly held shares amounted to £557,000.

In the prevailing climate of low interest rates, the Trustees continued to invest in higher-earning equities with what the Trustees assess as relatively low risk. Looking at the underlying composition of the various funds in the Association invests, at the end of 2020 19% of the portfolio was invested in fixed interest securities compared with 18% in 2019, 61% in equities, compared



## Minutes of the 51st Annual General Meeting – *continued*

with 65% in 2019, and 13% in property, the same as in 2019. The return on investment was 3.8% (corrected) before capital gains and losses, as mentioned earlier. In the opinion of the Trustees, the investments are sufficient to fulfil the obligations of the Association.

### ■ Risks and future plans

Clearly a major concern has been, and continues to be, Covid-19. During 2020, the Trustees kept under review the effectiveness of our modified, more remote, way of working. The Chairman expressed confidence that the rules over social distancing were always observed. He gave the non-trustees reassurance that the PPO system was still working effectively, and that the Association would continue to respond to the extraordinary situation confronting it as long as it continues. The Chairman had discussed how things were going with the PPOs and PPM and believed that the system was working effectively, though the situation was, obviously, not ideal.

For the Trustees, other implications of Covid-19 are also important. The Chairman reminded the meeting that he had predicted at the last AGM that the economic depression following 'lockdown' would increase financial hardship and, therefore, the claims made on the Association. At the same time, he had predicted that the return on investments would likely be hit as companies cut dividends and retrenched. In short, he had predicted that demand for support from the Association would increase and income fall. In reality, income held up well during the year because of a sound investment performance. The Association drew down on reserves but not to a significant extent. It may be that the Association is missing potential hardship cases owing to the PPOs inability to visit pensioners. In truth, the Trustees simply do not know. They continue to monitor the situation.

Turning to wider risks, the Chairman confirmed that the Trustees maintain an up-to-date risk register with proposed mitigation actions and reviewed the same annually. During 2020, the Trustees spent a lot of time reviewing and updating the Association's risk register. It says something about the unpredictability of things that a pandemic was not in the risk matrix. During the year, the Trustees reviewed the Association's projected cashflows and the Trustees believe that the Association will be able to continue to fulfill its objectives.

A time of economic stress often promotes new thinking and the Association has been working with the SPA on ways of improving on-line communications with pensioners, recognising at the same time that many of those suffering financial hardship are not comfortable with the 'on-line world'.

The Chairman wished to thank various people for their

contributions to the Association: specifically, Shell International Limited who generously reimburse the cost of accommodation, office services and administration as well as the employment costs of the secretary; the PPOs who identify cases and manage expectations under often difficult circumstances; the many donors, both individual and those who donate through the SPA branches; and the independent examiner, Mr Simon Ingall. The Chairman also 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. The Chairman asked whether there were any questions. One member asked about the contractual arrangements with Tina Gilchrist and was informed that Tina is currently willing to continue in her valued role. The Chairman then moved 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 2020.

The Report of the Independent Examiner.

These were approved by the meeting unanimously.

4. Of the current Board of 9 members, all offer themselves for re-election. They are Roy Waight, Veronica Carter, Chris Nancarrow, Gil Springett, Colin Bowkley, Stuart Tester, David Lewis, Sue Oxpring and Ken Sleat (the Secretary). The meeting unanimously approved the election of these 9 board members to serve until the next year's AGM in 2022.

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 2021.

5. The meeting appointed Mr Simon Ingall as the Independent Examiner for the forthcoming year.
6. The Chairman said that it might be possible to hold the AGM in 2022 in Shell Centre, but the date and the location had to be confirmed with the SPA. The meeting agreed unanimously to delegate the setting of the date and location of this meeting to the Board.
7. Under any other business, the Chairman indicated that 2021 would be another challenging year for the reasons given with reference to Covid-19.

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 boilers, kitchen equipment, etc.
- Small items such as replacement dentures, spectacles, etc.
- 250-300 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 nearly 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 in the next page 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: ■ want to cancel this declaration ■ change address ■ 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, London 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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