

# 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 2022

### Notice

is hereby given that the 53rd Annual General Meeting of the Association will be held at the York Road Building, Shell Centre, London SE1 7NA at 17:30 on Wednesday 7 June 2023 following the conclusion of the Shell Pensioners Association AGM.

### Agenda

1. To approve the Minutes of the 52nd Annual General Meeting held at the York Road Building, Shell Centre, London SE1 7NA on Wednesday 8 June 2022
2. To receive an oral report from the Chairman of the Board
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 54th 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*  
8 February 2023

## **Reference and administrative details** for the year ended 31 December 2022

### **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 2022

The Trustees present their report and the independently examined Financial Statements for the year ended 31 December 2022.

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. The visits to branches have restarted following the removal of Covid-19 constraints. 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. In 2022, the Devon and Cornwall branch closed and the two Surrey branches merged. 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 relatively 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 2022, due to the dramatic rise in the cost of living, the Association took action in the second quarter to aid pensioners in need by implementing an additional grant to those who would have qualified for a Christmas grant. The number of discretionary grants was the same as the previous year but, including the Christmas and additional grants, the overall level of benevolence was at an all-time high at over a quarter of a million pounds.

Shell continued to sponsor and fund 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. During 2022, following the removal of Covid-19 constraints, the health and security procedures were reviewed in order to restart pensioner visits. Visits restarted in the second half of 2022, with a consequential increase in benevolence. Visits to pensioners were 97 compared with none in 2021. It is expected that visits will return in 2023 to a level similar to that achieved pre Covid-19.

The number of contacts made by the PPOs, mainly by telephone, were 5,557, down from 6,379 in 2021. Nevertheless, the resumption of visits and a still high level of overall contacts meant that the PPOs had another busy year.

### 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 neither war in Europe nor the dramatic increase in prices (nor the earlier pandemic) were

## **Report of the Trustees** for the year ended 31 December 2022 – *continued*

included in the Association's risk register prior to their 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 2011.

### **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 both the additional grant and the Christmas grant in 2022.

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**

It was only in the second half of 2022, after revised safety procedures were implemented, that visits to pensioners could be restarted and, as a result, more proposals were received in the second half of the year than the first.

During 2022, 21 (2021: 27) new cases were brought to the attention of the Trustees. There were no (2021: 0) unresolved cases brought forward from the previous year. These resulted in 18 (2021: 18) grants totalling £34,051 (2021: £19,293) and no (2021: 0) new loans being made to pensioners.

An additional grant was paid in May through to June 2022 to those who would qualify for a Christmas grant as the Trustees were concerned at the effect of the rise in the cost of living on pensioners on the lowest income. The Trustees concluded that a grant of £400 was appropriate and this was paid to 269 pensioners at a cost of £107,600. The largest benevolence cost was still the Christmas grant award. 219 (2021: 274) payments of £500 (2021: £400) each were made in November 2022 through to January 2023 costing £109,500 (2021: £109,600). The Trustees concluded that £500 was the appropriate amount for 2022 after taking into account the available funds and the higher level of need in 2022.

During 2022, Tina Gilchrist of CBG Solutions Ltd, in addition to writing articles in the SPA magazine, handled 503 (2021: 445) 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.

The Trustees reviewed the Association's portfolio and were concerned that too high a level of funds were held in the COIF Investment Fund and the COIF Global Equity Income Fund. Following a review of the portfolio, the Trustees agreed to invest £500,000 in the Cazenove Multi-Asset Fund, funded by realising £400,000 from the COIF Investment Fund and £100,000 from the COIF Global Equity Income Fund.

In the current investment climate, the Trustees continued to hold higher-earning equities with a relatively low risk. During 2022 the mix of assets changed marginally with 70% invested in equities at the end of the year, 14% in property, 3% in fixed interest securities, 8% in cash, and 5% in other investments. The return on investment was 3.7% (before capital gains / losses), higher than the 3.5% achieved in 2021, 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 office services and other administration together with the employment costs of the Secretary provided by Shell International Ltd which amounted to £45,839 for the year (2021: £41,611).

The Trustees also acknowledge the considerable support of the PPOs and the Pensioner Programme Manager whose workload was affected by the unavoidable delays in replacing PPOs who left during the year and by long-term sickness, in addition to the resumption of visits following the lifting of Covid-19 restrictions.

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 2022, the Trustees looked again at the likely future of benevolence, the resulting cash flows, and considered what approach to pensioners in need should be adopted in the future. This led to the making of the additional grant already referred to. It was furthermore concluded that further efforts were required to contact pensioners since, following the abolition of the PLR system, contact had been lost with many pensioners who might need benevolence. Agreement has been reached with the Shell Pension Trustees to send a letter to all pensioners with details of the benevolence that is offered by the Association.

The Secretary and Chairman issue guidelines which help 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 2022 were the net losses on revaluation of assets of £286,889 compared with net gains of £357,885 in 2021. This was caused by the fall of the global equity markets and UK commercial property markets in 2022 compared with the dramatic rise in 2021. 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 the net losses and gains on the revaluation of investments, the Association showed a deficit of £47,059 in 2022 compared with a surplus of £78,980 in 2021. The variance was mainly caused by an additional grant to pensioners in financial need.

The Trustees agreed to write off unrecoverable debt of £1,413, thus reducing the provision for bad debts to £17,050, which the Trustees believe is adequate.

The result of the year, including the significant item mentioned above, was a decrease in funds of £333,948 (2021: an increase of £436,865). The total funds carried forward are £3,183,989 (2021: £3,517,937). The level of gross assets and the level of income are both below the threshold at which a full audit is required. 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 remains a concern, particularly those from the SPA and its branches as branches continue to close. 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. Following the review in 2022 referred to previously, discussions have taken place with Shell and a communication about the Association's activities will be sent out to all pensioners in February 2023. The Association has also taken 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. In addition, the Trustees will keep under review the need for further support to pensioners in the light of developments in the cost of living.

The expectation is that 2023 will see an increase in the current level of benevolence as more pensioners are reached following the resumption of visits and the wider circulation of information concerning the Association.

Shell International Ltd introduced the SPP / PPO service towards the end of 2017 and the Trustees believe that the scheme remains effective as a vehicle for delivering benevolence thanks to the personal commitment and knowledge of the PPOs. The workload of the PPOs nevertheless remains a challenge which will only become greater as the number of visits increases.

The Association relies on Shell International Ltd to pay for the administrative costs of the charity.

The Trustees welcome legacies, which will continue to be invested so that such gifts enable future benevolence. The Trustees believe that investment income, together with donations and legacies, generally will enable the Association to meet the annual deficits

that are expected in the future. The funds provide the Association with a solid foundation for continuing future benevolence activities against a background of considerable uncertainty.

### **The Board**

No new members joined the Board in 2022. 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 2022

## Statement of Financial Activities

	Note	2022 £	2021 £
<b>Income</b>			
<i>Donations and legacies</i>			
Donations and legacies	2	87,422	99,041
Donation as contribution for administration costs		45,839	41,611
		<u>133,261</u>	<u>140,652</u>
Investment income (before capital gains / losses)		116,670	108,832
<b>Total income</b>		<u>249,931</u>	<u>249,484</u>
<b>Expenditure</b>			
<i>Expenditure on charitable activities</i>			
Grants	3	251,151	128,893
Administration and other costs	4	45,839	41,611
<b>Total expenditure</b>		<u>296,990</u>	<u>170,504</u>
<b>Net (loss) / income before net losses and gains on investments</b>		(47,059)	78,980
Net (losses) / gains on revaluation of investments	8	<u>(286,889)</u>	<u>357,885</u>
<b>Net movement in funds</b>		(333,948)	436,865
<b>Reconciliation of funds</b>			
Funds brought forward		3,517,937	3,081,072
<b>Funds carried forward</b>		<u>3,183,989</u>	<u>3,517,937</u>

## Statement of Cash Flows

	Note	2022 £	2021 £
<b>Net cash used in operating activities</b>	6	(93,830)	(62,480)
<b>Cash flow from investing activities</b>			
Investment income		116,670	108,832
Proceeds from sale of investments	8	505,992	762,554
Purchases of investments	8	<u>(500,000)</u>	<u>(850,624)</u>
<b>Net cash provided by investing activities</b>		<u>122,662</u>	<u>20,762</u>
<b>Increase / (decrease) in cash and cash equivalents in the year</b>		28,832	(41,718)
Cash and cash equivalents at the beginning of the year		82,439	124,157
<b>Cash and cash equivalents at the end of the year</b>	7	<u>111,271</u>	<u>82,439</u>

## Balance Sheet as at 31 December

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Investments	8	2,998,868	3,291,749
<b>Long-term loans</b>			
Loans to SPA members repayable in more than one year	9	49,698	54,590
<b>Current assets</b>			
Loans to SPA members repayable in less than one year	9	842	6,933
Accrued income		79	2,960
Other debtors		30,601	80,066
Cash and cash equivalents	7	111,271	82,439
		<u>142,793</u>	<u>172,398</u>
<b>Current liabilities</b>			
Creditors falling due within one year		7,370	800
<b>Net current assets</b>		<u>135,423</u>	<u>171,598</u>
<b>Net assets</b>		<u>3,183,989</u>	<u>3,517,937</u>
<b>The funds of the Association</b>			
Unrestricted income funds		3,183,989	3,517,937
<b>Total funds</b>		<u>3,183,989</u>	<u>3,517,937</u>

Approved by the Trustees on 8 February 2023 and signed on their behalf by **R Waight** – *Chairman*

# Notes to the Financial Statements for the year ended 31 December 2022

## 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) Office services and other 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 telephone calls as well as visits to Shell pensioners to discuss their needs.

## 2. Donations and legacies

	2022	2021
	£	£
Donations	25,992	27,681
Legacies	61,430	71,360
Total	<u>87,422</u>	<u>99,041</u>

Donations included unconditional donations from Trustees of £1,740 (2021: £1,740).

## 3. Grants

There was one grant authorised by the Trustees but unpaid at 31 December 2022 amounting to £1,034 (2021: nil).

## 4. Administration and other costs

	2022	2021
	£	£
Salary costs	33,056	28,030
Office services and other costs	12,783	13,581
Total	<u>45,839</u>	<u>41,611</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 (2021: 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 £297 expenses paid to Trustees during the year to attend meetings but none in 2021 as all meetings were held remotely. 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

	2022	2021
	£	£
Net movement in funds	(333,948)	436,865
Deduct investment income	(116,670)	(108,832)
Add / (deduct) net losses / (gains) on revaluation of investments	286,889	(357,885)
Loan repayments	10,983	7,272
Decrease / (increase) in debtors	52,346	(37,096)
Increase / (decrease) in creditors	6,570	(2,804)
Net cash used in operating activities	<u>(93,830)</u>	<u>(62,480)</u>

## 7. Cash and cash equivalents

	2022	2021
	£	£
Interest-earning cash at bank	103,815	38,960
Other cash at bank	7,456	43,479
	<u>111,271</u>	<u>82,439</u>



<b>8. Investments</b>	2022	2021
<b>Net (losses) / gains on investments (realised and unrealised):</b>	<b>£</b>	<b>£</b>
COIF Charities Fixed Interest Fund	–	(26,333)
COIF Charities Investment Fund	(137,999)	115,996
COIF Charities Global Equity Income Fund	(94,675)	86,056
COIF Charities Property Fund	(52,752)	56,994
M&G Charifund	(25,440)	50,952
Shares	29,709	75,145
Permanent Interest Bearing Shares (PIBS)	(5,825)	(925)
Cazenove Charity Multi-Asset Fund	93	–
	<u>(286,889)</u>	<u>357,885</u>

<b>The change in the market value during the year:</b>	<b>£</b>	<b>£</b>
At 1 January	3,291,749	2,845,794
Purchases at cost	500,000	850,624
Sales	(505,992)	(762,554)
Net (losses) / gains	(286,889)	357,885
At 31 December	<u>2,998,868</u>	<u>3,291,749</u>

<b>The market value at 31 December:</b>	<b>£</b>	<b>£</b>
COIF Charities Investment Fund	729,851	1,267,850
COIF Charities Global Equity Income Fund	493,265	687,940
COIF Charities Property Fund	390,297	443,049
M&G Charifund	386,691	412,131
Shares	473,171	449,454
Permanent Interest Bearing Shares (PIBS)	25,500	31,325
Cazenove Charity Multi-Asset Fund	500,093	–
	<u>2,998,868</u>	<u>3,291,749</u>
<b>Historic cost at 31 December</b>	<b><u>2,625,688</u></b>	<b><u>2,540,049</u></b>

## 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>2022</b>	<b>2021</b>
At 1 January	20	21
Fully repaid	(1)	(1)
Loan written off	(1)	–
At 31 December	<u>18</u>	<u>20</u>

<b>The change in the amount of loans during the year:</b>	<b>£</b>	<b>£</b>
At 1 January	79,986	87,258
Repayments	(10,983)	(7,272)
Loan written off	(1,413)	–
At 31 December	<u>67,590</u>	<u>79,986</u>
Less provision for bad and doubtful loans	(17,050)	(18,463)
Loans net of provision at 31 December	<u>50,540</u>	<u>61,523</u>

<b>Loans net of provision at 31 December:</b>	<b>£</b>	<b>£</b>
Undated loans repayable in more than one year	61,284	64,884
Dated loans repayable in more than one year	5,344	6,136
	<u>66,628</u>	<u>71,020</u>
Provision for bad and doubtful loans	(16,930)	(16,430)
Loans repayable in more than one year, net of provision	<u>49,698</u>	<u>54,590</u>
Undated loans repayable in less than one year	–	7,541
Dated loans repayable in less than one year	962	1,425
	<u>962</u>	<u>8,966</u>
Provision for bad and doubtful loans	(120)	(2,033)
Loans repayable in less than one year, net of provision	<u>842</u>	<u>6,933</u>
<b>Total loans net of provision</b>	<b><u>50,540</u></b>	<b><u>61,523</u></b>

## **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 2022 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** 8 February 2023

## Ten Year Summary 2013–2022

The following financial data, extracted from the Financial Statements for the period 2013-2022, 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>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>
<b>2022</b>	116.7	26.0	-251.2	<b>-108.5</b>	11.0	–	<b>11.0</b>	<b>-97.5</b>
	932.8	438.9	-1,568.3	<b>-196.6</b>	205.2	-96.4	<b>108.8</b>	<b>-87.8</b>

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

## Minutes of the 52nd Annual General Meeting

held on Wednesday 8 June 2022  
at Shell Centre

The Chairman pointed out that, although he had been Chairman for three years, this was his first physical presentation to the AGM. He confirmed that Zoom meetings of the Board had gone well but there was no substitute for meeting physically now and again.

The Chairman confirmed that the meeting was quorate.

1. The minutes of the meeting held on 9 June 2021 were approved.
2. The Chairman proceeded to present his report for the year.

During the year the Association continued to give direct grants, Christmas grants, loans and advice through the PPOs (Pensioner Programme Officers) and Tina Gilchrist of CBG Solutions. By and large, the same problems were encountered, and the same solutions were given. As usual there were requests for support in acquiring items such as new showers, wheelchairs etc. Debt relief was not given during the year. Particularly gratifying was the heart-warming feedback frequently received, in particular regarding the annual Christmas grant.

The Association continued to operate in line with the modus operandi developed in 2019 by the PPM (Pensioner Programme Manager) and PPOs. The PPOs did a good job but, not being 'on the road', inevitably meant finding fewer hardship cases.

The Association coped with the usual staff turnover. Covering the whole country with 6 PPOs remained a challenge. The PPOs continued to expedite contact with various public and private bodies. They confronted the challenge of helping elderly pensioners who were uneasy with using the Internet. A great deal of reliance was placed on phone calls. PPOs took 6,379 calls compared with 5,930 calls in 2020, which itself was well above the usual level.

The Association continued to discover new hardship cases through the medium of the SPA News. Help given was not always financial. Tina Gilchrist of CBG Solutions had continued to write articles for the SPA magazine and handled 445 queries relating to state-benefit, tax and similar issues. In 2020 the corresponding figure was 535 queries.

Nonetheless, the Chairman expressed the view that the Association had probably missed some hardship cases owing to the inability to physically visit pensioners, and there was also Covid-related difficulty in getting quotes from tradesmen. This explained the lower benevolence during 2021. The Association gave 18 grants of £19,000, compared with 25 in 2020 amounting to £53,000. No new loans were given - one had been granted in 2020.

The largest benevolence cost in 2021 was the Christmas grant. There were 274 recipients compared with 305 in 2020. The magnitude of the grant was held at £400.

Payments were made in November 2021 through to January 2022, at a total cost £110,000. The corresponding previous year figure had been £122,000. Total grants, the specific and Christmas grants, came to £129,000 in 2021 compared with £175,000 in 2020.

Outstanding interest-free loans decreased in total from £69,000 at end of 2020 to £62,000 at end of 2021.

No loans were written off during the year.

### ■ Financial review

The Chairman then proceeded to present a financial review of the year. As previously reported, the Association received large legacies in 2018. At the beginning of the year shares from a legacy worth £182,000 were sold and this, and some cash, were invested in three CCLA COIF funds, £110,000 in the investment fund, £88,000 in the global equity fund and £22,000 in the fixed interest fund. The Association subsequently switched out £538,000 from the fixed interest fund into the COIF investment fund.

For 2021 there was one significant income item, the net gain on revaluation of assets of £358,000 compared with a net loss in 2020 of £164,000. All funds performed well except the COIF fixed interest fund. Fluctuations in gains and losses the Chairman averred were not a cause for concern if the overall income was maintained and the investments were sound.

Donations continued to decline. The 2021 figure of £28,000 was below the previous year's figure of £36,000 owing to the impact of Covid-19 on SPA branch income and the reduction in individual donations.

Legacy income at £71,000 was significantly above the previous year, £36,000, the result of one large legacy.

Investment income before capital gains and losses was £109,000 in 2021, in line with £110,000 in 2020.

The return on investment of 3.5% was slightly below the 2020 figure of 3.8% owing to higher underlying asset values and some reduction in dividends.

The investment strategy / performance continued to be scrutinized by a sub-committee and reviewed by the Trustees.

Overall investment income and donations excluding legacies are important since they represent the stable and reliable source of income which the Association depends on for benevolence. The total was £137,000 in 2021, below the 2020 figure of £146,000. Grants in total were £129,000, below the 2020 figure of £175,000. The resulting surplus (excluding legacies) in 2021 of £8,000 compared with a deficit of £29,000 in 2020.

Including legacy income, SPBA showed a surplus of £79,000 in 2021 compared with £7,000 in 2020. The Trustees agreed that the provision for bad debts should remain at the same level as in 2019, namely £18,000.

The result, including the net capital gain on revaluation, was an increase in funds of £437,000 compared with the decrease of £157,000 seen in 2020. Total funds carried forward were £3,518,000 against £3,081,000 in 2020.

The Association escaped a full audit since the total income of £249,000 (compared with £231,000 in 2020) was just below the £250,000 threshold. The Trustees, the Chairman confirmed, would continue to monitor this to ensure compliance with audit requirements.

Most of the Association's funds are held as fixed assets. During the year, the Association saw an increase from £2.85 million to £3.29 million. These funds are managed by CCLA and M&G, or as equities held directly by the Association.

At the end of the year, CCLA funds comprised: the COIF Property Fund (£443,000), the COIF Investment Fund (£1,268,000) and the COIF Global Equity Fund (£688,000). The fund managed by M&G comprised its Charifund (£412,000). Directly held shares amounted to £449,000.

Regarding the underlying composition - at the end of 2021, fixed interest investments at the year end amounted to 1% of Association funds compared with 19% in 2020, 75% were held as equities versus 61% in 2020, 14% in property versus 13% in 2020, 5% in cash and 5% in other investments. The return on investment was 3.5% 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

The Chairman mentioned the importance of risk analysis. A year ago, he had been concerned that Covid might mean lower investment income and more hardship cases, but this assumption was belied by events. Benevolence was low, probably owing to the PPOs not being on the road. Investment income held up well. The Chairman discussed with the PPOs their being able to return to physical meetings and he confirmed they are delighted to be back on the road again. He expressed the hope that Covid wouldn't return to a degree that necessitated lockdowns but, if it did, the Association knew what would be involved.

The Association maintains an up-to-date risk register reviewed annually. During 2021, the Trustees did a thorough updating of the risk register. It was salutary to reflect that a pandemic was not in the risk matrix. Neither was a war in Europe.

Although not occurring in 2021, the Chairman mentioned the extraordinary circumstances now prevailing as a result of Ukraine and the dramatic increase in the cost of living. He explained that the poor often face an inflation figure higher than the median because their expenditures are dominated by food and fuel. To forestall what is bound to be a difficult year, the

Board approved an additional grant of £400 to those the Association knew to be vulnerable. This year the Association expects benevolence to amount to above £200,000. These exceptional circumstances may well continue, especially as the PPOs, now back 'on the road', will identify new cases. It will take them some time to pick up speed, but the Chairman suspected the Association's benevolence spend would remain elevated for some time.

However, the Chairman believed that the Association's healthy funding position means it will be able to continue to fulfill its objectives. The Chairman gave members reassurance on that point.

The Chairman thanked Shell International Limited for reimbursing the costs of office services and administration as well as the employment costs of the Secretary and the PPOs. He thanked the PPOs and PPM for their managing in a tough climate and thanked the Association's many donors, both individual and those who donate through the SPA branches; and the Chairman thanked the Independent Examiner, Mr Simon Ingall. The Chairman pointed out how professional the accounts are compared with most charities. The Chairman thanked Mr Ken Sleat, Secretary, and the Trustees for their understanding, support and time which are given freely throughout the year.

3. There being no questions, the Chairman moved the approval of:

The Report of the Trustees.

The Financial Statements made up to 31 December 2021.

The Report of the Independent Examiner.

These were all approved.

4. The Chairman informed the meeting that all 9 board members offered 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 AGM approved these appointments which would apply until the next year's AGM in 2023.

The Chairman explained that he intended to nominate all Board members, except the Secretary, as Trustees of the Association at the Board meeting which will briefly reconvene after this AGM.

5. The meeting then approved the appointment of Mr Simon Ingall as Independent Examiner for another year.
6. The Chairman ended by expressing the hope that the AGM in 2023 would again be held in Shell Centre, with the date and the location to be confirmed with the SPA. The AGM agreed to delegate this decision to the Board. There being no other business, the Chairman brought the meeting to an end at 6pm.



## 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.
- Over 200 Christmas grants of £300-£500 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 five 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

Signed

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

