

Annual General Meeting 2024

Voting guide and
AGM information booklet



Your invitation to our 2024 AGM

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How do I vote?



The easiest way to vote is online via a computer or mobile phone. Simply go to **agm.shepherdsfriendly.co.uk** and enter your personal voting code. Your unique voting code can be found at the top of the notice letter or the email you have received from us.



You can also vote over the phone by calling our Member Services team on **0800 526 249** and they will guide you through the voting process.



You can also vote in person on the day at our AGM. If you're sending someone else, they can vote on your behalf – please remember to let us know in advance if you're doing this.

Please note that your last opportunity to vote online or over the phone will be Monday 8th July at 12.00pm (noon).

About this year's Annual General Meeting

Our Annual General Meeting (AGM) will take place on **Tuesday 9th July 2024, starting at 4.00pm.**

As a valued member of Shepherds Friendly, this is your opportunity to meet our Board of Directors, the wider team, and fellow members at our Head Office in Cheadle. I do hope you can join us this year, either in person or virtually, to find out more about us and how we work together for our members.

Your invitation to join us at our 2024 AGM

You're invited to join us in Cheadle for a cup of tea or coffee and a slice of cake. You can also take part remotely. There'll be a presentation on the day and we look forward to sharing how Shepherds Friendly has developed over the past 12 months.

Everyone can benefit

As a mutual, we're driven by our values. By taking part in our AGM you can contribute to our future. So do please share your thoughts with us by voting and by sending us any questions for the meeting. To put a question forward, please email agm@shepherdsfriendly.co.uk by 12.00pm (noon) on Monday 8th July 2024.

Owned by and run for you

Did you know that Shepherds Friendly was founded by its members and continues to be owned by them today? That means that this is your organisation. Whether you attend the AGM in person or online, it's your chance to get to know us a little better. You can learn more about what we do, and also find out about our plans for the future of Shepherds Friendly.

Your votes make a difference

When you vote, you're helping us make the right decisions. So please vote if you can. Plus, for each vote we receive in our AGM this year, we will donate £1.00 to good causes in the local community. So you'll be making a difference there as well.

What to expect in this booklet

In this booklet, you'll find out what we did in 2023. I'll also present my report on what the Board of Directors has been doing. Please take a little time to read through this, and please do vote in this year's AGM. Your votes – and your voice – count, as we work together to make a difference.

We look forward to hearing your views and hopefully seeing you there.



Nemone Wynn-Evans
Board Chair
May 2024



Board Chair's review 2023

Mutuality and Purpose

The Society was founded on Christmas Day 1826 when several groups came together to create a mutually beneficial society. The aim was to provide financial security to members who became unable to work due to sickness or injury. Almost 200 years later the Society has transformed itself into a modern-day insurer whilst still making a positive difference in members' lives, providing them with financial security and being there when they need us most.

Our strategy is to offer simple and accessible products which provide our members with a more certain financial future. We have made it our mission to provide clear, fair products that help our members organise their finances and secure their families' futures. Our values guide our behaviour and the way we deliver our products and services.

Reflections on the past year

2023 has been a year where inflation and interest rates have continued to rise to levels not seen in many years. This resulted in sustained financial pressures for many consumers, including our members, as they had to adjust to the higher cost of living over a longer period. Throughout the year, we have been here to support our members with their changing financial needs and we have continued to innovate our products to meet their needs.

With the uncertainty over the direction of inflation and interest rates, investment markets have been volatile throughout the year. Our investment strategy limits the Society's exposure to investment volatility and I am pleased to report that the Society has continued to grow the value of its investment assets over the year.

The Society has also continued developing strategic partnerships during the year and this has led to more efficient new business acquisitions and new routes to market. Technology has also evolved over the year with Artificial Intelligence ("AI") opening new opportunities. The Society has started to explore the benefits of AI for processes at an operational level.

Our Members

A key part of the strategy over 2023 was member-focused initiatives, such as improving our member support services and innovating our products.

This increased focus has meant that our number of in-force policies has increased by 5% over the year.

Despite the volatility of inflation, interest rates and investment markets throughout 2023, I am delighted that we have increased annual bonuses allocated to our with-profits policyholders and we are able to support them through this financially challenging period.

The Society's Fund for Future Appropriations ("FFA") has increased by £6.4m over 2023 to £22.8m as at 31st December 2023. The Society has experienced an increase in assets that was driven by increased contributions from members and investment market gains which have offset the higher cash outflows to members during the year. The Society also benefitted from regulatory changes that previously required the Society to hold a bigger risk margin in its technical provisions. The increase in FFA will be allocated as bonuses to with-profit policyholders in future years and invested to grow the Society for the long-term benefit of our members.

Our People

The heart of the Society and the positive experience that our members receive is driven by the dedication and commitment of our people. We are proud of them, and we value the retained knowledge and capabilities in the business which is integral to achieving our strategic goals.

We are committed to creating a culture of excellence where our people can develop and grow. I am proud to share that the Society has been awarded the Investors in People Platinum accreditation for a second consecutive time. Less than 1% of organisations achieve the platinum status. The award is a testament to our people strategy in creating a working environment that is committed to developing and supporting our people and fosters a culture of continuous improvement.

Governance and Regulation

A key regulatory change that the Society delivered over 2023 was the implementation of Consumer Duty for new and existing products. Consumer Duty was introduced by the Financial Conduct Authority, and requires businesses to take action to deliver good outcomes for customers and avoid foreseeable harm. This was a welcome addition because it further aligns our mission and values with our regulatory obligations. I am pleased to report that

the Society has adapted its processes and reporting in line with the Consumer Duty requirements for 2023. The Society is working towards extending the implementation of the requirements for its closed products over the next year.

Since the introduction of the operational resilience framework by the FCA in the prior year, the Society has continually developed its capabilities to prevent, recover and learn from operational disruption. The Society has invested to strengthen its cyber security and data infrastructure and improved our due diligence process for key suppliers.

Vision for the Future

As the Society enters the final year of the current three-year business plan, the Board fully supports the principles supporting the strategy of offering simple, accessible products through a customer-centric approach. The Society will focus on initiatives designed to meet the needs of its members and target consumers effectively. This will focus on growing the Shepherds Friendly brand, making enhancements to the Society's products and services and using technology including AI to transform its operations and new business acquisition.

There are still challenges that lay ahead as we continue to see uncertainty in the direction of inflation and interest rates. As Board Chair, I am confident that the Society's strategy will continue to deliver value for its members.

Thank You

I would like to personally thank Nasrin Hossain who stepped down as executive director in April 2023. Her contribution to the Board on people and culture matters has been invaluable, and I look forward to continue receiving her input to the Board as part of the Society's senior management team. Lastly, I want to thank my Board colleagues and our people at the Society. The past year has once again not been without its challenges, however, the agility and commitment of our people has meant that the Society has still been able to perform to target for 2023.



Nemone Wynn-Evans

Board Chair

3rd April 2024

Chief Executive's review 2023

Business Review

I write this report reflecting on the financial challenges that our members have faced over the past year due to rising inflation and interest rates. The financial strain caused by the prolonged periods of high inflation made it even more important that the Society was there for its members. I take pride that through the commitment and dedication of our people, the Society was able to adapt to the ever-changing financial outlook and provide the level of service and products expected by our members.

Despite this challenging financial backdrop, the Society has been able to grow and deliver against all its strategic objectives:

- In force policy numbers have increased to 143,000 (2022: 136,000).
- Gross premium income has grown to £36.6m (2022: £35.3m) from new business; and
- Total assets have increased to £217m (2022: £185m) with investment income of £8.8m (2022: loss of £0.8m).

How our Members Benefit

As a Society, we exist purely for our members. We are very much aware of the impact that the continuing cost of living challenge has had on them and which has contributed to the higher cash outflow to members during the year. We have therefore endeavoured in 2023 to be a continued pillar of support for them. We have provided that support by, but not limited to the following:

- Increasing the bonus allocated to our with-profits policyholders with further increases agreed for the following year;
- Improving the communication channels available to our members through our website and mobile app so they can easily get in touch with us;
- Making sure our existing products meet the requirements of the Consumer Duty regulation and the Society delivers good outcomes for its policyholders;
- Creating payment plans to ease the financial burden in months which may be particularly difficult for our members;

- Continuing to provide our members with health and wellbeing benefits which can assist them in these difficult times; and
- Investing in our people and organising training for them such as vulnerable customers training to ensure they can assist our members in all situations.

Financial Resilience

The Society is not immune to the challenges caused by the elevated inflation and interest rates that our members have experienced over 2023. Through our risk management framework, the Board keeps a close eye on all key risk indicators and takes appropriate strategic measures to manage the Society's financial resilience.

This year I am delighted that a key indicator of financial strength, our solvency ratio has increased to 206% at the end of 2023, up from 176% at the end of the prior year. Our FFA has increased to £22.8m at 31st December 2023 from £16.4m at the end of the prior year. The increase in solvency and FFA is driven by positive management of risks across the business, growth in new business volumes and by regulatory changes which reduce the capital that the Society is required to hold. The combination of growth in new business volumes and also strategic investment in the business has led to an increase in operating expenses to £18.7m in 2023 from £14.9m in the prior year. This was in line with the Society's business plan.

Overall, the increased solvency ratio ensures the Society is financially more resilient and the Society has sufficient capital to strategically grow the business for the longer term benefit of its members.

Sustainability and doing the right thing

We are currently on our journey to becoming a sustainable business. This means that our members, people and the community will benefit. To achieve this strategic objective, we strive to do business in a financially, environmentally and socially responsible manner.

Some of the highlights over 2023 include:

- Maintaining the Society’s status as a carbon-neutral business. The Society has been progressing with process automation and digitisation to reduce our carbon footprint and it continues to support ClimatePartner on their carbon offsetting projects. The Society works closely with ClimatePartner to understand and analyse its carbon footprint so we can make strategic decisions on how to reduce it. Our full consideration of the Society’s climate change impact is covered in our Reports and Accounts which can be found on our website.
- Achieving Silver accreditation from the Investors in the Environment (iE). The scheme was designed to help organisations reduce their impact on the environment. The accreditation was an improvement from the Bronze award achieved in the prior year and therefore testament to the efforts undertaken by the Society to reduce and reuse waste and reducing its carbon footprint.
- Engaging with our investment management providers to ensure that the companies we invest in share our goals on sustainability.
- Supporting charities in the local community. Our people are encouraged to spend one working day a year to support a local charity. In 2023, our employees volunteered for 563 hours. We also make regular food donations to “Feeding the community” to provide food for the vulnerable which has been especially important in 2023 due to the cost-of-living crisis.

People Transformation

2023 saw the commencement of our business transformation project. The project outputs will ensure that the Society has the right people in the right roles at the right time. It involves the up-skilling, re-skilling and development of our people in both technical and interpersonal competencies, while recognising that having external expertise and perspective will also be important to enhance and support existing resources.

During the year, we achieved 32% female representation in senior management and improved our median pay gap by 2.1%. We have invested in various mechanisms to ensure we are a diverse and inclusive organisation and that our people feel supported.

In 2023, we have:

- Enhanced our recruitment procedures to increase diversity within the Society's workforce;
- Supported our people with various initiatives, such as partnering with the Stella menopause app - giving eligible employees free, personalised support to manage specific symptoms discreetly and confidentially; and
- Ran sessions with Octopus Money – as well as our members we understand our employees are also not immune from the cost of living crisis, therefore it was important for us to signpost them to a money coach to get personal, impartial help with their money.

Roadmap for the Future

I am proud of all we have managed to achieve in a challenging economic environment. We at the Society are passionate about continuing to grow and evolve whilst keeping our values and our bespoke individual service to our members.

2024 is an exciting year ahead for us.

We will focus on enhancing our products, ensuring that they remain relevant to the needs of the Society's members and target market. Insights from member and consumer qualitative studies will remain at the centre of the Society's future market-oriented product enhancements.


Our members' voices are at the forefront of our strategy. We will continue to strive to improve our service provision by enhancing member processes at pace. We will utilise automation and digitalisation to ensure that all processes are as smooth and efficient as possible.

The Society will continue to advance its technological capabilities by both modernising its plan management systems to meet member needs and to support further innovation and growth. This will ensure that our people are operating in an efficient and operationally resilient environment.

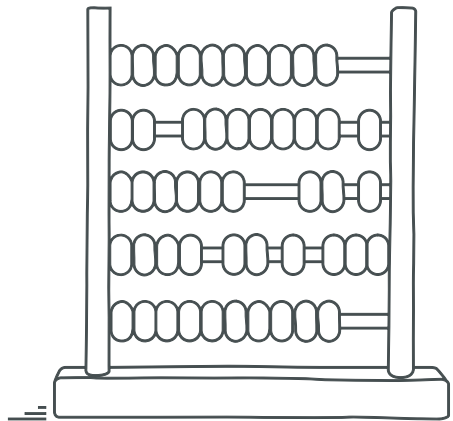
The Society will continue to grow organically, one way which this will manifest is through strategic partnerships that involve working with partners who have a common ethos with the Society and are a strategic fit.

And Finally

I would like to express my heartfelt thanks to our people who show so much dedication to making the Society such a success, all our strategic partners who work with the Society to help us realise our goals and to our Board of Directors who continue to provide their guidance, challenge and support. With such a great team I am confident that Shepherds Friendly will realise its future plans to provide members with a more certain financial future.



Ann-Marie O'Dea
Chief Executive
3rd April 2024



Going concern statement

The Association of Financial Mutuals (“AFM”) Corporate Governance Code comments that the Directors should state whether the business is a going concern over the next 12 months from the date of approval of the financial statements. In considering the going concern statement, the Directors have considered the following:

- The Group’s business activities, together with the factors that are likely to affect its future development and financial strength (see details in the Board Chair’s and Chief Executive’s Reports from page 5);
- The analysis of material risks faced by the Group and the management of those risks (see details in the Reports and Accounts on our website);
- The confirmation from the Society’s Chief Actuary that the Society had a solvency level higher than that required for regulatory purposes as at 31st December 2023 and throughout the year (further details are included in the Solvency and Financial Condition Report which will be made available on the Society’s website); and
- The actions that management can take to manage emerging risks and the scenario testing performed as part of the annual ORSA process and demonstrating solvency above the minimum regulatory requirements under a number of plausible but extreme market scenarios.

Having due regard to these matters and after making appropriate enquiries, the Directors confirm that they consider it appropriate to prepare the financial statements on a going concern basis.

The Directors have also considered the Society’s longer term viability over a period of at least five years as part of the ORSA process. This assessment considered the resilience of the Society to risks that would threaten the business model, future performance, solvency or liquidity of the Society. Stress testing was performed using a range of severe but plausible scenarios over the assessment period. The scenarios included significantly unfavourable variations in the level of new business, underlying economic assumptions, and policy lapses and claims compared to those expected. In the 2023 ORSA, we have also considered how those variations might evolve with the continuing cost-of-living challenges and uncertainty in the interest rate movements.

Based on these assessments, the Directors have a reasonable expectation that the Group and the Society will be able to continue in operation and meet their liabilities as they fall due over the ORSA period of assessment.



Remuneration report 2023

The Remuneration & Engagement Committee provides this Report in accordance with the Friendly Societies Act 1992 in respect of remuneration for the Executive and Non-Executive Directors of the Society. The Board has approved the Remuneration Policy which is implemented and governed by the Remuneration & Engagement Committee which consists of independent Non-Executive Directors.

Remuneration Policy

The Society's remuneration policy rewards both corporate and individual performance as well as providing a competitive package to attract and retain high calibre individuals. The policy complies with all relevant regulatory obligations. We also comply with good corporate governance practice as well as relevant principles of the AFM Code.

Executive Directors' remuneration

The Committee is responsible for recommending the remuneration package of the CEO to the Board. The Committee is responsible for approving recommendations from the CEO regarding the remuneration package for senior executives and ensuring that they comply with the remuneration policy. The CEO is responsible for setting the remuneration of all other employees in line with the remuneration policy. The components of the Executive Directors' remuneration are described below:

Salary

The salary level is set commensurate with that of similar sized businesses in our sector, and to reflect the skills and experience of the individual. The salary is competitively pitched based on an annual benchmarking exercise.

Performance bonus

The Executive Directors can earn an annual bonus following the successful achievement of performance targets that are set to ensure the strategic objectives of the Society are achieved.

Targets are quantifiable measures linked to financial, corporate, governance and culture related objectives. The bonus has a maximum potential of 30% of basic salary. The targets are monitored at various intervals during the financial year.

The final bonus calculations are based principally on the performance of the Society measured against the agreed targets and subject to the Committee's discretion. The bonus payable is recommended for approval by the Committee to the Board. The Committee also exercises its discretion to ensure that other factors are taken into account to ensure objectives are not achieved in the current year as a result of actions which would be to the longer-term detriment of our members or the Society.

This policy provides the framework within which all remuneration decisions relating to people and Executives will be made. The Society aims to ensure that our approach to reward and remuneration is straightforward and easy for our people to understand and aligns with our brand values of simplicity, working together and doing the right thing.

Pension

The Executive Directors participate in the Group's defined contribution pension scheme, or can participate in alternative personal pension arrangements as approved by the Committee. Contribution entitlements can be paid in cash instead at no further cost to the Society and subject to approval by the Committee where individuals would incur tax if pension contribution limits are exceeded.

Benefits in kind

The Executive Directors are provided with private healthcare insurance.

Non-Executive Directors' remuneration

The fees of the Non-Executive Directors are agreed by the Board and reviewed by the Committee on an annual basis. The fees are based on current market rates and the level of time commitment required to fulfil their duties.

Our policy is that no element of the remuneration of Non-Executive Directors is performance related. The Non-Executive Directors stand for election annually on the basis that their prior year performance has been assessed as satisfactory by the rigorous appraisal system and commitment to ongoing professional development applicable to them.

Board Remuneration 2023

The remuneration of the Executive and other members of the Board is set out in the audited table below.

Name	Basic pay	Bonus	Pension supplement	Other Benefits ⁴	Total 2023	Total 2022
	£	£	£	£	£	£
Executives						
A M O'Dea	247,760	74,328	31,362	3,185	356,635	322,168
N Hossain ³	24,791	4,400	7,965	1,772	38,928	164,344
S Chivers	136,375	40,912	12,778	1,018	191,083	171,098
C Critchlow	161,875	48,562	18,955	17,806	247,198	230,708
	570,801	168,202	71,060	23,781	833,844	888,318
Non-Executives						
N Wynn-Evans	57,101	-	-	2,474	59,575	55,719
S Pashby	38,289	-	-	1,328	39,617	37,033
C Mills	33,906	-	-	1,319	35,225	31,001
M Myers	33,906	-	-	2,761	36,667	32,443
A McKinna ¹	31,715	-	-	246	31,961	16,362
N Tinegate ¹	29,215	-	-	622	29,837	16,241
J Hindle ²	-	-	-	-	-	15,819
	224,132	-	-	8,750	232,882	204,618
TOTAL	794,933	168,202	71,060	32,531	1,066,726	1,092,936

¹ Appointed on 28th June 2022.

² Retired on 28th June 2022.

³ Mrs Hossain stepped down from the Board on 1st April 2023 and the remuneration is for her role as Executive Director.

⁴ Executive Directors receive private medical cover. Mr Critchlow and Non-Executive Directors receive expenses for travel to and from the Group's Head Office. These are included under "Other Benefits" and taxed through PAYE.



Alison McKinna

Remuneration & Engagement Committee Chair
3rd April 2024

Directors' Update

For the year ended 31st December 2023

Corporate Governance

The Society is governed primarily by the Friendly Societies Act 1992 and complies with the Corporate Governance Code set by the Association of Financial Mutuals. The Society is also committed to meeting requirements set by its regulators, the Financial Conduct Authority and Prudential Regulation Authority and which have contributed to improved overall governance standards.

The AFM Corporate Governance Code (The AFM Code)

The Society is a member of the Association of Financial Mutuals (AFM) and has applied the AFM Corporate Governance Code (the Code) for Mutual Insurers over 2023. The Code sets out a set of principles of good corporate governance using an 'apply and explain' approach, focusing on the culture within an organisation and employee and stakeholder engagement.

Role of the Senior Independent Director - Simon Pashby

In publicly listed companies, the role of a Senior Independent Director is to act as a voice of the shareholders, ensuring their interests are fully understood by the Board. At Shepherds Friendly, our members are in effect the owners of the Society, and we are committed to placing them at the heart of everything we do. Simon's role as the Senior Independent Director is to ensure that this happens, and also to act as a channel of communication for any member who believes they have an issue or problem which cannot be resolved through the usual channels.

Climate change

The Society recognises its role as a responsible business to consider the implications of climate change on our members, our operations and our community. Like most health and life insurers, the Society may be impacted by the transitional effects of climate change. Physical risks of climate change are not, at this stage, expected to have a material impact on the Society.

Complaints

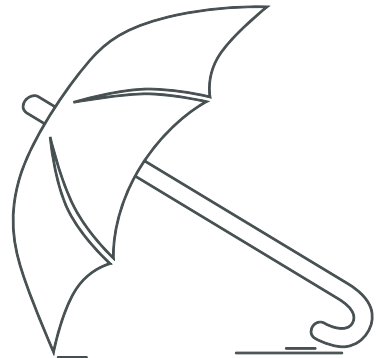
The Society has in place clearly documented procedures for the handling and recording of complaints, which means that the Compliance Officer will investigate all complaints thoroughly and impartially within a reasonable time. Any member who feels dissatisfied with the result of such an investigation has the right to raise the matter with our Senior Independent Director and can also choose to refer the complaint to the Financial Ombudsman Service.

Pension scheme

The assets of the Society's defined benefit pension scheme are totally separate from the assets of the Society and are invested with independent fund managers. The trustees of the pension scheme include both member nominated and employer nominated trustees. The actuaries of the pension scheme are independent of those of the Society.

Appointment of auditors

BDO LLP were re-appointed as auditors at the 2023 Annual General Meeting. BDO LLP are permitted to serve as auditors for a further eight years, subject to annual approval by members. BDO LLP have expressed their willingness to continue in office. A resolution to re-appoint BDO LLP will be proposed at the Annual General Meeting.



Corporate Governance - Board of Directors

We present below the members of our Board as at the date of approval of the financial statements along with a summary of their professional experiences.



Nemone Wynn-Evans
Board Chair and Non-Executive Director
(Chair of Nominations & Governance Committee)

Experience: Over 25 years' executive and non-executive experience in the financial services sector, across wholesale and retail, including as a former Finance Director on the main board of a stock exchange. Her board experience includes corporate governance, financial leadership, corporate finance, corporate communications, investor relations, regulatory liaison, risk and compliance and business development. Nemone is a Fellow of the Chartered Institute of Securities and Investment and holds an MBA from Cranfield School of Management.

External appointments: Board Chair and Chair of the Nominations & Governance Committee at Hinckley & Rugby Building Society, Non-Executive Director and Chair of the Audit & Risk Committee at Good Energy Group plc, a renewable energy company, and Non-Executive Director and Chair of the Audit Committee at the Income & Growth Trust VCT plc, a Mobeus Venture Capital Trust investing in small UK companies.



Simon Pashby
Non-Executive Director
(Senior Independent Director and
Chair of Audit & Compliance Committee)

Experience: Simon is a Fellow of the Institute of Chartered Accountants in England and Wales and former audit partner with over 30 years' experience working in financial services. He has experience of advising a wide range of organisations in financial services on risk, regulations and controls. Simon retired from KPMG in 2012.

External appointments: None



Alison McKinna
Non- Executive Director
(Chair of Remuneration & Engagement Committee)

Experience: Alison has experience in both the public and private sectors, across multiple industries including financial services, construction, technology, healthcare, and charities. She is an accomplished and client-focused business leader with a successful track record of business transformation ensuring financial growth, digital innovation and improved customer experience. Alison was a finalist for Board Director of the Year in the UK Women in IT Awards 2021, recognising her contribution to technology enabled organisations, and support for diversity and inclusion.

External appointments: Chair at Acivico Group, Non-Executive Director of Auriga Services, Non-Executive Director of BHSF, Non-Executive Director of Mattioli Woods and School Governor at Westbourne School.



Cameron Mills
Non-Executive Director
(Chair of Fair Members Benefits Committee)

Experience: Cameron qualified as a Fellow of the Faculty and Institute of Actuaries in 1988. He has worked in the insurance industry for over 35 years not only in the UK but also in Europe and Asia. Prior to retirement, Cameron was the Chief Actuary for a mutual insurance company and before that he held roles in risk, compliance, marketing and sales.

External appointments: None



Mark Myers
Non-Executive Director
(Chair of Board Risk Committee)

Experience: Mark has worked in the Financial Services sector for 40 years and has a broad range of experience across banking and insurance, having worked for both public companies and mutual organisations. His recent experience was as CEO of British Friendly, a mutual Income Protection provider and interim CEO of MetFriendly, an affinity based with-profits mutual which provides savings and investment products to members of the police service.

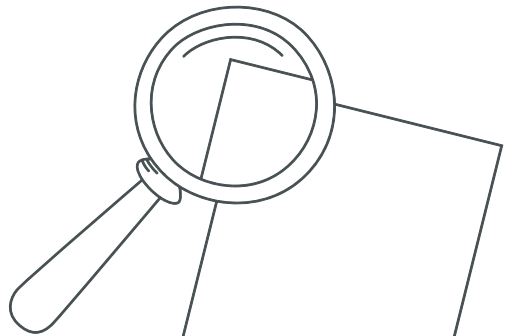
External appointments: Committee Member of Huntingdon Racecourse and Chair of the Finance and Operations Committee for the King's School, Ely.



Neil Tinegate
Non-Executive Director

Experience: Neil has over 25 years' executive experience predominantly in retail and consumer goods sectors. He has held senior and board level roles in a range of corporate structures from global PLCs to AIM listed and private equity backed businesses. With customer-facing digital transformation as a specialism, he played lead roles in the teams that digitally transformed Argos in the UK and Heineken across Europe.

External appointments: Trustee for the Board of the Shaw Education Trust and external advisor to a range of corporate clients.



Summary of Financial Results 31st December 2023

This financial statement is a summary of information in the audited Annual Accounts and the Report of the Board Management. You can find the full version on our website: shepherdsfriendly.co.uk/about/reports-and-accounts/

Summary Consolidated Financial Information

Income and expenditure for the year ended 31st December 2023	2023 £'000	2022 £'000
Earned premiums, net of reinsurance	33,240	33,295
Investment income (incl. realised profit/losses)	682	301
Unrealised losses/gains on investments	8,122	(1,064)
Other technical income	53	62
Total technical income	42,097	32,594
Claims incurred, net of reinsurance	23,204	15,901
Changes in other technical provisions	(6,306)	4,554
Net operating expenses	18,889	15,053
Other technical charges	0	44
Tax on other technical net income	(1)	(7)
Total technical expenditure	35,786	35,545
Excess/(Deficit) of income over expenditure	6,311	(2,951)
Transfer from/(to) fund for future appropriations	(6,311)	2,951
Balance on technical account - long term business	-	-
Statement of other comprehensive income		
Items that will not be classified to profit & loss		
Actuarial gain(loss) on pension scheme	40	613
Transfer from/(to) fund for future appropriations	(40)	(613)
Total Comprehensive income for the year	-	-

Approved by the Board on 5th April 2024.
N Wynn-Evans - Board Chair, A M O'Dea - CEO

Summary Consolidated Balance Sheet

Assets as at 31 st December 2023	2023 £'000	2022 £'000
Investments	128,954	113,350
Debtors	2,691	3,543
Intangible assets	820	822
Other assets, including cash	4,861	5,498
Prepayments and accrued income	331	382
Long-Term Business Provision for protection business	67,144	49,211
Reinsurers' share of technical provisions	12,050	12,003
Pension scheme asset	444	312
Total assets	<u>217,295</u>	<u>185,121</u>
Liabilities		
Fund for Future Appropriations	22,800	16,449
Technical provisions	190,958	165,786
Creditors arising from direct insurance operations	527	321
Other creditors including taxations and social security	1,174	1,154
Accruals and deferred income	1,836	1,393
Total liabilities	<u>217,295</u>	<u>185,121</u>

Approved by the Board on 5th April 2024.
N Wynn-Evans - Board Chair, A M O'Dea - CEO

Shepherds Friendly is a trading name of the Shepherds Friendly Society Limited which is an incorporated Friendly Society under the Friendly Societies Act. Registered No 240F. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, Financial Services Register No 109997. The Head Office and Registered Office of The Shepherds Friendly Society is based in the United Kingdom. Haw Bank House, High Street, Cheadle, Cheshire SK8 1AL