

Collinson Insurance Brokers Ltd.
Annual report and financial statements

Strategic Report

Directors Statement of Compliance with duty to promote the success of the Company (S172 Statement)

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way they would consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of its decisions in the long-term;
- the interests of the Company’s employees;
- the need to foster the Company’s business relationships with suppliers, customers and others;
- the impact of the Company’s operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

Corporate Governance

The Company maintain a corporate governance framework of Board and Committees to operate strategic and management decision making. Terms of reference and levels of authority and escalation are clearly defined and a calendar of regular Board and Committee meetings are held. Information is provided to the Board in advance of the meeting and decisions and minutes are recorded.

The Board are committed to a robust culture of governance, conduct and ethics reflecting the values of the Company and the Collinson Group. Decisions are made considering the impact on the long term business strategy and considering the impact to multiple stakeholders.

Our Stakeholders

(i) Employees

The Company does not employ any employees directly, rather employees are employed by Collinson to perform activities across the Group. Collinson operates a framework for employee engagement, development, information and consultation. Investment in communication platforms has increased the flow of communication across the business and enabled continued operations as the Group took the decision for all staff to work remotely during the COVID-19 pandemic.

Employee engagement and wellbeing is paramount to the success of the business. Collinson undertake a continuous employment engagement programme including performance, training and skills development. All employees are required to undergo fit and proper assessments to complete annual mandatory training programmes. We positively promote diversity in all areas of the business and support the health and well-being of all staff.

We are committed to equal opportunities in employment and creating a workplace where everyone is treated with fairness, dignity and respect. It is our policy to ensure that all employees are treated no less favourably on the grounds of disability and are not subject to unlawful discrimination. This policy applies to all aspects of employment including recruitment and selection processes, opportunities for training, development and promotion, and terms and conditions of employment. Through its policies, the Company ensures that entry into, and progression within, the Company is based solely on personal ability and competence to meet set job criteria. The Company ensures that all our employment policies, practices and procedures are accessible for disabled people, providing reasonable adjustment where appropriate.

As a direct result of the COVID-19 pandemic and the need to manage costs, we have continued to place some role on the Governance furlough scheme and equivalent employment support programmes across the regions we operate in. We have continued to consult with all staff on a regular basis, maintaining open and transparent communications regarding the impact of COVID-19 on the operations and performance of the business.

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(ii) Suppliers and Outsourced arrangements

Our key suppliers are those providing various systems which are standard and used throughout the Lloyd's and London Market and, in particular, our broking system which enables business to be processed effectively and efficiently. Apart from certain functions which are performed by other parts of the Collinson Group, we only outsource functions if a need arises. We have a programme of ongoing oversight of all suppliers and outsourced arrangements and commercial terms are negotiated and reviewed to ensure fair and market value.

(iii) Clients

The Company has worked closely with its key clients with a particular focus on any impacts COVID-19 may have had on their business activities. This has helped the Company to inform the recovery profile and associated business planning where it has exposure to event cancellation insurance, travel insurance and related lines of business. The Company also has sufficient resilience within its portfolio to mitigate the impact of volume and associated revenue reduction as a result of COVID-19.

(iv) Customers

The Company operates within the Lloyd's and London Market, which, together with an electronic trading platform, introduced Emergency Trading Protocols. These protocols, together with the investment in broader technology to support home working which was undertaken in the prior financial year, has supported the operational resilience of the business and made the adoption to a home working model seamless from a customer perspective

(v) Regulators

The Company is regulated by the Financial Conduct Authority. We have open and transparent relationships with the regulator and notify any relevant events through the proper channels. We report quarterly to the FCA, hitting all deadlines. This helps to ensure that there are no surprises and we are adequately prepared to deliver against regulatory requirements.

(vi) Shareholders

The Company is owned by The Collinson Group Limited. Representation from The Collinson Group Limited on the Board is provided by David Evans (Joint Group CEO). The Company aligns with Collinson values and operate business operations within group objectives. The Company report to the Group on performance, business strategy and return on investment.

Principal Decisions

Introduction

The Company defines a principal decision as any decision of the Board that is material to the Company and or is significant to any of its stakeholders. Thus, a key decision may include, but is not limited to:

- New business strategy or significant changes to existing strategy.
- Capital allocation decisions, including payments of dividends.
- Material corporate activity including acquisitions and disposals.
- Large-scale restructuring.
- Appointments to the Board.
- Decisions relating to major regulatory and or legal matters.

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Below is the Company's statement regarding how stakeholder considerations are considered in relation to a specific Board decision during FY21.

Directors are required to have regard to the impact of their decisions on the broader stakeholder community when performing their duty to promote the success of the Company under section 172 of the Companies Act 2006.


Papers supporting key decisions are received ahead of time prompting challenge and debate on the merits of proposed actions by management in the best interests of the Company. A specific example is set out below.

The global pandemic has been a challenge for the Company, both in terms of working from home when the Lloyd's market has always operated on a face-to-face basis and a fall in income on certain contracts reliant on either the event or travel industries. These challenges were reviewed and it was determined to keep the team compact throughout the pandemic which has enabled it to still trade profitably despite the fall in income and an increased use of an electronic trading platform and video calls has enabled it to maintain excellent service to its clients.

Future outlook

The impact of COVID-19 to date has had an impact on some key contracts and income for FY21. However, whilst FY21 has been a challenging year for the Group, management look forward to FY22 with a high level of optimism and confidence. We remain confident that the actions we have taken to date underpin our recovery strategy from these unprecedented times and support the Group in returning to a position of sustained revenue growth in the years ahead. The continued investment in the development of our people, assets and technology across the Group has been vital in driving the success of our business to date. With further funding secured to support growth and acquisitions, the Group is well positioned to grow in coming years.

This report was approved by the Board on 26 January 2022 and signed on its behalf by:

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Richard Clarke
Director