

BHS Trust Fund

Annual Report and Accounts

31 May 2021

Charity Registration Number
1171705

Contents

Reports

Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	3
Independent auditor's report	26

Accounts

Statement of financial activities	30
Balance sheet	31
Statement of cash flows	32
Principal accounting policies	33
Notes to the accounts	37

Reference and administrative details of the charity, its trustees and advisers

Trustees	D Crudge B Edgar (appointed 8 February 2021) R Eller C Gibson H Hamer (Chairperson) K Smalls (appointed 1 September 2020) R Tocock MBE S Topping
Postal address	BHS Trust Fund PO Box 7762 Kettering NN16 6NP
Telephone	07495 723550
Charity registration number	1171705
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank plc 90 Baker Street London W1M 2AX
Investment managers	Investec Wealth and Investment Limited 30 Gresham Street London EC2V 7QN
Solicitors	Royds Withy King LLP 69 Carter Lane London EC4V 5EQ

Introduction - Message from the Chair

As we are about to close the reporting year for the BHS Trust Fund, June 2020 to May 2021, little did we realise that this whole year would be influenced by the Covid 19 pandemic. None of us could have predicted how the required changes ahead of us would impact on the way we all had to work and live.

I am proud to say that everyone at the BHS Trust Fund has responded fantastically, adjusting to the new realities and demands that have been placed upon us all. Together we have been able to adapt and reassess our approach, allowing us to continue helping and supporting our beneficiaries throughout these very difficult times.

To that end, I would like to offer my sincere thanks to all of my colleagues at the BHS Trust Fund who have worked so tirelessly, with steadfast commitment, to go the extra mile. We have delivered the care and support that our beneficiaries have needed. This clearly has impacted the results that have been achieved, with the value of grants awarded increasing by 34% and Christmas grant awards by 45%.

Disappointingly, the Covid restrictions in place on both foreign and UK travel, have had a significant impact on our normal holiday programmes. Currently the Trustees have agreed to keep on hold any plans to resume group holidays for the immediate future.

In moving towards the end of this year, we have been concentrating on reviewing our Strategic objectives and looking forward to a gradual return to normality, with the light at the end of the tunnel getting brighter!

As I draw to a close, some very exciting 'Hot off the Press' news - on the 5th Of December 2021, the BHS Trust Fund will celebrate its 70th birthday! What a legacy and achievement the then Board of Directors of British Home Stores put in place, back in 1951. We, the Trustee Board, Case Workers and Operational team, are both committed and humbled, to be playing a part in taking the BHS Trust Fund forward.

Trustees' report Year to 31 May 2021

The Trustees present their report together with the accounts of the BHS Trust Fund, a Charitable Incorporated Organisation (CIO) (the "Trust" or the "Fund") for the year ended 31 May 2021.

The accounts have been prepared in accordance with the accounting policies set out on pages 33 to 36 of the attached accounts and comply with the constitution, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Introduction and background

BHS Trust Fund (Charity Number – 1171705) is a Charitable Incorporated Organisation (CIO), formerly known as the Bhs Limited Employees Trust Fund. It was established by Bhs Limited in 1951 to support the relief of hardship amongst its employees.

Upon the closure of Bhs Limited in August 2016, it was agreed by the Trustees to continue the Fund's work by becoming a CIO and supporting former BHS employees with one year's service or more.

The aim of BHS Trust Fund

- ◆ Our Vision: To help and support any former BHS Employees and their dependants, through difficult times
- ◆ Our Mission: To ensure that no former BHS Employee has to struggle to meet their daily basic needs.

The BHS Trust Fund achieves its principal objectives by awarding financial grants to Individuals, these being our former BHS Employees.

We also provide opportunities for our beneficiaries who are often going through stressful or difficult situations in their lives, to apply for our current holiday programme, which includes an individual holiday or a short UK break.

Individuals can make a personal application by contacting the Fund Secretary or Administrator. Alternatively, contact with the BHS Trust Fund can be made via our website or one of our social media platforms. An application form is sent out for completion and on its return, the Administrator discusses the next steps in the process, including the involvement of one of our volunteer Case Workers.

The Case Worker then arranges a meeting or telephone call, to understand how the Fund may be able to support the applicant. Following this discussion, recommendations are made and the case file, which may include the involvement of other outside agencies, is sent to the Trustees Board for approval of the most appropriate award. Throughout the Covid pandemic, the personal safety of our beneficiaries and our team members, remained of paramount importance. Protocols were put into place to suspend all face-to-face activity for this period of time, with only telephone and video conversations taking place, to gather the required information.

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2020 - 2021

Our achievements are based on 4 strands which underpin our BHS Trust Fund Strategy:

- ◆ Fund Awareness
- ◆ Team Development
- ◆ Financial and Risk Management
- ◆ Policy & Procedures

Fund Awareness - Development of our Beneficiary group

Our focus has continued to be to increase the number of beneficiaries through grants awarded and also to increase our database if possible. We have seen an increase in applicants of 20% year on year, to 153 and an increase in beneficiaries of 34% to 81. In addition, our Christmas contacts increased by 47% to 112, of these, 88 Christmas awards were made, to the value of £18,335 versus last year at £12,619.

To achieve this core strategic strand, our activities have centred on increasing awareness and the accessibility to the BHS Trust Fund through the following:

- ◆ Social media, with Facebook in particular, has become increasingly important as a way to get the message out that the BHS Trust Fund is here to help and to encourage applicants. We endeavour to refresh with a new post every 3 or 4 weeks and frequently pay for a boosted post to reach more individuals. The new Facebook post message and image, is then reflected on our website to ensure they support each other.
- ◆ We had a very successful Facebook campaign in the run up to Christmas 2020, seeing a substantial increase in awards made against last year, as confirmed above.
- ◆ Our Promotional calendar gives us a structured approach to raising our profile, for use in the preparation of key seasonal and other topical events such as the Christmas Grants. This will become even more important with our increased reliance on promoting ourselves through social media.
- ◆ Newspaper advertising has been trialled in 2 regions and has not proved a success, but was very useful to try as a potential promotional route.
- ◆ Our profile has been added to Turn2Us and CharityChoice.co.uk, both providing information on charities available to individuals seeking help. Turn2Us has already proved a source of a small number of applicants.
- ◆ Spreading the Word is an initiative undertaken by one of our Case Workers to increase awareness through social networking. This resulted in over 30 additions to our database and has since evolved into encouraging the wider Case Worker team to distribute Trust Fund leaflets within their local community.

Team Development

The development of our team is one of our key Strategic Objectives. We encourage and support our team to develop the knowledge and skills, to fully deliver their roles in helping our Bhs Trust Fund beneficiaries.

OBJECTIVES AND ACTIVITIES (continued)

Trustees

- ◆ Throughout this year we have focused on delivering our agreed succession plan to increase our team numbers and to strengthen our skills and knowledge. This will enable us to meet our future challenges and needs.
- ◆ Our Trustee review process has been successfully completed.
- ◆ Upon completion of the Trustee reviews, the Skills Matrix was updated, providing an ongoing analysis of the skills within our Board.
- ◆ Trustee development opportunities, 'fit for purpose', have been drawn up and engaged with.
- ◆ All Trustees, Employee and Caseworkers have attended a number of external webinar sessions as well as a number of in-house courses.

Caseworkers

- ◆ Throughout the year we have remained committed to delivering our Caseworker succession plan.
- ◆ Our recent advertising has allowed us to seek potential candidates for now, as well as for future needs.
- ◆ The Buddy scheme now supports all of our new volunteers through their initial training period.
- ◆ All Case Worker development discussions have been completed, with individual development opportunities identified.
- ◆ The Case Worker group have in place a quarterly programme of meetings. Covid protocols have meant these have taken place via video conferencing.
- ◆ Case Workers who wish to be more involved with the BHS Trust Fund, have been encouraged to participate in additional projects.
- ◆ We continue to review and maintain the Case Worker Tool Kit, which is an integral part of providing useful information to assist in the preparation of applicant discussions.

Investment Strategy

The BHS Trust Fund consists of a portfolio of financial assets, from which the core objective is to produce a sustained level of income and capital growth that preserves its value in real terms over a long-term time horizon.

The Trustees recognise the realisation of such an objective is dependent upon favourable market conditions and the sound discretionary investment management performance achieved by their advisors, Investec Wealth & Investment Limited.

OBJECTIVES AND ACTIVITIES (continued)

Investment Strategy (continued)

In setting the above objective, the Trustees understand that the Fund's financial assets are entrusted to active oversight and management by Investec. These are spread across a broad spectrum of investments, targeting primarily UK and Overseas equities, with relative performance measured against a benchmark that reflects the Fund is comfortable with a medium-high risk profile.

Investec formally report Fund performance statistics to Trustees on a quarterly basis, informing of the current global investment environment and their analysis of events likely to influence investment performance into the near-term future. The BHS Fund Secretary has instant on-line access via the Investec web-site to keep Trustees informed of the current portfolio value as, and when, necessary.

Fundraising policy

The Trust does not carry out any direct fundraising with the public. It does not use the services of any third party organisation to help in its fundraising activities and no complaints were received about its fundraising activities during the financial period. However, if a complaint were to be received, it would be handled by a senior member of staff or a Trustee.

Risk Management

To undertake an in-depth risk assessment exercise and, as an outcome, to produce an updated Risk Register was a key strategic objective for the Trust to deliver during this accounting period. The Trustees have, therefore, carefully examined the risks to which the Trust could be exposed to and have reviewed mitigation measures in place to deal with them.

As a result, the Trustees have identified five general areas where risks may occur:

◆ **Governance and Management**

Considers the risks the Trust might suffer from lack of strategic direction, ineffective Trustee oversight, or a sub-functioning organisational structure.

◆ **Operational**

Looks at the risks inherent in a failure to succession plan key roles, not providing adequate training and development opportunities to broaden the skills base, or lack of care for the well-being of employees and volunteers. Within this area, also, potential risks associated with the delivery of a less than optimal service provision for potential beneficiaries are examined.

◆ **Financial**

Risks include those arising as a result of the fluctuating value of investments, an inappropriate investment strategy, or sub-optimal performance standards delivered by the Fund's investment managers. Also covered are the risks associated with fraud, both internal and external, a lack of internal budgetary control or lapse in accounting processes.

OBJECTIVES AND ACTIVITIES (continued)

Risk Management (continued)

◆ **Reputational, Environmental or External**

Considers the possible damage to reputation and public perception through association with unsuitable collaborative organisations. Other risks covered in this area include a failure to understand and address demographic changes that might create either exponential growth, or a gradual decline in the numbers of potential Fund beneficiaries.

◆ **Compliance with Laws and Regulatory Requirements**

Looks at the risks the Fund might suffer in not meeting compliance with, for example, Charity Commission, HMRC, audit reporting or GDPR requirements.

Productive consultation between Trustees and the Fund Secretary has seen the evolution of a comprehensive Risk Register that clearly identifies specific risks within each general risk category. The document considers how these risks might individually impact the organisation, and validates all the current mitigating actions.

Numeric measures of probability and impact have been assessed against each specific risk to determine relative levels of potential concern. This process has highlighted where the principal risks and uncertainties lie within the organisation and how they have been addressed during this accounting period.

Examples of these are described below, together with the actions the Trust has purposefully put in place, to mitigate impact.

- ◆ An organisation that is challenged in raising awareness and extending its reach towards its potential beneficiaries. The Trust is actively and successfully developing communication links through social media channels. Its own web-site, and directly to its database of ex-employees, to cascade topical information and messaging that engages with its target audience. Progressively positive response rates have been recorded throughout this accounting period.
- ◆ An unforeseen, challenging, investment environment creating sudden adverse movement in Fund values. Trustees and their Investment Fund Managers constantly adhere to a clearly defined and mutually agreed investment strategy, that targets the key objective of realising long term financial sustainability.
- ◆ A close, trusting and productive set of working relationships has been encouraged and successfully developed between Trustees, Fund employees and Caseworker volunteers. This mutual support and understanding enables the achievement and effective delivery of essential Fund objectives and nurtures a knowledge of job roles more widely across the team, providing a foundation for succession planning within the organisation. This ensures that a loss of any key personnel has a minimal impact on the organisational efficiencies.

OBJECTIVES AND ACTIVITIES (continued)

Policy & Procedures

As with all of the other strategic strands, the Operational one has reviewed and delivered a number of exciting and very necessary projects and actions which have supported increased efficiencies, compliance and governance needs.

To ensure that the Trust Fund had in place all of the required policies, the major focus was to research, review and write any of the policies that were not in place or were not detailed enough. Subsequently, the Trustees approved the new additions and these have now become working reference documents:

- ♦ Covid Protocols - This became an area of significant focus for all of the team, as the Covid requirements increased, resulting in the Fund completing a full review of how we could carry out our duties in a safe and responsible manner.
- ♦ Christmas Grants and Support - The Fund had to quickly adapt to the increased levels of requests for support, both in terms of full grants and Christmas grants, responding in a timely and efficient way to our increasing beneficiary needs.
- ♦ Administrative Duties - Due to increased numbers of applications and volume of work generated, the Trustees approved the employment on a temporary basis, of an additional administrative person, who joined the team in November. This supported the Christmas Grant awards process.
- ♦ Privacy and Cookies Policy - As work progressed on the Fund Awareness strand, with the increased use of the Website, the need to have both a BHS Trust Fund Privacy and Cookies Policy became apparent. Due to the complex nature of this subject and the fact that these policies would be visible to the general public, the decision was taken to involve the BHS Trust Fund's Solicitor, in supporting us with this task. Once prepared, both policies were approved by the Trustees.
- ♦ Updated Mailing List - To ensure complete compliance around the storage and use of personal data, the Trust Fund wrote to everyone on its original mailing list, requesting that they signed and returned an enclosed permissions slip to the Fund Manager. We now hold individual consents from all those on our mailing list.
- ♦ Safeguarding - Due to increased focus on this potentially very serious subject, highlighted on a daily basis in the media, alongside increasing concerns due to lockdown and individuals' wellbeing, this became a priority for the Fund. To support our team, the BHS Trust Fund engaged an external professional to deliver workshop sessions on safeguarding issues and how to identify and address potential concerns.
- ♦ New Way of Working – With Covid related constraints placed on us all, the increased use of video conferencing ensured that we continued to hold our usually face-to-face planned meetings and also enabled us to increase our general communications and subgroup project work significantly. This resulted in a number of planned actions being completed ahead of time.

OBJECTIVES AND ACTIVITIES (continued)

Review of Activities

The BHS Trust Fund Strategy covers four strands as explained on page 4.

Our focus this year, as always, has been to support as many former BHS Employees as we possibly can. In order to do this, we have had a very clear Strategy for the Trustee group to focus on strands of responsibility and agreed work to help us deliver our overall objectives.

The Covid pandemic and the subsequent levels of restrictions imposed on us all by the UK Governments, resulted us in having to carefully consider our ways of working and the increasing needs of our beneficiary group.

By establishing an overall Strategy for the BHS Trust Fund, in addition to Covid protocols, we have been able to focus on developing and utilising the skills of the entire team, our Trustees, Fund Employees and Case Workers, in a safe and secure manner.

Financial Support

During 2020-2021 the BHS Trust Fund awarded hardship grants to the value of £106,833 helping 81 applicants. Grants were awarded to support the payment of a variety of debts, rent arrears, utility bills and credit cards payments. Purchasing essential items for the home including washing machines, fridge freezers, cookers and beds. Support was also awarded for funeral costs and numerous amounts of food shopping vouchers were distributed.

The Fund again supported applicants by awarding a further £18,335 in Christmas grants, with applicants benefitting from food shopping vouchers, enabling them to purchase food and a few seasonal treats to help them and their families enjoy the Christmas festivities.

11 Christmas Food Hampers for applicants who were house bound, or suffering from wellbeing issues were distributed.

The whole 12 months being covered by this Annual report was subject to the various restrictions to slow down the spread of Covid 19 and as a result, the Trustees made an early decision not to award any UK short breaks. This also impacted our foreign holiday, as travel abroad was not allowed. The demographic makeup of the beneficiaries who would normally have participated in the holiday, very much fell into one or more of the most vulnerable groups,

It is important to note that the help we give is not always financial and might be directing and signposting an individual to another more appropriate charity or service. It is also about giving the individual the confidence and support to go to a statutory body to query or discuss their benefit entitlements.

OBJECTIVES AND ACTIVITIES (continued)

Financial Support (continued)

We have made a difference:

I would like to take this opportunity to thank you and the Trust Fund for the help you are giving me. You don't know how much help this actually is and the weight that has been lifted from my shoulders. It has been a constant worry every day that I would lose my house, which has been the only home I have had all of my life. So, for this you should know it means the world to me.

I would like to send a special thanks to my Case Worker, for her kind words of support and encouragement, something I won't forget and will be forever grateful for.

Thank you so much for all of your help. It has genuinely and truly been life changing – thanks to you, Mum's funeral went ahead in a timely manner and all of her wishes were upheld.

I don't have the added debt and worry of that to now contend with.

The Council Tax bill being paid wasn't even something I dreamt could happen and again will take so much pressure off.

I've had the hardest year of my life so far, I know there are always others in worse circumstances and when I made contact with yourselves originally, I wasn't expecting help, just to offload. Then I asked for advice and found myself met with the most kindness, care and support I have experienced.

I can't tell you the difference you have made, thank you, doesn't seem enough. Everyone I have had contact with has been so kind, understanding, non-judgemental and caring.

You've changed my life and helped me carry on; you've been the rainbow on a rainy day.

Words of thank you are not enough; this has been a challenging time for me and I appreciate the BHS Trust Fund so much. It went above and beyond and I am touched and grateful to the Trustees for their generosity. Everyone made me feel so at ease in such a warm and welcoming way. Your thoughtfulness, BHS Trust Fund, is a gift I will always treasure. I am touched beyond words. Thanking you all once again.

I must thank you and the BHS Trust Fund for everything they helped me with in recent months. Little did I know that my finances would go through even more of a challenge with the situation everyone finds themselves in, during this pandemic.

I have no idea how we would have managed if we hadn't received the food vouchers at this time. Also, the help with the debts, was a massive help as I was furloughed and like everyone else in that situation, I had no wages for a few weeks.

Everyone I spoke to, was understanding, compassionate and reassuring – a fantastic organisation, who make a real difference to individuals and their families.

OBJECTIVES AND ACTIVITIES (continued)

Christmas Applications and Grants

At the start of November 2020, the Fund sent out our Christmas support message in the form of a Christmas card, along with a letter from our Chair, Helene Hamer, to almost 6,000 of our retired staff and beneficiaries. This communication gave the BHS Trust Fund the opportunity to update our mailing list details, as well as sending Christmas greetings. Most importantly, we were able to explain the type of support that was available over the festive season.

Over the years we have become more aware of how many of our beneficiaries find Christmas both a very difficult and emotional time, not only for those struggling financially, but for those on their own and others with very little to look forward to. Many are just pleased to have received the Christmas card and know that someone from their former BHS family, cares about them.

Making a difference at Christmas:

I would like to 'Thank you' so very much for the food vouchers that you have sent me. You'll never know how much of a difference these, and you, have made to my Christmas. I'm so grateful.

Thank you both so very much, for the wonderful hamper that I received for Christmas. What a lovely surprise. There was a great choice of unusual goodies for us to enjoy. I hope you all stay well and Covid free.

Oh, such a lovely surprise!!!

Thank you for my lovely Hamper, it was full of goodies and in a lovely basket.

I spent Christmas on my own, like so many others....

When I look at my basket, it gives me a warm glow to think that somebody still cares about me!

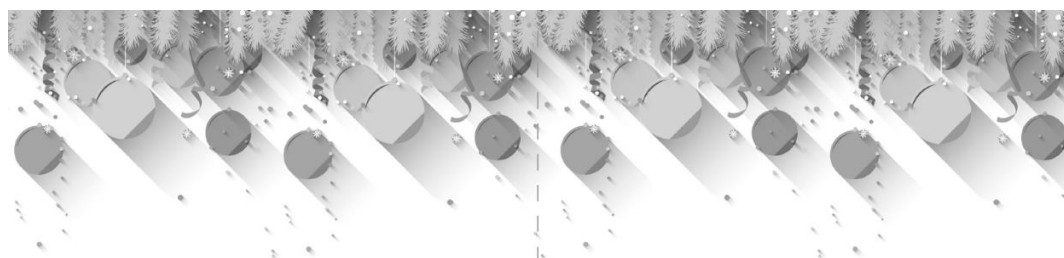
Thank you so much. Best wishes and stay safe.

I just wanted to say thank you again, for all your help and support.

I was going through a really bad time during what are already precarious times with a global pandemic and Christmas looming. You have managed to get me back on track and put a big smile on my face. Cannot thank the Trust enough, what an amazing thing you're doing for many people, giving them hope. Thanks again from the bottom of my heart.

I would just like to take this opportunity to thank you and your Team for my vouchers, they went to good use. The kids love their toys and new clothes and I have completed my Christmas food shopping. You have personally made a very tough situation a little easier and I really can't thank you enough.

Christmas greetings from The BHS Trust Fund



Can we make a difference this Christmas ?

Despite these unusual times, we very much hope that you will be able to enjoy the festive season with family and friends.

But if you know of a former BHS colleague who is struggling with financial or other worries, or if you personally need some support, then do not hesitate to call

Angela on 07495 723550 or Denise on 07908 994146 before 1st December 2020 or visit the contact page on our website www.bhstrustfund.com

We are here to help - so do get in touch!

Merry Christmas

Best wishes from all of us at the

BHS Trust Fund

OBJECTIVES AND ACTIVITIES (continued)

Retired Staff Association (RSA)

The various lockdown restrictions were in place for the whole of this year, which meant that the RSA groups have been unable to meet in person for their monthly coffee, cake and a chat, meeting. Our existing RSA members are an ageing population and all of them fall into one or more of the vulnerable groups that had been told or encouraged to stay at home by the Government.

It was agreed by the Trustee group that the RSA Group Representatives would keep in contact with their members by telephone on a regular basis. Many of these members live alone and don't always have family close by, so these regular catch-up chats were very welcomed.

Extract from a letter - received from one of the RSA Group Representatives:

I'm really pleased to say that all of my members are ok. Most are keeping busy gardening, reading and doing jigsaws. All of them have organised their shopping needs and some can go for short walks, which they love.

They are all so pleased to have a chat, a few for five minutes but many for much longer. It's giving me plenty of laughs, talking about the similarities of now and Wartime

It will of course be wonderful to see each other again, but in the meantime, we are all keeping cheerful. Thank goodness for telephones!

Case Worker Update

The role the Case Worker plays has always been an extremely important one, within the Fund. During the last twelve months, they have played an even more critical part in the daily operations of the Fund. This has included conducting initial meetings by telephone with possible beneficiaries and obtaining any information that the Trustees require, rather than by a face-to-face meeting. This change in their way of working has enabled them to deal with more cases in a very timely and efficient manner.

The Trustees had originally organised training workshops for the Case Worker group to be held in November 2020. This would also have allowed us to share the Trust Fund Strategy and the importance of increasing our beneficiary numbers. Unfortunately, this had to be postponed and was replaced with a video conference instead, and whilst this was not quite the same, it still delivered excellent results.

During the year, we are delighted to have recruited a number of new Case Workers and plan to further increase these numbers during 2021-2022. Our aim is to ensure that all geographical areas of the UK are covered and that we are prepared for our expected increase in case numbers and workload.

FINANCIAL REVIEW

Results for the year

A summary of the results for the period is given on page 30 of the attached accounts.

Total income during the period amounted to £69,005 (2020 - £90,382).

Expenditure totalled £225,417 (2020 - £211,581), with relief of hardship amounting to £204,023 (2020 - £190,739).

Net gains on the revaluation and on the disposal of investments amounted to £475,332 (2020 – net losses of £42,525). This resulted in a net increase of funds of £318,920 for the year (2020 - net decrease of £163,724).

Reserves policy and financial position

The Trustees aim to maintain the Trust's reserves at a level sufficient to ensure the ongoing and future development of the Trust's activities having regard to the profile and demographics of the Trust's beneficiary group.

Unrestricted funds amounted to £3,469,541 at 31 May 2021 (2020 - £3,150,621). The Trustees are of the opinion that this level of free reserves matches the policy set out above.

Investment performance

During the period, the Trust's investment managers invested in accordance with the Trustees' investment policy set out earlier in this report. At the end of the period, the Trust's listed investments were valued at £3,375,755 (2020 - £3,040,511) and comprised 8% (2020 - 9%) UK and overseas fixed interest stocks, 79% (2020 - 75%) UK and overseas equities, and 13% (2020 - 16%) property and alternative funds. At 31 May 2021, the investment managers were also holding £64,022 as cash awaiting investment (2020 - £46,035).

The portfolio generated income of £68,844 (2020 - £89,230) during the period, which represents a yield of 2.0% (2020 – 2.9%). The yield is consistent with market returns in general. The portfolio generated unrealised gains during the period of £388,032 (2020 – unrealised losses of £3,578).

FUTURE PLANS

This year we have revisited our BHS Trust Fund Strategy, realigning it to ensure that we focus on achieving the Fund's objectives. It has four strands, with a Sub-group leader responsible for each:

- ◆ Increasing our Beneficiaries
- ◆ Team Development
- ◆ Financial and Risk Management
- ◆ Operational

Increasing our Beneficiaries

This key strategic strand centres on ensuring the BHS Trust Fund thrives and has longevity through increasing its number of applicants and more crucially, its beneficiaries. We have set ourselves a target for the first time of increasing our beneficiaries by 20% year on year.

This work is focussed on:

Maintaining and increasing awareness of the BHS Trust Fund

For individuals who already know of us, it's key to regularly remind them, that we are here to help. We will achieve this through:

- ◆ Using a structured, promotional calendar of ideas for messages/images, as a reference throughout the year, for use in social media and on the website
- ◆ Regularly updating our Facebook posts, continuing to post every 3 weeks and reviewing whether the frequency could be increased, resources allowing. In addition, updating the website as well as other social media platforms, i.e., Instagram and Twitter, to reflect the latest Facebook post
- ◆ Undertaking a review of social media to identify further opportunities to make this communication more effective
- ◆ Sending a welcome postcard to our new mailing list of 2,200 individuals and following up with at least 2 communications per annum

Encouraging individuals to apply

We aim to remove or reduce any possible barriers to individuals applying for help from the Trust Fund. To achieve this, we plan to:

- ◆ Undertake a review of our website to make sure it provides all the right information, is friendly and accessible and reassuring regarding the confidentiality of the application process.
- ◆ In addition, we would like to increase the relatability of our website through the use of more natural photography and real-life stories of how we have helped.
- ◆ Ensure our use of social media encourages individuals to get in touch by reflecting all of the above.

FUTURE PLANS (continued)

Team Development

- ◆ Integral to the success of the BHS Trust Fund, is to have an effective succession plan in place to meet future challenges. This must reflect the roles of the Chair, Trustees, Case Workers and the Operational Team.
- ◆ Following on from the review of the Operational Team, it is key to build and develop individual skills to reflect their new roles and responsibilities.
- ◆ We commit to holding quarterly meetings with Case Workers to support both personal and Team development. Case Workers, will be encouraged to embrace project work opportunities and idea generation.
- ◆ We will continue to carry out reviews and development discussions on an annual basis with Trustees, Case Workers and the Operational Team.
- ◆ Trustees will continue to be encouraged to take advantage of any coaching that supports their self-development, seeking out opportunities to participate in online sessions and in-house courses.

Financial and Risk Management

- ◆ In the year ahead we will continue to ensure the BHS Trust Fund remains financially secure, recognising that beneficiary numbers, and the value of grant awards, are anticipated to grow by at least a further 20% compared with activity levels achieved in 2020/21.
- ◆ We will continue to monitor the Fund's financial activities, comparing actual monthly performance with budget, to ensure any substantive variances are identified and addressed.
- ◆ Together with our investment manager, we will undertake a review of the Trust Fund investment strategy, understanding that our current "balanced return" investing approach, with Fund value enhanced, by significant capital appreciation, has served the Trust well during a period of sustained global market growth.
- ◆ We will benchmark Bhs Trust Fund operational efficiency against that of other grant-giving charities by comparing performance ratios across the sector.
- ◆ Trust Fund solvency will be measured on a quarterly basis, by calculating moving annual costs as a ratio of current Fund asset value, to establish a projection of how many years into the future the Fund might reasonably expect to operate.
- ◆ Each strategic sub-group will take responsibility for reviewing and reporting back on a quarterly basis the Risk Register content which falls within their operational remit. As potential new risks are identified consideration will be given to the mitigation already in place and agreement reached on any new actions required. From this on-going analysis key risk factors will be re-evaluated and carefully monitored.

FUTURE PLANS (continued)

Operational

Our primary objectives for 2021-2022 are to ensure that the Operational Structure, in terms of personnel and processes, is reviewed, challenged and improvements agreed. This will ensure that the Team has the resources, knowledge and skills required, to meet the demands that they may need to address in the months/years to come.

Operational Structure

- ◆ The numbers of BHS Trust Fund employees and hours worked will be reviewed
- ◆ The Job Descriptions and Personal Specifications are to be rewritten
- ◆ The remuneration packages are to be reviewed, in line with increased responsibilities and demands of the various jobs
- ◆ Coaching and training needs will be identified and addressed

Working Smarter

- ◆ A review of requirements necessary to deliver 'working from home' both effectively and securely
- ◆ Equipment needs will be reviewed i.e., linked to Cyber security, protection and backup systems
- ◆ Commence pulling together a 'Best Practice' manual for the daily operational methods and processes

Fund Policies

- ◆ Ongoing review of all the Fund's policies on a rolling basis, ensuring they remain 'Fit for Purpose' and relevant
- ◆ Policies associated with compliance and governance and risk to be linked to the Risk Register

Holiday Programme

- ◆ A review of the holiday programme to be undertaken to ensure that it meets the needs of our future beneficiaries
- ◆ Increased focus and consideration to be given to Days out/ Weekend & Short breaks/UK Theme & Holiday Park breaks to support wellbeing and making memories

FUTURE PLANS (continued)

Documentation Review

- ◆ All documents that are used by the Operational Team are to be re-evaluated, as part of the Working Smarter section i.e., format, content and necessity
- ◆ Clear understanding of which documents are required in hard copy versus electronic storage, considering the needs of our Auditors
- ◆ Review our application form and associated documents, considering complexity, ease of completion by the applicant, the needs of Trustees when making an informed decision on the level of awards

GOVERNANCE, STRUCTURE AND MANAGEMENT

Governance

The BHS Trust Fund is governed by a Charitable Incorporated Organisation (CIO). This was approved by the Charity Commission on 20 February 2017 and came into force at midnight on 31 May 2017, when the Charitable Trust known as the Bhs Limited Employee Trust Fund become dormant, with all of its assets being transferred to the BHS Trust Fund, Charity Registration Number 1171705. All reference to the Charity Trust has been subsequently removed from the Register of Charities.

Trustees

Trustees continue to be encouraged to attend external courses that they feel are relevant to their personal development and responsibilities they have, keeping up to date with current legislative and governance issues.

The following Trustees were in office at 31 May 2021 and served throughout the period except where shown:

Trustee
H Hamer (Chairperson)
D Crudge (Trustee)
B Edgar (Trustee)
R Eller (Trustee)
C Gibson (Trustee)
K Smalls (Trustee)
R Tocock MBE (Trustee)
S Topping (Deputy Chairperson)

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees

Helene Hamer - Chair

I have always considered myself very lucky, that I was given the opportunity to join Team BHS, it was not just a job! I had joined a family, one, which gave me the chance to develop my career, that took me through 35 years of working in Stores and Regional Management.



When it came to taking early retirement, the thought of moving on was quite daunting. As it happened, I was given a very fortunate opportunity that allowed me to still be involved, as the Fund Secretary, a job I loved and found to be so rewarding. I was now able to do my part in helping my BHS colleagues, when they found themselves dealing with hard times. You cannot put into words, seeing tears turn into smiles and confidence take the place of fear.

As Chair, I am so proud to be working with my Team of Trustees, Case Workers and our dedicated Operational Team. It is also great to know and see the BHS passion, dedication, commitment and caring, for our former colleagues, is as alive today, as it was when BHS Stores closed.

This year on the 5th December 2021, the BHS Trust Fund will celebrate its 70th Anniversary. What a fantastic achievement that the Fund is still here today! Despite all the ups and downs of retailing, it continues to be here to support and help our former colleagues.

Sue Topping - Deputy Chair

I worked in BHS Human Resources for 29 years, with the final 6 years as HR Director. Typically for retail, we faced many challenges over the years, but the really enjoyable aspect was working with such fantastic people - always professional, committed, passionate about retail and caring about each other.



Leaving the BHS family was difficult, so continuing as a Trustee for the BHS Trust Fund, was a great way to stay connected. We're looking after such a fantastic legacy set up by BHS Directors in 1951 – who would have thought it would still be helping former BHS employees, 70 years later! It's hugely rewarding & humbling to be able to support individuals facing difficult times for a huge variety of reasons. And we always love to hear how things have improved from those we've helped. We're constantly finding new ways to spread the word so that we increase the number of individuals we help. My hope is that we can continue for many years to come!

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees (continued)

Rosemary Toccock – MBE

I became a Trustee of the BHS Trust Fund, a role I am very proud of, as I wanted to give something back, having enjoyed my long-time service with the Company and the people that I came into contact with while at BHS. I was the Chairman of The Retired Staff Association, again a position I extremely enjoyed and was proud of. Serving in this role, had given me a good understanding and knowledge of the types of people applying to us, for help.



I have a broad understanding of how other Charities work. Currently I am Chairman of The Reading and Wokingham MS Society, a role I enjoy. My husband had MS all our married life.

I also help with Girl Guiding and The National Trust, which again, I find extremely satisfying. These roles have widened my outlook on the various ways there are of helping others.

I enjoy being a Trust Fund Trustee and feel we have moved forward significantly in the last few years and as a Charity, we have created something to be very proud of.

During a difficult 12 months, how we work has changed, giving us a number of new opportunities and a new way of working. I do not feel the Fund has been hindered in anyway and that it's made us stronger and more flexible in our approach. We have helped and guided many people, who are trying to ensure a better future for themselves and their families, which is very rewarding.

David Crudge

I commenced my career with British Home Stores in 1968.

Over the next ten years I completed a management training programme that ultimately led to my appointment as the Store Manager at Kingston upon Thames. On leaving the company in 1978 I gained further retail experience with Mothercare, before establishing my own business. This initially led to a consultancy role with Clarks Shoes where my career subsequently progressed to leadership of the Franchise division.



Following my retirement in 2009 my ambition was to seek volunteering opportunities that enabled a value-adding transfer of my business and life skills, towards the support of charitable causes in my neighbourhood. I currently serve as a volunteer with my local hospice and act as a trained mediator in facilitating local community disputes. Following my appointment in 2014 as a Case Worker with the BHS Trust Fund, I have subsequently taken on a role as Trustee with the Fund.

This re-connect with BHS, through the workings of the Trust Fund, is a relationship with which, from a cultural perspective, I feel very comfortable with. To be engaged with an organisation that strives to help and support former BHS employees, many of whom face significant financial, health and psychosocial problems, is a role that I find personally, purposeful and worthwhile.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees (continued)

Charles Gibson

I joined BHS in 1978 as a management trainee in Glasgow.

After completing my management training, I was moved to various locations across the country, eventually returning to Scotland as Manager of the Edinburgh store. I left BHS in 2000, to pursue other retail opportunities, returning in 2005, until my retirement in 2016. During that time, I was working in various Scottish stores.



I have always felt the most valuable strength within BHS were the people, who worked in the business. The majority of these being very committed, caring and hardworking individuals.

The Trust Fund has helped employees experiencing financial hardship for many years. After retirement and the closure of BHS, an opportunity existed for me to join the BHS Trust Fund. I felt I would like to be involved in helping former colleagues who were experiencing all sorts of difficulties and life changing events.

It's a great privilege to be part of the Trustee team, helping individuals and their families, that are currently facing financial issues. Having worked in many locations, I hope I have an understanding of the challenges being faced by former colleagues and I have a great feeling of satisfaction when the Trust can help and really do make a difference.

Robert Eller

I very much enjoyed my 13 years being part of the BHS Foodservice team, initially as an analyst and then as a buyer. During this time, I made many friends throughout the business, some now part of the Trustee and Case Workers group and I look back with great affection and gratitude for the experiences I gained being part of that BHS team.



I am currently employed as Head of Purchasing for Apetito, a manufacturing company based in Wiltshire, providing meals to some of the most vulnerable people in society, including Hospitals, Care homes and Meals on Wheels, and includes the retail brand Wiltshire Farm Foods, delivering frozen ready meals to the elderly in their homes.

With this relevant business experience, I was keen to become further involved in charity work and was delighted to be appointed as a Trustee, in 2019, for the BHS Trust Fund, part of a company that shaped my early career. I am keen to gain more experience of how our Charity operates and supports people.

Despite the closure of the BHS business in 2016, the Fund, has continued to be able to reach those most in need and developing the strategy for the future success of the Fund, working alongside the Trustee and Case Worker Team, is a continued source of satisfaction and great enjoyment.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees (continued)

Keith Smalls

My name is Keith Smalls, I am one of the Trustees of the BHS Trust Fund.

I have been a member of the Trustee group for just over a year.

I joined BHS in 1973 as a management trainee and worked for the company for 33 years. I always enjoyed my time with the company and I had a close affinity with the people. In 2020, when I was given the opportunity to join the BHS Trust Fund, I felt privileged and honoured to join the team.

I was very aware of the excellent work being carried out by the Trust Fund, during my time working in BHS. Joining the Trustee Team, is allowing me to give something back to the BHS Team I once was part of, and giving me a more comprehensive appreciation of the valuable work, they do in so many different ways.

The Fund works with many people, who often face life changing events, usually unexpected, that significantly impacts their daily lives. Many are very sad cases, where people are simply desperate for help. Our work is very rewarding and meaningful and the reason why I do this role.

I have been very lucky in my life, not without its ups and downs, but fortunately more ups than downs. Sadly, this is not the case for many people, not usually through their own fault, but by events outside of their control. There is no better feeling than helping others who need help, or are not coping. My position as a Trustee, has been very fulfilling and a worthwhile role for me.

Beverley Edgar

When I began my career in BHS in 1979, I would never have imagined that I would still be connected to the people I worked with again in 2021!

My career has always been about looking after people and especially during the last 18 years as a Manager and HR Director with the NHS. I have been privileged to learn so much during this time and I do know how challenging life can be for so many people. Working in the NHS has been truly rewarding and has led to me being appointed as a Trustee at the Midlands Hospice Partnership - a role I am passionate about and again helps me use my skills and knowledge to help people most in need.

Equally, I am now so pleased to have been appointed as a Trustee of the BHS Trust Fund, because I know we can genuinely help former colleagues when they might need us the most. Anyone can find themselves in a difficult financial situation or may feel lonely or isolated. The work we do enables our former colleagues to feel that the BHS Family is alive today, as a caring network and that we are still upholding the values we shared in looking after each other - even if for some of us, it was many years ago.



GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' report and accounts 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 Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these accounts, the Trustees are required to:

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in 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);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- ◆ prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act 2011, applicable Charity (Accounts and Reports) Regulations and the provisions of the constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Structure and management reporting

The Trustees are ultimately responsible for the policies, activities and assets of the Trust. They meet at least three times a year to review the developments with regard to the Trust, its grant giving and loan activities and make any important decisions. When necessary, the Trustees seek advice and support from the Trust's professional advisers including investment managers, solicitors and accountants.

Day to day administration of the Trust is carried out by the appointed Fund Secretary, supported by the Fund Administrator. Both are wholly accountable to the Trustees, supported by a number of volunteer Case Workers. The Fund Secretary and Fund Administrator meet with, and communicate with, the Trustees on a regular basis. This is carried out through regular meetings, email communication and use of SKYPE.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Structure and management reporting (continued)

At their meetings, the Trustees review the investment performance, and the investment managers attend the meetings to update the trustees in detail on the portfolio. The Trustees review the proposals for grants to be made and approve them as appropriate.

Key management personnel

The Trustees consider that they together with the Fund Secretary and Fund Administrator comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day-to-day basis.

The remuneration of the Fund Secretary and Fund Administrator is decided upon by the Trustee group.

Risk management

In line with the requirement for charity Trustees to undertake a risk assessment exercise and report on the same in their annual report, the Trustees have looked at the risks the Trust faces and have reviewed the measures in place to deal with them. The Trustees have identified five main areas where risks may occur:

- ◆ Governance and management
- ◆ Operational
- ◆ Financial
- ◆ Reputational
- ◆ Laws, regulations, external and environmental

Governance and management looks at the risk the Trust suffers from a lack of direction, the skills and training of the Trustees and the good use of its funds.

Operational looks at the risk inherent in the activities of providing grants and making loans to individuals.

Financial risks include those arising as a result of poor budgetary control, inappropriate spending, poor accounting, inappropriate investment policies, etc.

Reputational looks at possible damage to reputation, through association with unsuitable organisations or with inappropriate activity.

Laws, regulations, external and environmental looks at the effects of government policies, the consequences of non-compliance with laws and regulations and the effect of external matters on the investment portfolio.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

Having assessed the major risks to which the Trust is exposed, in particular those relating to the investments and the finances, the Trustees believe that by ensuring controls exist over key financial systems, and by delegating the investment management function to investment managers, subject to regular monitoring, including periodic reviews of performance against benchmark, they have established effective systems to mitigate those risks.

The key risks for the Trust during the period, as identified by the Trustees, are described below together with the principal ways in which they are mitigated:

- ◆ The value of investments. The value of listed investments is dependent on movements in UK and world stock markets. The investments are managed by reputable investment managers who adhere to a policy agreed by the Trustees. The investment strategy is assessed regularly to ensure it remains appropriate to the Trust's needs, both now and in the future.
- ◆ Reliance on key staff and Trustees and the need for succession planning. Advice is taken on investment management, accountancy, legal and business matters from professionals. The Trustees meet regularly.

Signed on behalf of the Trustees

H Hamer

Approved by the Trustees on: 8 February 2022

Independent auditor's report to the Trustees of BHS Trust Fund

Opinion

We have audited the accounts of BHS Trust Fund (the 'charity') for the year ended 31 May 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows, the principal accounting policies and the notes to the accounts. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the accounts:

- ◆ give a true and fair view of the state of the charity's affairs as at 31 May 2021 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the accounts section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the accounts, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the accounts are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion:

- ◆ the information given in the Trustees' annual report is inconsistent in any material respect with the accounts; or
- ◆ sufficient accounting records have not been kept; or
- ◆ the accounts are not in agreement with the accounting records and returns; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- ◆ the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; and
- ◆ we obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011).

We assessed the susceptibility of the charity's accounts to material misstatement, including obtaining an understanding of how fraud might occur, by:

- ◆ making enquiries of management and Trustees as to their knowledge of actual, suspected and alleged fraud; and
- ◆ considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- ◆ performed analytical procedures to identify any unusual or unexpected relationships; and
- ◆ assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

Auditor's responsibilities for the audit of the accounts (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- ◆ review of the minutes of Trustees; and
- ◆ enquiring of management and Trustees as to actual and potential litigation and claims.

As a result of our procedures we did not identify any key audit matters relating to irregularities.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustees, as a body, in accordance with section 144 of the Charities Act 2011 and with regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

Date: 16 February 2022

Buzzacott LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Statement of financial activities Year to 31 May 2021

	Notes	Unrestricted funds	
		2021 funds £	2020 funds £
Income from:			
Investments	1	68,844	89,230
Interest receivable	1	19	352
Other sources		142	800
Total income		69,005	90,382
Expenditure on:			
Raising funds			
. Investment management fees		21,394	20,842
Charitable activities			
. Relief of hardship amongst former employees of Bhs Limited, their dependents and retired employees of that company	2	204,023	190,739
Total expenditure		225,417	211,581
Net expenditure before investment gains (losses)		(156,412)	(121,199)
Net investment gains (losses)	8	475,332	(42,525)
Net Income (expenditure) and net movement in funds	5	318,920	(163,724)
Reconciliation of funds:			
Fund balances at 1 June 2020		3,150,621	3,314,345
Fund balances at 31 May 2021		3,469,541	3,150,621

All recognised gains and losses are included in the above statement of financial activities.

Balance sheet 31 May 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Investments	8		3,439,777		3,086,546
Current assets					
Debtors	9	2,402		6,389	
Cash at bank and in hand		75,211		71,058	
		77,613		77,447	
Creditors: amounts falling due within one year	10	(47,849)		(13,372)	
Net current assets			29,764		64,075
Total net assets			3,469,541		3,150,621
The funds of the Trust					
Unrestricted income funds			3,469,541		3,150,621

Approved by the Trustees and signed on their behalf by:

H Hamer

Trustee

Approved on: 8 February 2022

Statement of cash flows Year to 31 May 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(184,798)	(212,515)
Cash flows from investing activities:			
Investment income and interest received		66,850	89,980
Proceeds from disposal of investments		885,716	608,059
Purchase of investments		(745,628)	(614,224)
Net cash provided by investing activities		206,938	83,815
Change in cash and cash equivalents in the period		22,140	(128,700)
Cash and cash equivalents at 1 June 2020		117,093	245,793
Cash and cash equivalents at 31 May 2021	B	139,233	117,093

Notes to the statement of cash flows for the period to 31 May 2021

A Reconciliation of net movement in funds to net cash used in operating activities

	2021 £	2020 £
Net movement in funds (as per the statement of financial activities)	318,920	(163,724)
Adjustments for:		
(Gains) losses on investments	(475,332)	42,525
Investment income and interest receivable	(68,863)	(89,582)
Decrease in debtors	6,000	6,299
Increase (decrease) in creditors	34,477	(8,033)
Net cash used in operating activities	(184,798)	(212,515)

B Analysis of changes in cash and cash equivalents

	2020 £	Cash flows £	2021 £
Cash at bank and in hand	71,058	4,153	75,211
Cash held by investment managers	46,035	17,987	64,022
Total cash and cash equivalents	117,093	22,140	139,233

No separate statement of changes in net debt has been prepared as there is no difference between the movements in cash and cash equivalents and movement in net cash (debt).

Principal accounting policies 31 May 2021

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the accounts are laid out below.

Basis of preparation

These accounts have been prepared for the year to 31 May 2021 with comparative information given in respect to the year to 31 May 2020.

The accounts have been prepared in accordance with the principles set out in 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 United Kingdom and Republic of Ireland (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these accounts.

The Trust constitutes a public benefit entity as defined by FRS 102.

The accounts are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the accounts requires the Trustees and management to make significant judgements and estimates.

The main area in the accounts where judgements and estimates have been made relates to estimating future income and expenditure flows for the purpose of assessing going concern.

Assessment of going concern

The Trustees have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The Trustees have made this assessment in respect to a period of at least one year from the date of approval of these accounts.

The Trustees have concluded that there are no material uncertainties related to events, the Covid-19 pandemic or other conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees are of the opinion that the Trust will have sufficient resources to meet its liabilities as they fall due. With regard to the next accounting period, the year ending 31 May 2022, the most significant areas that affect the carrying value of the assets held by the Trust will be the level of investment return and the performance of the investment markets (see the investment policy and the risk management sections of the Trustees' report for more information).

Income recognition

Income is recognised in the period in which the Trust has entitlement to the income, the amount of income can be measured reliably and it is probable that the income will be received.

Income comprises investment income, interest receivable, and income from other sources.

Investment income is recognised once the dividend or similar income has been declared or is payable and notification has been received of the amount due.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank.

Income from other sources is recognised when the Trust is entitled to the income, the amount due can be quantified and there is probability of receipt.

In accordance with the Charities SORP FRS 102 volunteer time is not recognised.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. The classification between activities is as follows:

- a. Expenditure on raising funds comprises the fees paid to investment managers in connection with the management of the Trust's listed investments.
- b. Expenditure on charitable activities comprises expenditure on the Trust's primary charitable purposes as described in the Trustees' report and includes grants payable so as to relieve the hardship of former employees of Bhs Limited, their dependents or retired employees of the company together with costs directly related to the relief of hardship. Grants payable are included in the statement of financial activities when approved and when the intended recipient has either received the funds or been informed of the decision to make the donation and has satisfied all related conditions. Grants approved but not paid at the end of the financial year are accrued for. Grants where the beneficiary has not been informed or has to meet certain conditions before the grant is released are not accrued for but are noted as financial commitments in the notes to the accounts.

Expenditure recognition (continued)

Included within expenditure on charitable activities is the cost of food vouchers which are purchased to hand to beneficiaries of the charity when the trustees believe it more appropriate to give these rather than cash grants. At any one time, the charity will have a small quantity of such vouchers which have not been allocated to beneficiaries. These are not recorded as stock as their value is not deemed material to the charity's accounts.

Allocation of support and governance costs

The provision of grants and loans to beneficiaries requires expenditure on support and administrative services in respect to liaising with grant and loan applicants and recipients. In addition, in order to carry out the primary purposes of the Trust it is necessary to incur expenditure on support in the form of accounting, office services and a suitable working environment.

Governance costs comprise the costs involving the public accountability of the Trust (including audit costs) and costs in respect to its compliance with regulation and good practice.

All such direct and indirect overheads are allocated to the Trust's principal charitable objective of relieving hardship amongst former employees of Bhs Limited, their dependents and retired former employees of that company.

All expenditure is stated inclusive of irrecoverable VAT.

Fixed asset investments

Listed investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price.

The Trust does not acquire put options, derivatives or other complex financial instruments.

As noted above the main form of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains (or losses) on investment assets are calculated as the difference between disposal proceeds and their opening carrying value or their purchase value is acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value at that date. Realised and unrealised investment gains (or losses) are combined in the statement of financial activities and are credited (or debited) in the period in which they arise.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the Trust anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Fund accounting

The unrestricted income funds represent those monies that are freely available for application towards achieving any charitable purpose that falls within the Trust's charitable objectives.

1 Income from: Investments and interest receivable

	2021 £	2020 £
Income from listed investments		
UK fixed interest securities	5,070	5,792
Overseas equities	19,634	17,190
UK equities	33,266	40,825
Alternatives	10,874	25,423
	68,844	89,230
Income from interest receivable		
Bank interest	19	258
Interest on cash held with investment managers	—	94
	19	352
Total	68,863	89,582

2 Expenditure on: Relief of hardship amongst former employees of Bhs Limited, their dependents and retired employees of that company

	2021 £	2020 £
Grants payable	132,846	108,934
Retired Staff Association expenses	1,348	7,360
Administration costs including liaison with grant and loan recipients	69,829	74,445
	204,023	190,739

Administration costs including liaison with grant and loan recipients include staff costs of £33,394 (2020 – £29,858) (note 3).

The grants payable during the period were for the following purposes:

	2021 £	2020 £
Hardship grants	132,846	85,796
Annual holiday	—	23,138
	132,846	108,934

During the year a total of 118 grants were awarded to individuals by the Trust. On occasions more than one grant has been awarded to an individual (2020 – 102 grants).

No annual holiday took place during 2021 due to the restrictions imposed by the Covid-19 pandemic.

3 Staff costs and remuneration of key management personnel

Staff costs during the period were as follows:

	2021 £	2020 £
Wages and salaries	33,394	29,858

No employees earned £60,000 per annum or more (including taxable benefits) during the year (2020 – none)

The average number of employees during the year was three (2020 – two).

The trustees consider that they together with the Fund Secretary and Fund Administrator comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis. The total remuneration (including employers' national insurance contributions) of the key management personnel for the year was £30,392 (2020 – £29,858).

4 Governance costs

	2021 £	2020 £
Auditor's remuneration (including VAT):		
. Statutory audit services	7,602	7,416
Legal and professional	4,624	1,649
	12,226	9,065

5 Net income (expenditure) and net movement in funds

This is stated after charging:

	2021 £	2020 £
Staff costs (note 3)	33,394	29,858
Auditor's remuneration (including VAT)	7,602	7,416

6 Trustees' expenses and remuneration and transactions with trustees

None of the trustees received any remuneration for their services during the year (2020 – none).

Travel expenses totalling £320 were reimbursed to four trustees during the year (2020 – £4,389 to eight trustees).

7 Taxation

The Trust is a registered charity and, therefore, is not liable to income tax or capital gains tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

8 Investments

	2021 £	2020 £
Listed investments at market value		
. At 1 June 2020	3,040,511	3,076,871
. Additions at cost	745,628	614,224
. Disposals at opening book value (proceeds: £885,716; realised gains: £87,300)	(798,416)	(647,006)
. Unrealised gains (losses) on revaluation	388,032	(3,578)
. At 31 May 2021	3,375,755	3,040,511
Cash held by investment managers for reinvestment	64,022	46,035
	3,439,777	3,086,546
 Listed investments at cost	 2,498,084	 2,456,366

All listed investments were dealt in on a recognised stock exchange.

Listed investments held on 31 May 2021 comprised of:

	2021 £	2020 £
UK fixed interest securities	126,469	133,017
Overseas fixed interest securities	135,919	143,744
UK equities	1,109,204	1,113,679
Overseas equities	1,546,898	1,159,016
Property funds	192,864	273,024
Alternatives	264,401	218,031
	3,375,755	3,040,511

At 31 May 2021, the following holdings constituted material holdings when compared to the value of the total listed investment portfolio at that date:

	2021 Market value £	2021 % of portfolio %	2020 Market value £	2020 % of portfolio %
Charities Property Fund	161,694	4.8	164,418	5.4
Schroder Inv Mg E ISF Asian Total Rtn C	175,303	5.1	93,744	3.1
JP Morgan Funds Ltd US Equity Inc K	200,400	6.0	—	—
Baillie Gifford American W3 Dis	200,421	6.0	172,050	5.7
Spdr S&P500 Etf Tr. Units Ser 1 S&P	394,048	11.7	404,753	13.3

9 Debtors

	2021 £	2020 £
Accrued investment income	2,402	389
Prepayments	—	6,000
	2,402	6,389

10 Creditors: amounts falling due within one year

	2021 £	2020 £
Investment purchase	27,200	—
Grants payable	8,428	750
Accruals	12,221	12,622
	47,849	13,372

11 Related party transactions

There were no related party transactions requiring disclosure in the year to 31 May 2021 (2020 – none).

12 Unrealised gains

The total unrealised gains at 31 May 2021 constituted movements on revaluation and were as follows:

	2021 £	2020 £
Total unrealised gains at 31 May 2021: On investments	877,671	584,145
Reconciliation of movements in unrealised gains:		
Unrealised gains at 1 June 2020	584,145	639,061
In respect to disposals in the period	(94,506)	(51,338)
Net gains (losses) arising on revaluations arising in the period	388,032	(3,578)
Total unrealised gains at 31 May 2021	877,671	584,145