

**BHS Trust
Fund**

Annual Report and Accounts

31 May 2022

Charity Registration Number
1171705

Contents

Reports

Reference and administrative details of the charity, its trustees and advisers	1
Trustees' report	2
Independent auditor's report	31

Accounts

Statement of financial activities	35
Balance sheet	36
Statement of cash flows	37
Principal accounting policies	38
Notes to the accounts	42

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

Trustees	D Crudge B Edgar R Eller C Gibson H Hamer (Chairperson) K Smalls 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 OUR CHAIR

Our reporting year from June 2021 to May 2022 has come to end. It was a real step forward to have lockdown restrictions on social mixing end in March 2022. Certainly, a real positive for everyone, as we could all see our lives returning to normal, though many of us felt it would be a different normal. Covid 19 has had a profound effect on us all having changed our lives and values, both at work and home, in ways we never imagined.

Whilst we have come through the challenges of the last two years, we still have more significant challenges to face. These include the havoc that the pandemic created, impacting the world economy and the effects of the War in Ukraine, resulting in increased energy prices and cost of living price rises.

Here at the BHS Trust Fund, we have had to face change also, ensuring that we can respond to the effects of all the above on our society and applicants. We have been prepared to challenge and question our operations at all levels, ensuring that we could respond to the needs of all our beneficiaries.

Our four strategic objectives of Increasing Our Beneficiaries, Team Building, Financial and Risk Management and Operational, are rigorously reviewed and challenged at our quarterly meetings, to ensure our focus is both maintained and fit for purpose. I am pleased to announce that we will introduce a Wellbeing strand for 2022/2023, which will allow us to develop greater levels of support for individuals and their families. This will allow them time and relaxation away from the stress and anxieties caused by today's many challenges.

We are in the privileged position of being able to provide help and support to all former BHS Employees who have come to us throughout this financial year. What has become very clear to us all is that our applications have become more complex and often taking the individuals much longer to take the difficult steps of asking for our help. Whilst this year we have seen a small decrease of 5% in our contacts to the Fund, 146 against 153, our actual cash awards are up by 10%. Our Christmas grant activity saw a 15% decrease from 88 to 75 grants awarded. We believe these small decreases come following the exceptional increases achieved, the previous year, when we all faced our first ever enforced lockdown. Through this period many people faced worries about their incomes and work status, increasing stress and anxiety levels. In addition, concerns regarding not only their own health, but that of their family and friends were also prevalent. These worries may not have gone away, but many individuals have learned to cope better as time goes by.

May I take a moment to recognise our team of Employees, Caseworkers and Trustees who have certainly risen to the demands and challenges that we have faced, constantly adapting and being there when needed. We are so proud to have such a dedicated team of individuals.

When you go through our Trustees' report you will see that whilst some things have gone well, there will be some areas where we feel we could have done better, as we endeavour to provide help and support to individuals and their families who worked at BHS. Our key message remains unchanged - we are here to help. Our small team of incredible people are very focused on being there to make a difference for everyone who is struggling through these very difficult and uncertain times.

INTRODUCTION - MESSAGE FROM OUR CHAIR (continued)

As I end this message, may I share with you that the BHS Trust Fund celebrated its 70-year anniversary in December 2021. We have been here as a Fund, supporting our former employees, who worked for BHS during its 80+ years presence on the High Street, until the company finally closed in August 2016. As we now move into 2022/2023, I know I can speak for the whole Trust Fund Team, as well as myself, that it has been a great privilege and honour to have supported and made a real difference to the lives of our beneficiaries and their families through these very difficult times of the Covid 19 Pandemic.

Trustees' report Year to 31 May 2022

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 2022.

The accounts have been prepared in accordance with the accounting policies set out on pages 38 to 41 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 struggles 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 individual holidays or a short UK break.

Individuals can make a personal application by directly contacting our Trust Fund Manager, Grant Manger 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 next steps will be discussed and agreed.

The Caseworker will then arrange a meeting or telephone call, to go through the application and gain an understanding of how the Fund may be able to support the applicant. Following this, recommendations are made and the case file, which may include the involvement of other outside agencies, will be sent to the Trustees Board for approval of the most appropriate levels of support.

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2021 - 2022

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

- ◆ Increasing Our Beneficiaries
- ◆ Team Building
- ◆ Financial and Risk Management
- ◆ Operational

Increasing Our Beneficiaries

Our Fund Awareness strand of work is renamed Increasing Our Beneficiaries - this better describes the primary objective of our marketing and communications activity, which is to increase the number of individuals in need who receive our help.

We have seen a small decrease in applicants of 5% year on year, from 153 to 146 and a corresponding reduction in beneficiaries of 7% from 81 to 75. In addition, our Christmas awards decreased by 15% from 88 to 75. Our average full awards have increased by 23% year on year to an average of £1,622 per beneficiary, as we endeavour to better meet the needs of our applicants, many of whom face a complex range of challenges.

Whilst we have a watchful eye over this decrease in applicants and beneficiaries, these reductions are relatively small and we believe can primarily be accounted for by an exceptional year in 2020/2021, the first year of the pandemic. Across this year, individuals experienced a high degree of anxiety through major health concerns, job losses and economic pressures, resulting in a heightened level of demand for our support.

Setting aside the pandemic year, we are pleased that both the number of applicants and individuals helped show an increase against 2 years ago, 2019/2020, before the pandemic hit down – full grants were up by 36% and full applications were higher by 27%.

To raise the level of both applicants and beneficiaries, our activities centred on increasing awareness and encouraging individuals to contact us:

- ◆ Social media - Facebook remains of key importance as a channel to reach our followers of nearly 1,000 to remind them that we're here to help and to encourage individuals in need to get in touch. We refreshed with a new post and topical message every 2 to 3 weeks and used boosted posts to reach more individuals. Each new Facebook post is reflected on our website, Instagram, and Twitter.

We monitored the source of our applicants more rigorously so we can assess the effectiveness of individual Facebook posts. For the full year, circa 30% of applicants have been encouraged to apply having seen a Facebook post and we believe this will continue to increase going forward.

We undertook a review of our wider use of social media, supported by a Caseworker with marketing experience. This identified several potential opportunities for us, which will be addressed going forward.

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2021 - 2022 (continued)

Increasing Our Beneficiaries (continued)

- ◆ BHS Trust Fund website - this year saw a major piece of work to refresh our website, with the overall aim of ensuring it conveys all the right messages in a friendly and accessible way. We gathered ideas from our wider team and identified the best ideas to take forward.

This work was completed primarily within the financial year, introducing Frequently Asked Questions, new and more appropriate images, the use of symbols to signpost different sections and clearer navigation, to name a few improvements.

- ◆ Mailing List - we continued to grow this, albeit by a relatively small amount as individuals are increasingly using social media rather than more traditional communication routes.

All applicants are now automatically added to the mailing list unless they opt out. Our mailing list is particularly effective for our Christmas campaign, when we send a seasonal card and letter and encourage individuals who are struggling financially to apply for help at Christmas.

Team Building

The ongoing development and inclusion of our wider team continues to be one of our key priorities.

Following our review of the BHS Trust Fund's strategic objectives earlier this year, we decided to rename this strand Team Building. We felt this reflected our responsibilities more appropriately, working with our skilled and knowledgeable team of both volunteers and employees

Also, through the course of this year we have continued to collaborate with our team on succession planning. This has allowed us to future proof the Trust Fund's needs and ensure that we have the resources in place to meet the demands of the next 2-5years.

We have a cohesive team, who are prepared to influence and challenge to help us achieve our key objectives.

- ◆ Trustees
 - ◇ Our Trustee review process has been successfully completed, allowing us to create a skills matrix that details individual needs.
 - ◇ Upon completion of the review process, personal development plans have been created and regularly reviewed.
 - ◇ The Trustee development opportunities have been extensive. Attendance at governance sessions with our Fund Advisors, Buzzacott and Investec, in-house opportunities, as well as external webinars.

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2021 - 2022 (continued)

Team Building (continued)

- ◆ Trustees (continued)
 - ◇ All Trustees take an active role in the creation and development of the Fund Strategy which includes leading or supporting sub-group activities and conducting regular reviews.
 - ◇ Trustees are encouraged to take part in the Caseworkers' quarterly meetings, which includes facilitating and group participation.
- ◆ Caseworkers
 - ◇ Caseworkers' development discussions have been completed, which allowed us to understand more fully their personal aspirations.
 - ◇ The completion of the review process allowed us to establish their personal development plans, with their aspirations being built into our succession planning programme.
 - ◇ This year we have had the opportunity to enhance our Caseworker numbers with three new volunteers. All successfully completed their induction period and were supported throughout by a mentoring colleague.
 - ◇ Continuation of Caseworkers' quarterly meetings, held on Zoom, enabled them to be updated, review applications, share the strategic updates and day to day activities of the Fund.
 - ◇ Caseworkers and Trustees have had the opportunity to attend presentations from outside charities, with speakers from Step Change, a debt management charity, and the Fashion Textiles and Children's Trust.
 - ◇ We continue to review, maintain and update the Caseworkers' tool kit, providing information and fact sheets, to assist them when preparing for applicant interviews.
- ◆ Operational Team
 - ◇ Operational Team development discussion have taken place. Through these discussions we have gained a clear understanding of the team's personal objectives for the future.
 - ◇ Following the Operational reviews, we have been able to conduct a detailed assessment of our Operational succession planning needs.
 - ◇ Our new Fund Administrator has followed and successfully completed an induction and initial training programme.

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2021 - 2022 (continued)

Team Building (continued)

- ◆ Operational Team (continued)
 - ◇ All Operational team members are fully included and engaged in all aspects of training and development within the Fund.
 - ◇ The Trust Fund Manager holds regular team meetings, which involves opportunities to review and assess her team's knowledge and skills development.
 - ◇ Attendance at all Ordinary Trustee Meetings, the AGM, and any other relevant team meetings, ensures they are kept fully informed and engaged.

Financial 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 entrusted to their advisors, Investec Wealth & Investment Limited.

In setting the above objective, the Trustees understand that the Fund's financial assets are subject to active oversight and management by Investec. These assets are broadly spread, 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 Trust Fund Manager has on-line access via the Investec website that informs Trustees of the current portfolio value as, and when, necessary.

Risk Management

The Fund maintains a Risk Register that examines and evaluates the various risks to which the organisation could possibly be exposed, detailing the appropriate mitigation measures that are in place. The Register is subject to strategic sub-group oversight with review and update on a quarterly timescale.

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2021 - 2022 (continued)

Risk Management (continued)

The Trustees have identified five general areas within which risks may occur.

♦ **Governance and Management**

Considers the risks the Trust might suffer from lack of strategic direction, ineffective Trustee oversight, or a misaligned 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, potential risks associated with the delivery of a less than optimal service provision for potential beneficiaries are also examined.

♦ **Financial**

Risks include those arising because 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.

♦ **Reputational, Environmental or External**

Considers the possible damage to the Fund's 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 generate 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 attaining compliance with, for example, Charity Commission, HMRC, Audit reporting or GDPR requirements.

The Fund Risk Register identifies specific risks to which the Trust could potentially be exposed. The document considers how these risks might individually impact the organisation and confirms all the current mitigating actions. These are subject to regular review by means of a dynamic Trustee assurance process.

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

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2021 - 2022 (continued)

Risk Management (continued)

There are three examples of these 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 intended audience.

The Trust is actively and successfully developing communication links through social media channels, its own website, and directly via its database of ex-employees, to cascade topical information and messaging that engages with its target audience. Purposeful collaboration with other charities, notably StepChange and FTCT, has led to referrals from these organisations. Progressively positive response rates have been recorded throughout this accounting period.

- ◇ A challenging investment environment creating Fund value volatility.

Active lines of communication with Investment Manager that informs reasons for volatility, reassuring Trustees to focus on >10 years timescales.

- ◇ Staff turnover within a small team that could result in loss of people with critical skills and experience.

A detailed and approved succession plan exists with a clear and specific timescale to meet operational needs and maintain required skills. A review process is completed annually which recognises individual achievements and further development needs.

Operational

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

The main areas of focus have been as follows:

- ◆ Operational Structure
 - ◇ A full review was undertaken to understand the Operational team's needs, in terms of the number of employees the BHS Trust Fund required to deliver a first-class professional operation - to fulfil both today's need, and the expected growth and demands being placed on the Fund in the future
 - ◇ The proposal was drafted and submitted for Trustee approval, which resulted in the appointment of our new Fund Administrator.

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2021 - 2022 (continued)

Operational (continued)

- ◆ Operational Structure (continued)
 - ◇ Part of the above review resulted in the Fund Secretary being appointed to the role of Trust Fund Manager and a new role of Grant Manger being created. All these appointments became effective in September 2021.
 - ◇ The Job Descriptions and Personal Specifications were written to support the above changes, giving everyone clear objectives and accountabilities.
 - ◇ The remuneration packages were reviewed, in line with increased responsibilities and demands of the various jobs.
 - ◇ Coaching and development needs were identified and plans put in place to address any shortcomings.
- ◆ Working Smarter
 - ◇ The Trustees and Operational team reviewed all the requirements necessary to deliver 'working from home' both effectively and securely. Recommendations approved by the Trustees, ensured that only dedicated Fund equipment and devices could be used, and other office equipment required could be purchased.
 - ◇ Equipment purchased along with protection and backup systems, to ensure that as a Fund we were as protected and compliant as possible.
- ◆ Fund Policies
 - ◇ Ongoing review of all the Fund's policies on a rolling basis, ensuring they remain 'Fit for Purpose' and relevant throughout the year
 - ◇ Our policy for Awarding Grants was revisited, amended, and approved. This had been distributed for inclusion in our updated Caseworkers Tool Kits
 - ◇ Working in conjunction with the Financial and Risk Management subgroup, the Risk Management Policy, the Risk Register, and associated documents had been completely reworked. This has resulted in an enhanced and detailed document, which totally support compliance and best practice.
- ◆ Holiday Programme
 - ◇ The holiday programme review commenced, to ensure that it met the needs of our beneficiaries. Due to an amount of nervousness around group holidays and people getting together, no foreign holiday was planned for September 2021. This work will continue into 2022-2023.

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2021 - 2022 (continued)

Operational (continued)

- ◆ Holiday Programme (continued)
 - ◇ The Fund have awarded a small number of Weekend & Short breaks to support individuals and in several cases, their families. This area has huge potential to grow, with other wellbeing opportunities being looked at.
- ◆ Documentation Review
 - ◇ All documents that are regularly used by the Operational team have been re-evaluated, as part of the Working Smarter section i.e., format, content, and necessity.
 - ◇ Clear understanding of which documents should be retained in hard copy versus electronic storage, considering the needs and expectations of our Auditors.
 - ◇ As part of the Succession Planning and Operational Structure changes, role descriptions for both the Chair of the Trust Fund and the Trustees were rewritten, clearly establishing individual responsibilities and required actions.

Review of Activities

The BHS Trust Fund Strategy is split into four stands of responsibility and delivered by the following four Sub-groups.

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

Our focus this year, as always, has been to support as many former BHS Employees as we possibly can. To do this, we have had a very clear Strategy for the Trustee group to focus on. This is delivered by the above four Sub-groups, each responsible for and to deliver the agreed work to support the achievements of our overall objectives. By establishing a challenging Strategy for the Fund, reviewed quarterly, we have been able to focus on developing and utilising the skills of the entire team, our Trustees, Fund Employees and Caseworkers, in a clear and effective manner.

OBJECTIVES AND ACTIVITIES (continued)

Financial Support

During the financial year 2021/2022, the BHS Trust Fund awarded hardship grants to the value of £138,196, this represented an increase of +4% versus the previous year spend of £132,846. 75 grants had been awarded, and whilst this was slightly down on the previous year of 81 awards, the Trustee group had made a conscious decision to be more generous with their levels of support, if the applicant required increased help. 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 food shopping vouchers were distributed throughout the year, providing relief from rising food costs.

The Fund continued to support applicants over the festive Christmas period by awarding a further £13,600 in Christmas grants to 63 applicants. These individuals and families benefitted from food shopping vouchers, enabling them to purchase food and a few seasonal treats to help them and their families enjoy the Christmas festivities.

6 Christmas Food Hampers, valued at £919, were distributed to applicants who were house bound or suffering from wellbeing issues.

Throughout this period, the Fund continued to process and action full grants, with a further 6 of these applicants receiving both a full award as well as an additional Christmas grant to the value of £1,650. With the above three strands of support for Christmas in place, the Fund awarded £16,169 in total, allowing the Fund to help families enjoy Christmas, after what had been a very challenging year

Part of the period covered by this Annual report was subject to the various restrictions concerning Covid 19, however towards the end of the financial year, as the restrictions started to lift, the Operational Team started to look at how best we support our applicants with short breaks and holidays, as travel abroad had not been allowed or was extremely challenging for many for a prolonged period. Individuals' confidence in travelling abroad continued to be uncertain, so no group holiday was planned for September 2021. The Fund's provision of travel, short breaks, and UK holidays is under ongoing review. Again, we are trying to ensure that the Trust Fund meets the changing needs of its beneficiaries.

If the BHS Trust Fund cannot help directly, we always try to signpost the applicant to another more appropriate charity or service. Part of this process includes giving the individual the confidence and support they need to go to a statutory body to query or discuss their benefit entitlements and what support packages that may be available to them. During this financial year, the Trustees have also continued to build collaborative links with other major charities, who may be able to assist.

OBJECTIVES AND ACTIVITIES (continued)

Financial Support (continued)

We have made a difference:

Firstly, could I take this opportunity to thank the Fund for all you have done for me, with three months of my rent being paid when I moved into my new property and also purchasing essential white goods for my kitchen. Without the Trust Fund, I would have been in a terrible situation. I am eternally grateful for everything the Trust and its team have done for me.

I have been someone, for who you really have been life saving in so many ways. I cannot tell you how much it has meant to have my two credit card debts cleared and to receive three months of food shopping vouchers for my local Tesco Store.

Again, I would like to thank the Fund, you have been there in very difficult times for me, and your support really has been invaluable and so appreciated.

I cannot thank you enough for all the help and financial support you have given to me. It is such an enormous weight that has been lifted off my shoulders. I've had such a hard time recently, not just financially, but with my health issues. I really thought I never be able to cope, but the Trust Fund came along and saved the day. I could not have done this alone. A special thanks must go to the team, who sorted everything out for me.

Christmas Applications and Grants

At the start of November 2021, 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 all our retired staff, many previous beneficiaries and all individuals on our contact list. This communication gave the BHS Trust Fund the opportunity to reinforce and explain what types of support would be 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 was absolutely delighted to receive my Christmas shopping vouchers through the post. They will help a lot during the days ahead. So, thank you very much, it is so kind of you all to help in this way, giving me this little bit of Christmas cheer. I was so worried that I would not be able to give my children a few presents and a nice Christmas lunch, but with the Fund help, that has all changed and we are looking forward to having a lovely time together.

OBJECTIVES AND ACTIVITIES (continued)

Christmas Applications and Grants (continued)

Making a difference at Christmas: (continued)

Oh, my hamper is filled with all kinds of luxuries, which I am really enjoying. I spent Christmas on my own. The contents of my hamper helped so much. It means the world to me that somebody cares. I can't thank you enough. All at the Trust Fund keep safe and well.

Thank you so very much for my lovely hamper that we received for Christmas, the contents were perfect for us, very yummy, everything that we needed to make our Christmas special.

It is so nice that the BHS Trust Fund still manages to give so much to ex-employees and continues to support those in need. Not many companies can claim to do that. We hope that you all have a wonderful Christmas and manage to stay well. Wishing you all a very happy and healthy New Year. Thank you.

Christmas greetings from The BHS Trust Fund



Can we help you this year ?

We very much hope that you are looking forward to enjoying the festive season with family and friends.

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 the 1st of December 2021 or visit the contact page on our website www.bhstrustfund.com

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



Best wishes from all of us at the
BHS Trust Fund

OBJECTIVES AND ACTIVITIES (continued)

Retired Staff Association (RSA)

As the various lockdown restrictions started to be lifted and individuals' confidence slowly returned, some of the RSA groups stated to meet again for their monthly coffee, cake, and a chat meeting. Sadly, several of our existing RSA members fell into one or more of the vulnerable groups encouraged to stay at home or be cautious about meeting in crowded places, still refrained from meeting face to face with their RSA friends.

Throughout the lockdown period our RSA Group Representatives had been encouraged to 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. These calls continued for the group members that were still unsure about attending actual meetings. A few of the RSA groups did venture out for Christmas Lunch and for some, this was their first get together in nearly 18 months.

To celebrate and mark the Trust Fund's 70th Birthday, which had been in December 2021, the Trustees awarded all members the opportunity to share a celebratory lunch. This had been postponed until May 2022. Group representatives organised these get togethers which were very welcomed and enjoyed by the members attending

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

What a nice surprise and a lovely day. We finally managed to all meet for our Christmas Lunch, in person, all together, after such a long time. It was just as if we had picked up the conversations where we had left them some 12 months earlier. We spent a few hours chatting and nibbling.

Many, many thanks for all that the Trustee do for our group. We all love meeting up and feel very lucky to be part of the BHS family.

Caseworker Update

The role that the Caseworker plays, has always been an extremely important one within the Fund. We all had to change our ways of working to support both our team members and our applicants, through the pandemic and into the early part of this financial year. Our Caseworker team has played an even more critical part in supporting the daily operations of the Fund. In many cases, initial meetings with possible beneficiaries were held by telephone to obtain the information that the Trustees require, rather than having a face-to-face meeting. This has ensured that all our applicants are dealt with in an extremely timely and efficient manner. As individual cases have increased in complexity, the time spent by this group of volunteers has also increased significantly.

During the year, we are delighted to have recruited three new Caseworkers and plan to further increase these numbers during 2022/2023. Our aim is to ensure that all geographical areas of the UK are covered and that we are prepared for a potential increase in workload.

FINANCIAL REVIEW

Results for the year

A summary of the results for the period is given on page 35 of the attached accounts.

Total income during the period amounted to £73,490 (2021 - £69,005).

Expenditure totalled £254,290 (2021 - £225,417), with relief of hardship amounting to £232,401 (2021 - £204,023).

Net losses on the revaluation and on the disposal of investments amounted to £112,333 (2021 – net gains of £475,332). This resulted in a net decrease of funds of £293,133 for the year (2021 - net increase of £318,920).

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 £3,176,408 at 31 May 2022 (2021 - £3,469,541). 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 £3,062,998 (2021 - £3,375,755) and comprised 8% (2021 - 8%) UK and overseas fixed interest stocks, 76% (2021 - 79%) UK and overseas equities, and 16% (2021 - 13%) property and alternative funds. At 31 May 2022, the investment managers were also held £15,842 as cash awaiting investment (2021 - £64,022).

The portfolio generated income of £73,312 (2021 - £68,844) during the period, which represents a yield of 2% (2021 – 2%). The yield is consistent with market returns in general. The portfolio generated unrealised losses during the period of £136,713 (2021 – unrealised gains of £388,032).

FUTURE PLANS

We look forward to the future with a little trepidation but mostly optimism. Whilst normality has mainly returned to our lives following the end of the pandemic lockdowns, we are still facing major challenges which impact all our lives. The war in Europe and the economic aftermath of the pandemic, have now resulted in major cost of living and energy price rises. These affect a considerable number of our beneficiaries in a variety of ways, and therefore must be factored into our coming year's planning.

Taking the above factors into consideration, we have looked closely at these when reviewing our Strategic objectives for 2022-2023. We have increased these from four to five, adding a Wellbeing Strand. This will allow us the opportunity to meet the increased needs of our beneficiaries more fully through the challenging times ahead.

- ◆ Increasing our Beneficiaries
- ◆ Team Building
- ◆ Wellbeing
- ◆ 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.

For individuals who already know of us, it's key to regularly remind them that we are here to help and remove any barriers to getting in touch. And for those who are unaware of what we do, we need to identify new ways to reach them. Therefore, this work is focused on both:

- ◆ Increasing and maintaining awareness of the BHS Trust Fund
- ◆ Encouraging individuals to apply

This year, we plan to:

- ◆ Try different approaches on Facebook and other channels i.e., tie-ups with our charity partners, encouraging the sharing of posts with BHS friends in need, using BHS memories to engage our followers and sharing personal stories and quotes.
- ◆ Identify a volunteer marketing/social media professional to undertake a review of all our marketing activities on a project basis. The brief will include identifying opportunities to enable us to reach a wider BHS audience and making our messages more effective.
- ◆ Recruit a part time Marketing Administrator (c8 hours per week) to focus on initiating and delivery of all marketing activities, as we have no dedicated resource at present.
- ◆ Update all our marketing materials, including the proposing of new materials to include business cards, leaflets, and postcards.
- ◆ Working with the Operations team, continue to build relationships with relevant charities and other organisations who can partner and promote our work.

FUTURE PLANS (continued)

Team Building

- ◆ Commit to holding quarterly reviews with the Operational team, following potential resource changes which will take place through 2022/2023, ensuring we meet all personal development needs.
- ◆ Continue to conduct reviews and discussions with both Trustees and Caseworkers, as this forms a key part in meeting both the individual's and Fund's objectives.
- ◆ Encourage the team to continue to take advantage of any coaching that supports their self-development, seeking out opportunities to attend online or in house courses
- ◆ Encourage our Caseworkers to embrace all opportunities such as subgroup and project work that will allow them to address their personal and team development needs
- ◆ Through the quarterly Caseworker meetings, encourage the opportunity for a 'Sharing Session,' allowing the team to engage in colleagues' experiences when working on the front line.
- ◆ Prepare a programme of external speakers from other charities, helping us to signpost applicants to other charities with different professional skill sets, to broaden and strengthen the support available to individuals.

Financial and Risk Management

The key objective for the year ahead is to ensure the Bhs Trust Fund remains financially secure, recognising that beneficiary numbers, the value of grant awards and the associated operating overheads are anticipated to grow by as much as 30% compared with activity levels recorded in 2021/2022.

- ◆ We will continue to monitor the Fund's financial activities, comparing actual monthly performance with budget, to ensure any substantive variances are understood and addressed where necessary.
- ◆ In anticipation of continuing inflationary pressures and further geopolitical turbulence, the Trustees, together with Investec, will explore whether any significant changes to investment strategy might be required.
- ◆ We will benchmark BHS Trust Fund operational efficiency (operating costs relative to the value of beneficiary awards) 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 continue to fulfil its core purpose.

FUTURE PLANS (continued)

Financial and Risk Management (continued)

Each strategic sub-group will continue to review, and report back on a quarterly basis, by means of the Trustee assurance process, the Risk Register content which falls within their operational remit. As new or unforeseen risks evolve 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

Operational

Our primary Operational objectives for 2022/2023 are to ensure that the BHS Trust Fund has a detailed Succession plan in place, supporting the key changes of personnel planned within the team due to announced retirements, over the next twelve to eighteen months. The recruitment and development of the individuals selected to fill these key positions is of the utmost importance. A mentoring and work shadowing plan is to be put into place to ensure a seamless transition for the Trust Fund.

◆ Succession

- ◇ An Information Day is being held for any of our existing Caseworkers who may be interested in undertaking paid employment with the Fund. This will also allow us to discuss the role of the Trustee and allow individuals to consider their interest and suitability for this type of position in the future.
- ◇ The Job Descriptions and Personal Specifications will be rewritten to ensure that the contents reflect the current and planned future needs of the Fund
- ◇ Interviews will be held to fill the Grant Manager's position that will become available in May of 2023.
- ◇ New employees will have a planned Trust Fund induction and a development plan put into place.
- ◇ Regular reviews and mentoring support will be available throughout.

◆ Caseworkers

- ◇ The Caseworkers Role Description will be reviewed and rewritten to capture the increased demands being placed on this volunteer group. We will facilitate this through a small working party and obtain approval of the final draft from the Trustee Board .
- ◇ We plan to recruit two / three additional Caseworkers over the coming twelve months, both to back-fill individuals moving into paid roles and also to strengthen support for more complex cases we now receive.

FUTURE PLANS (continued)

Operational (continued)

◆ Fund Policies

- ◇ Ongoing review of all the Fund's policies on a rolling basis, ensuring they remain 'Fit for Purpose' and relevant. In particular, the Health and Safety and GDPR Policies need to be revisited and amended to ensure they meet all current legal requirements.
- ◇ One year on, the six principal risks for BHS Trust Fund need to be rescored and amended, to ensure that current economic and general uncertainties are accounted for.

Wellbeing

◆ Holiday Programme

- ◇ Working with the newly formed Wellbeing subgroup, the Operational team will develop the provision of a holiday programme to ensure that it positively meets the needs of our potential applicants, from a health and wellbeing perspective.
- ◇ Plan a programme of 'Day Trips', mainly to be taken during the summer school holidays, allowing children the opportunity to visit the seaside, theme park and a variety of other suitable places.
- ◇ Start to research the feasibility of taking a group of applicants on holiday in the UK.

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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Trustees (continued)

The following Trustees were in office at 31 May 2022 and served throughout the period except where shown:

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

Throughout the year, Trustees have attended a variety of webinars and external courses, relevant to their personal development needs and responsibilities. Ensuring that everyone is keeping up to date with current legislative and governance issues that affect the Fund.

Brief Biographical details of the Trustees

Helene Hamer - Chair

I have always considered myself very lucky, that when 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, Caseworkers, 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.

On the 5th of December 2021, the BHS Trust Fund celebrated its 70th Anniversary. What a fantastic achievement and milestone that was, and to think the Fund is still here today, supporting our former BHS colleagues!

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees (continued)

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 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, over 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.

Rosemary Tocock – 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 met 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 another difficult 12 months, how we work has changed, giving us several 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees (continued)

David Crudge

My retail career commenced in 1968 when I joined BHS as a management trainee. On leaving the company after ten years I gained further retail experience with Mothercare, before then establishing my own business. This subsequently led to a consultancy role with Clarks Shoes where my career ultimately progressed to leadership of the Franchise division.



Following retirement in 2009 my ambition was to seek volunteering opportunities that might enable a value-added transfer of my business and life skills to the support of charitable causes in the neighbourhood where I live. Currently I serve as a volunteer with my local hospice and act as a trained mediator in seeking local community dispute resolution. My appointment in 2014 as a Caseworker with the BHS Trust Fund has subsequently led to my serving as a 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. To be engaged with an organisation that strives to help, encourage, and support former BHS employees, some of whom are now experiencing significant financial, health and psychosocial problems, is a role that personally I find rewarding and worthwhile.

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 who are currently facing financial issues. Having worked in many locations, I hope I understand 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees (continued)

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 Caseworkers 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 Caseworker Team, is a continued source of satisfaction and great enjoyment.

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 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees (continued)

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 2022!



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.

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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of Trustees' responsibilities (continued)

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 Trust Fund Manager, supported by the Fund Administrator. Both are wholly accountable to the Trustees, supported by a number of volunteer Caseworkers. The Trust Fund Manager 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.

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 Trust Fund Manager, Grant Manager 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 Trust Fund Manager, Grant Manager and Fund Administrator is decided upon by the Trustee group.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

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.

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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Risk management (continued)

- ◆ 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.

Approved by the Trustees and signed on their behalf by:

H Hamer

Trustee

Date: 7 February 2023

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 2022 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 2022 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.

Independent auditor's report Year to 31 May 2022

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.

Independent auditor's report Year to 31 May 2022

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 director 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.

Independent auditor's report Year to 31 May 2022

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.

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: 15 February 2023

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 2022

		Unrestricted funds	
	Notes	2022 funds £	2021 funds £
Income from:			
Investments	1	73,312	68,844
Interest receivable	1	23	19
Other sources		155	142
Total income		73,490	69,005
Expenditure on:			
Raising funds			
. Investment management fees		21,889	21,394
Charitable activities			
. Relief of hardship amongst former employees of Bhs Limited, their dependents and retired employees of that company	2	232,401	204,023
Total expenditure		254,290	225,417
Net expenditure before investment (losses) gains		(180,800)	(156,412)
Net investment (losses) gains	8	(112,333)	475,332
Net (expenditure) income and net movement in funds	5	(293,133)	318,920
Reconciliation of funds:			
Fund balances at 1 June 2021		3,469,541	3,150,621
Fund balances at 31 May 2022		3,176,408	3,469,541

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

Balance sheet 31 May 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Investments	8		3,078,840		3,439,777
Current assets					
Debtors	9	231		2,402	
Cash at bank and in hand		122,297		75,211	
		<u>122,528</u>		<u>77,613</u>	
Creditors: amounts falling due within one year	10	<u>(24,960)</u>		<u>(47,849)</u>	
Net current assets			<u>97,568</u>		<u>29,764</u>
Total net assets			<u>3,176,408</u>		<u>3,469,541</u>
The funds of the Trust					
Unrestricted income funds			<u>3,176,408</u>		<u>3,469,541</u>

Approved by the Trustees and signed on their behalf by:

H Hamer

Trustee

Approved on: 7 February 2023

Statement of cash flows Year to 31 May 2022

	Notes	2022 £	2021 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(277,024)	(184,798)
Cash flows from investing activities:			
Investment income and interest received		75,506	66,850
Proceeds from disposal of investments		438,693	885,716
Purchase of investments		(238,269)	(745,628)
Net cash provided by investing activities		275,930	206,938
Change in cash and cash equivalents in the period		(1,094)	22,140
Cash and cash equivalents at 1 June 2021		139,233	117,093
Cash and cash equivalents at 31 May 2022	B	138,139	139,233

Notes to the statement of cash flows for the period to 31 May 2022

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

	2022 £	2021 £
Net movement in funds (as per the statement of financial activities)	(293,133)	318,920
Adjustments for:		
Losses (gains) on investments	112,333	(475,332)
Investment income and interest receivable	(73,335)	(68,863)
Decrease in debtors	—	6,000
(Decrease) increase in creditors	(22,889)	34,477
Net cash used in operating activities	(277,024)	(184,798)

B Analysis of changes in cash and cash equivalents

	2021 £	Cash flows £	2022 £
Cash at bank and in hand	75,211	47,086	122,297
Cash held by investment managers	64,022	(48,180)	15,842
Total cash and cash equivalents	139,223	(1,094)	138,139

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 2022

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 2022 with comparative information given in respect to the year to 31 May 2021.

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, or 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 2023, 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.

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

	2022 £	2021 £
Income from listed investments		
UK fixed interest securities	4,736	5,070
Overseas equities	21,797	19,634
UK equities	32,461	33,266
Alternatives	14,318	10,874
	73,312	68,844
Income from interest receivable		
Bank interest	17	19
Interest on cash held with investment managers	6	—
	23	19
Total	73,335	68,863

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

	2022 £	2021 £
Grants payable	140,419	132,846
Retired Staff Association expenses	8,076	1,348
Administration costs including liaison with grant and loan recipients	83,906	69,829
	232,401	204,023

Administration costs including liaison with grant and loan recipients include staff costs of £41,548 (2021 – £33,394) (note 3).

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

	2022 £	2021 £
Hardship grants	122,027	114,511
Christmas grants	16,169	18,335
Holiday	2,223	—
	140,419	132,846

During the year a total of 163 grants were awarded to individuals by the Trust. On occasions more than one grant has been awarded to an individual (2021 – 118 grants).

3 Staff costs and remuneration of key management personnel

Staff costs during the period were as follows:

	2022 £	2021 £
Wages and salaries	41,548	33,394

No employees earned £60,000 per annum or more (including taxable benefits) during the year (2021 – none)

The average number of employees during the year was three (2021 – three).

The Trustees consider that they together with the Trust Fund Manager, Grant Manager 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 41,548 (2021 – £30,392).

4 Governance costs

	2022 £	2021 £
Auditor's remuneration (including VAT):		
. Statutory audit services	9,150	7,602
Legal and professional	1,152	4,624
	10,302	12,226

5 Net income (expenditure) and net movement in funds

This is stated after charging:

	2022 £	2021 £
Staff costs (note 3)	41,548	33,394
Auditor's remuneration (including VAT)	9,150	7,602

6 Trustees' expenses and remuneration and transactions with trustees

None of the trustees received any remuneration for their services during the year (2021 – none).

Travel expenses totalling £1,492 were reimbursed to seven trustees during the year (2021 – £320 to four 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.

Notes to the accounts 31 May 2022

8 Investments

	2022 £	2021 £
Listed investments at market value		
. At 1 June 2021	3,375,755	3,040,511
. Additions at cost	238,269	745,628
. Disposals at opening book value (proceeds: £438,693; realised gains: £24,380)	(414,313)	(798,416)
. Unrealised gains (losses) on revaluation	(136,713)	388,032
. At 31 May 2022	3,062,998	3,375,755
Cash held by investment managers for reinvestment	15,842	64,022
	3,078,840	3,439,777
Listed investments at cost	2,377,703	2,498,084

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

Listed investments held on 31 May 2022 comprised of:

	2022 £	2021 £
UK fixed interest securities	80,540	126,469
Overseas fixed interest securities	149,028	135,919
UK equities	922,095	1,109,204
Overseas equities	1,415,113	1,546,898
Property funds	224,494	192,864
Alternatives	271,728	264,401
	3,062,998	3,375,755

At 31 May 2022, the following holdings constituted material holdings when compared to the value of the total listed investment portfolio at that date:

	2022 Market value £	2022 % of portfolio %	2021 Market value £	2021 % of portfolio %
Charities Property Fund	187,766	6.1	161,694	4.8
Schroder Inv Mg E ISF Asian Total Rtn C	158,341	5.2	175,303	5.1
JP Morgan Funds Ltd US Equity Inc K	231,450	7.6	200,400	6.0
Baillie Gifford American W3 Dis	110,542	3.6	200,421	6.0
Spdr S&P500 Etf Tr. Units Ser 1 S&P	393,245	12.8	394,048	11.7

9 Debtors

	2022 £	2021 £
Accrued investment income	231	2,402
	231	2,402

Notes to the accounts 31 May 2022

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Investment purchase	—	27,200
Grants payable	11,898	8,428
Accruals	13,062	12,221
	24,960	47,849

11 Related party transactions

Other than those disclosed in note 6, there were no related party transactions requiring disclosure in the year to 31 May 2022 (2021 – none).

12 Unrealised gains

The total unrealised gains at 31 May 2022 constituted movements on revaluation and were as follows:

	2022 £	2021 £
Total unrealised gains at 31 May 2022: On investments	685,295	877,671
Reconciliation of movements in unrealised gains:		
Unrealised gains at 1 June 2021	877,671	584,145
In respect to disposals in the period	(80,044)	(94,506)
Net (losses) gains arising on revaluations arising in the period	(112,332)	388,032
Total unrealised gains at 31 May 2022	685,295	877,671