

BHS Trust Fund

Annual Report and Accounts

31 May 2023

Charity Registration Number
1171705

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

Trustees	D Crudge B Edgar R Eller C Gibson H Hamer (Chairperson) J Holmes K Smalls S A Taylor 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

The BHS Trust Fund's reporting year has come to an end for the period from 1st June 2022 to 31st May 2023. The year had started off with increased optimism for many, with hope that a more normal way of life might soon resume.

Moving forward, the reality was that we found ourselves facing another period of significant change and challenge. It was a year of political instability, with a cost-of-living crisis and soaring energy prices. In addition, we mourned the loss of our dear Queen Elizabeth II.

As the year started to unfold, it was clear we needed to be ready to meet a greater demand for our financial resources. Whilst a number of government initiatives had been put in place to support individuals facing increased energy costs, rising food prices caused considerable stress for many families and in some cases, very tough decisions had to be made to enable them to put food on the table.

The Trustees set about re-evaluating and adjusting the Fund's available finances to ensure we could make a real difference through these challenging times. We worked with our Fund Managers at Investec and re-assessed our strategic responsibilities. As a result, the team delivered a considerable uplift in both cash grants awarded at +57% and a beneficiary increase of +46% versus last year. An extraordinary performance both with full grants and Christmas grants.

This has been an exceptional year for our Fund and certainly one we could not have achieved without the commitment of the whole team of my fellow Trustees, our dynamic Operational employees, and our dedicated front line Case Workers. They all stepped up to ensure we could be there, delivering the financial support for our former BHS colleagues when they needed it the most.

Whilst ensuring we effectively met the needs of our beneficiaries; we still had our Charity to manage. The day-to-day responsibilities of a small Charity such as ours, requires everyone to be fully committed, ensuring a professional and timely level of support is consistently delivered. You can see from the achievements section in the Trustees' report just how hard the team has worked to keep the planning and organising wheels moving at the same time as focussing on supporting our beneficiaries.

The biggest challenges we continue to face as a group of Trustees moving forward are:

- ◆ Continuing to spread the word that the Fund is here to support former employees;
- ◆ Effectively supporting Beneficiary Wellbeing;
- ◆ Delivering the resources required to meet the Fund needs;
- ◆ The financial stability and longevity of the Fund; and
- ◆ Managing changes within the Operational Team personnel.

INTRODUCTION - MESSAGE FROM OUR CHAIR (continued)

As I end my message, may I express my sincere appreciation to my fellow Trustees for their energy and dedication during this last year. After a nine-year period in office as a Trustee, Rosemary Tocock has decided it is now the right time to retire. Her commitment, enthusiasm, and her drive in supporting and moving the Fund forward has been considerable. On behalf of us all, thank you so much for your dedicated support.

Our Trustee team knows how fortunate we are to have such a skilled and committed Operational Team, ably led by Angela Curchin. I acknowledge that she has brought this new team through a very challenging first year and I thank each of them for their contributions. Finally, our Case Workers are a great group of individuals who volunteer on the front line, and I warmly acknowledge the work they do and the passion they bring.



Helene Hamer

Chair of Trustees

Trustees' report Year to 31 May 2023

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 2023.

The accounts have been prepared in accordance with the accounting policies set out on pages 34 to 37 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 ensure that no former BHS Employee struggles to meet their daily basic needs
- ◆ Our Mission: To help and support former BHS Employees and their dependents through difficult times.

Achievements for 2022 - 2023

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 objective is to increase the number of former employees in need who receive our help through effective marketing communications. In particular, to reach new individuals who may not be aware of the BHS Trust Fund or may be apprehensive about asking for help.

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2022 – 2023 (continued)

Increasing Our Beneficiaries (continued)

During 2022/2023, as we moved on from the pandemic period, many individuals continued to face the challenges of a cost-of-living crisis, with complex health and well-being circumstances often a major factor too. Through a more varied and frequent programme of activity on social media, we successfully reached more individuals in need of our support, with some very positive results:

- ◆ 80% uplift in initial applications received vs LY from 146 to 262
- ◆ 29% increase in applicants receiving a full award from 73 to 94
- ◆ Average full awards were £1,696 per beneficiary
- ◆ 9 applicants were helped with well-being/short breaks/family days out
- ◆ Christmas applicants supported increased by 55% from 75 to 116
- ◆ A significant uplift in the average value of Christmas awards from £216 to £490, an agreed approach to provide more meaningful support at a challenging time of year.

During the year, we were fortunate to secure 2 volunteer marketing/social media professionals, who undertook a review of all our marketing activities. Opportunities were identified to enable us to reach a wider BHS audience and making our messages more effective, including a refresh of our brand identity.

We also started the recruitment of a part-time Marketing Administrator (8 hrs per week) to initiate and deliver our marketing activity. Operating without dedicated expertise has become an increasing challenge for our small team.

Team Building

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

Trustees

- ◆ Our Trustee review process has been successfully completed.
- ◆ The Trustee development opportunities continue to be extensive. Fund advisors Buzzacott and Investec continue to offer in house opportunities via webinar and on-site training.
- ◆ Opportunities exist if any Trustee requests an opportunity to attend external courses that may be beneficial to the Fund or individuals.
- ◆ All Trustees take an active role in the creation and development of the overall Fund Strategy. This is achieved by either leading a strand of the strategy or adopting a supportive role.

OBJECTIVES AND ACTIVITIES (continued)

Team Building (continued)

Trustees (continued)

- ◆ Trustees continue to be encouraged to participate in the Case Workers' quarterly zoom meetings.
- ◆ The need to recruit 2/3 new Trustees has been recognised and a recruitment plan is in place. Our need to plan succession for the Chair was also recognised.

Case Workers

- ◆ Case Workers' Development Discussions have again been completed, allowing continued understanding of Case Workers' views on the Fund, and enabling improvement opportunities to be shared.
- ◆ Case Workers' quarterly meetings continue on Zoom, enabling updates on strategy, actual cases, and the ongoing activities of the Fund.
- ◆ Review of Questioning and Listening training has been completed providing feedback on training, enabling discussion on progress.
- ◆ An information day was held in person for those Case Workers who indicated an interest in employment with the Fund or an interest in becoming a Trustee. This was a key part of succession planning.

Operational Team

- ◆ Following the information day, a robust interview process was completed, resulting in two new recruits joining the Operations Team.
- ◆ The new recruits joined in January 2023, facilitating engagement with the existing team, and allowing time to gain knowledge and absorb experience.
- ◆ New members of the Operational Team completed a robust induction programme and have ongoing training plans in place.
- ◆ The attendance of the Operations Team at Trustee Meetings and other relevant Team Meetings ensures that they remain fully informed and engaged.

Financial and Risk Management

Financial

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 to seek capital growth. that preserves its value in real terms over a long-term time horizon.

OBJECTIVES AND ACTIVITIES (continued)

Financial and Risk Management (continued)

Financial (continued)

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 Investec maintains an active oversight of the Fund's financial assets. 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 Fund Secretary 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, assessing their possible impact, and detailing the appropriate mitigation measures that are in place. Numeric measures of probability and impact are calculated against specific risks to determine relative levels of potential concern. This identifies the principal risks and uncertainties facing the organisation. The Register is subject to operational sub-group oversight, with principal risks reviewed by means of a Trustee Assurance process, completed on a quarterly timescale.

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.

OBJECTIVES AND ACTIVITIES (continued)

Financial and Risk Management (continued)

Risk Management (continued)

◆ **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 recognise 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.

Operational

The Operational sub-group has reviewed and delivered several exciting and very necessary projects, which have supported the increased efficiencies, compliance, and governance needs of the BHS Trust Fund.

Areas of focus have been as follows:

◆ **Operational Structure**

- ◇ During 2022-2023, the Operational team had a number of challenges to face in regard to the team, given our Grant Manager was due to retire at the end of May 2023 and our Fund Manager also planned to retire in the early part of 2024.
- ◇ To ensure a seamless transition, a succession plan was put into place by the Trustee group, which enabled us to commence a recruitment programme.
- ◇ Following a meeting in London with all interested parties, selection interviews/assessments took place and as a result, Louise Hawcroft, an internal applicant, was appointed Grant Manager designate to work alongside the existing Grant Manager until her retirement.
- ◇ To backfill the Fund Administrator position, which Louise had held, Debra Sawyer joined the team in January 2023.
- ◇ As a result of increased workloads and expected changes in the Fund Manager role, Janet Day joined the team in January 2023, with a plan for her future development into the role of Fund Manager during 2024.

OBJECTIVES AND ACTIVITIES (continued)

Operational (continued)

♦ **Working Practices/Documentation Review**

- ◇ With increased numbers of Contacts and Applications, many of these being significantly more complex than in previous years, detailed work was undertaken by the Operational team to review all processes and working practices. The results enabled us to improve our response times and remove any unnecessary practices in the day-to-day operation.

♦ **Compliance and Governance**

- ◇ A number of Trust Fund policies were reviewed to ensure they remained fully compliant and 'Fit for Purpose' with both the Health and Safety policy and procedures being completely re written. Other policies continued to be checked on a rolling basis.
- ◇ The Fund's Annual Audit was completed by Buzzacott, confirming that all the financial controls and legal requirements were being delivered consistently by the Operational team.

REVIEW OF ACTIVITIES

Our focus this year as always has been to support as many former BHS Employees as we possibly can. The BHS Trust Fund has a very clear set of strategic objectives that the Trustees established at their 'Away Day' held in Reading, prior to the commencement of the financial year in question. All required actions were allocated to one or more of the above groups and revised and amended as required each quarter. By using this approach, we have been able to focus on developing and utilising the skills and experience of the entire team of Trustees, Employees and Case Workers.

Financial support

The Bhs Trust Fund has had a very busy and successful year. During the 2022-2023, the Trust Fund awarded hardship grants in total to the value of £223,366 versus the previous year of £137,595, representing an increase of +62% and an additional support spend of £85,771.

The Trustee group had made a conscious decision to be more generous with their levels of support throughout the year, due to the everyday challenges facing individual applicants. Grants continued to be awarded, supporting the payment of a variety of debts, rent arrears, utility bills and credit cards payments. Essential items were purchased 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 much needed support to meet the increasing costs of purchasing food items.

Throughout 2022-2023 the Trustees approved 94 full grants and 9 Wellbeing short breaks. This was against a backdrop of the previous year of 73 full grants and 2 Wellbeing short breaks.

REVIEW OF ACTIVITIES (continued)

Financial support (continued)

The biggest increases in both applications and approved support levels came from Christmas grants, which was very much reflective of the general economy and the daily challenges being faced by many. Christmas grants awarded this year was a total of 116 versus 75 the previous year +55%. The total spends being £57,350 versus £16,169 in 2021-2022 - +255%. The majority of this spend was in food shopping vouchers.

As with previous years, 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 also includes giving the individuals the confidence and support they need to go to a statutory body to query or discuss their benefit entitlements and what support packages may be available to them.

During this audit year, the Trustees have also continued to build collaborative links with other major charities, who may be able to assist.

We have made a difference:

I just wanted to reach out and give you an update, to show you just how much of an impact your help and financial support has had. Since having our garden fenced in and made safe for our son, it has given my husband the confidence and quality time to spend with our son. I have seen huge improvements in his mental health and at his worse time, the garden was a sanctuary for us a family.

The carpets are all fitted, and the house actually looks acceptable now - I cried when I saw it.

Kids love the new bed and mattresses. They said they didn't realise how uncomfortable their old mattresses were, which made me so sad.

I honestly cannot put into words what the BHS Trust Fund has done for us. How lovely you all are. I prided myself on working there for nearly 10 years but since leaving, life has been less than kind to us as a family. I'm humbled for the support you have bestowed on us.

Thank you so much, forever in your debt.

OBJECTIVES AND ACTIVITIES (continued)

Christmas Applications and Grants

Thank you for your kindness and financial support, that has enabled us as a family to choose a wonderful headstone for my late husband's grave. We will be eternally grateful for this help and support during these very difficult and sad times.

We just wanted to say a massive thank you to everyone at the Fund for the help over the last six months with paying our mortgage payments. It has been a massive weight off our shoulders to know that these have been covered and our house remains secure, whilst I continue my battle to regain good health. I am so proud to have worked for such a caring business. I wish you all the success in the future and again we are so grateful for your help.

At the start of November 2022, 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 and named individuals on our Mailing 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:

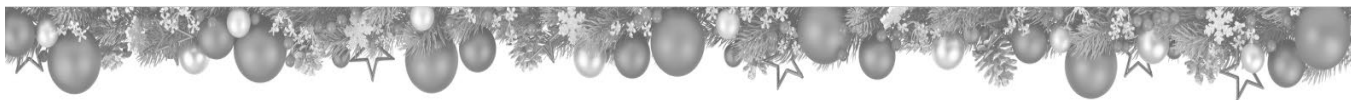
To everyone at the BHS Trust Fund – you are truly amazing for giving me the help, time, and financial support that you have provided. We both had a lovely Christmas. Your shopping vouchers meant a 'worry free' Christmas in terms of money and I am so grateful for all the support you have given me over the last year. Thank you.

I cannot thank you and the BHS Trust Fund enough for your kindness – I am overwhelmed. It had taken me quite a few weeks before I had the courage to make the phone call. Please pass on my thanks to my Case Worker, who was just lovely and very understanding. This gift completely changed what we could do together as a family on Christmas Day, and in fact for the whole of December.

Thank you so very much for the wonderful hamper that we received from the Trust Fund. The contents were amazing and made our Christmas a bit more special. It is very nice that after everything that has happened at BHS that the staff are still remembered and thought of in such a generous way. We hope that you all have a good Christmas and wish you a prosperous New Year. And thank you again!

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.

It has been a very difficult year for many, so 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 Denise on 07908 994146 or Louise on 07572 737984 before the 1st of December 2022 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)

Our RSA groups have again had a very busy year, as they continue to meet on a monthly basis for their coffee, cake, and a chat. With an aging group of lifelong work colleagues, this gives everyone the opportunity to get together to talk about the many fond memories they all have from their working days within BHS.

The Trustees decided that as Queen Elizabeth II would become the first British monarch to celebrate a Platinum Jubilee marking 70 years of service in June 2022, all RSA groups could arrange an afternoon tea party to celebrate this wonderful occasion. Below is an extract from a letter received from one of the groups.

Just a little note to say that we had a lovely afternoon celebrating the Queen's Platinum anniversary. The tea was wonderful, and it was lovely that all seven RSA members could attend. The waitress brought out so many lovely stands full of sandwiches, scones, cakes and not forgetting the trifles.

After our tea, which we all enjoyed so much, we raised a glass and drank a toast to the Queen and to the Trust to say, 'thank you'. We hope that everyone enjoyed their afternoon teas as much as we did!

The RSA groups also celebrated Christmas 2022 with a variety of Christmas activities and having a number of lovely lunches across the country, something the BHS Trust Fund always encourages and funds. The letters and photographs received showed just how much enjoyment and fun was had by the members attending.

Case Worker Update

The role that our volunteer Case Worker team plays in supporting and successfully delivering help and support, has always been an extremely important one within the Fund. Our Case Worker team have again played an even more critical role, as the numbers of applicants applying to the Fund have increased significantly this year versus last year. Not only have we seen increased contacts to the Fund, but the complexity of each case has also resulted in the Case Workers having to spend increased amounts of time with each applicant, to really get to know and understand their individual circumstances. This is so important when they finally prepare their reports and recommendations that are presented to the Trustee group for discussion and approval.

As a result of this increased workload, the expectation is that we will need to recruit at least another three Case Workers to the team as we move into 2023-2024. Our aim is to ensure that all geographical areas of the UK are covered and that we are prepared for the current and any future increases in workload.

FINANCIAL REVIEW

Results for the year

A summary of the results for the period is given on page 31 of the attached accounts.

Total income during the period amounted to £64,644 (2022 - £73,490).

Expenditure totalled £364,630 (2022 - £254,290), with relief of hardship amounting to £345,706 (2022 - £232,401).

Net losses on the revaluation and on the disposal of investments amounted to £80,006 (2022 – net losses of £112,333). This resulted in a net decrease of funds of £379,992 for the year (2022 - net increase of £293,133).

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 £2,796,416 at 31 May 2023 (2022 - £3,176,408). 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 (including cash held for re-investment) were valued at £2,462,051 (2022 - £3,078,840). These investments were largely held in a mix of UK and overseas fixed interest stocks, equities, and property and alternative funds as disclosed within note 8 to the accounts.

The portfolio generated income of £62,597 (2022 - £73,312) during the period, which represents a yield of 3% (2022 – 2%). The yield is consistent with market returns in general. The portfolio generated unrealised losses during the period of £43,510 (2022 – unrealised losses of £136,713).

OUR FUTURE – JUNE 2023 TO MAY 2024

As we move on from what has been a very challenging year, we endeavour to be optimistic about the future. Many of the challenges resulting from the current economic climate look certain to continue into the first half of the next fiscal year. Increased levels of inflation continue to impact our beneficiaries, with rising costs of rents/mortgages/supplies and transport, putting additional pressures on households and businesses alike.

When our Subgroup leaders take on the challenge of assessing and prioritizing our Fund's Strategic Objectives for 2023-2024, the above factors are a key consideration, as they impact directly on the Fund delivering its objectives to our beneficiaries.

Our Strategic Objectives are outlined in more detail below by our Trustee Subgroup leaders. We have learnt a lot from the last twelve months and have taken the opportunity to talk to the team on a quarterly basis - listening, learning, and adapting as required.

OUR FUTURE – JUNE 2023 TO MAY 2024 (continued)

At our Trustee Away Day we agreed to realign and rename our subgroups, enabling us to be more adaptable and responsive to the needs of our beneficiary group. We have decreased the total number from five to three, allowing us the opportunity to focus our resources. The subgroups are:

- ◆ Marketing Communications;
- ◆ People; and
- ◆ Financial and Risk Management.

In respect of our wellbeing support for beneficiaries, we are looking to collaborate with VIVUP, a company that can provide the professional expertise we need. This will enable us to offer a comprehensive program of wellbeing support to our beneficiaries when needed and will be a very positive and exciting step forward for the Fund during 2024.

Outside of the Strategic Subgroup framework, we will also be setting up specific project group opportunities, prioritising other areas of the Trust Fund that are considered important to our overall success going forward.

Marketing Communications

This key strategic strand centres on ensuring the BHS Trust Fund fulfils its objects through increasing its applicants and more crucially, its beneficiaries.

For individuals who already know of us, it's key to remind them that we are still here to help and remove any barriers to getting in touch. And for those who are unaware of what we do, we strive to find new ways to reach them. Our focus is on:

- ◆ Increasing and maintaining awareness of the BHS Trust Fund
- ◆ Encouraging individuals to apply, particularly new applicants to the Fund.

This year, we plan to:

- ◆ Commence a new part-time Marketing Administrator (c8 hours per week) to focus on initiating and delivery of all marketing activities.
- ◆ Take new approaches on Facebook and other channels i.e. sharing personal stories on a regular basis, to help break down barriers in individuals who may be apprehensive about getting in touch. Grow our followers across all channels.
- ◆ Refresh our brand identity and house-style, ensuring our social media presence, website and marketing materials reflect our new image.
- ◆ Continue to build relationships with relevant charities and other organisations who can partner and promote our work, through following and linking on social media.

OUR FUTURE – JUNE 2023 TO MAY 2024 (continued)

People

Succession planning will continue to be an integral part of our People priorities in the coming year, as we carry on the recruitment and development of our new Volunteers and Operational team members, ensuring that we support both promotional and natural turnover within the Trust Fund. This continues to impact all areas of the Fund's sub-group strategies and project work being undertaken.

Project Resource

- ◆ We continue to support the work being undertaken by the Project Resource Group and the Operational Team in their efforts to deliver the additional resources needed to protect the future of the Fund. Key to this will be to instigate recruitment of a Chair, due to the planned retirement of our existing Chair during 2024. In addition, we need to source additional Trustees and Case Workers to support increasing applicant numbers and succession requirements within the team.
- ◆ The Trustees have agreed to work with the Project Resource Group to source candidates with the correct levels of professional expertise, passion and a real empathy with the Fund's objectives and applicant needs.

Training and Development

We will ensure that all new employees/volunteers follow a structured Induction programme and have an initial Development programme in place, including Buddy/Mentoring support and regular quarterly reviews.

All current Employees/Volunteers will be encouraged to proactively pursue their own personal development needs, taking the opportunity to attend all appropriate quarterly meetings and available external Webinars, delivered by our Fund Managers of Buzzacott and Investec.

The Skills Matrix document for all employees and volunteers will be reviewed and updated, so that we can identify any skill gaps requiring additional support. It will also be used to identify strengths within the team that can be fully utilised for the benefit of the Fund.

We will continue to encourage team participation in all of our quarterly meetings by running more interactive sessions, along with an increased number of external speakers, from a range of other Charities or professional agencies.

Finally, we will continue to deliver an annual review discussion for all our Trustees, Case Workers, and Employees. These allow us a fantastic opportunity to gain the views from the whole team, used both to support individual development and Trust Fund progression.

In conjunction with the individual Sub-groups, Project Resource is in place to address some critical succession/ recruitment issues facing the BHS Trust Fund during 2023-2024.

- ◆ To make plans to identify a replacement Chair for the BHS Trust Fund, as our present Chair, Helene Hamer is planning to retire during 2024.

OUR FUTURE – JUNE 2023 TO MAY 2024 (continued)

Training and Development (continued)

- ◆ To recruit at least three additional Trustees to the team, to ensure that we have the resources, expertise, and diversity of individuals in place, ready to meet the challenges of the next five years.
- ◆ To recruit three to five additional Case Workers to support the increased demands being placed on the existing team with rising numbers of applicants/beneficiaries.
- ◆ To support the recruitment, development, and promotion of individuals to provide succession for the retirement of Denise Banner, Grant Manager on the 31st of May 2023 and the planned retirement of Angela Curchin, Fund Manager on 31st of March 2024.

Financial and Risk Management

The key objective for the year ahead is to ensure the BHS Trust Fund remains financially secure, anticipating that beneficiary numbers, the value of grant awards and the associated operating overheads will again grow by as much as 30% compared with activity levels recorded in 2022/2023.

- ◆ We will continue to monitor the Fund's financial activities, comparing actual monthly and year to date performance with budget, to ensure any substantive variances are understood, and addressed where necessary.
- ◆ In anticipation of increasing levels of Fund activity, 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. This projection will be under constant review given the rising numbers of applicants and beneficiaries to ensure that we have sufficient funds to meet the level of demand for our support. Should we feel our assets could fall short earlier than expected, we may decide to review the level of financial help we provide to extend the longevity of the Fund.

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 principal risk factors will be re-evaluated and carefully monitored.

OUR FUTURE – JUNE 2023 TO MAY 2024 (continued)

Operational Focus

Our Fund Manager continues responsibility for the Governance, Structure and Management on a day-to-day basis of the BHS Trust Fund. Working very closely with the Chair and Trustee Board members, the Fund Manager ensures that the Fund operates in a professional manner, is compliant and ensures the delivery of the best possible applicant/beneficiary outcomes.

The key objectives for the year ahead will fall into the following categories.

- ◆ Working with both the Project Resource team and the People Sub-group, ensure that all Operational positions have individuals in place, working towards taking up new appointments with increased responsibilities. A mentoring and work shadowing plan will be created, ensuring a seamless transition for the Trust Fund.
- ◆ Working Smarter - a full review of all BHS Trust Fund processes and daily requirements, identifying any improvement opportunities and ensuring all are fit for purpose.
- ◆ Research third party providers to move the Operational team's monthly payroll, HMRC and Pensions administration, away from the Fund Manager's role.
- ◆ Create a Cyber Security policy to provide guidance to the Fund team on how to protect the Fund's sensitive information against any possible breaches and threats and to ensure we comply with any relevant regulations.
- ◆ Introduce a Social Media Policy, which outlines how Fund employees and volunteers should represent themselves and our brand on social media, protecting our security, reputation, and legal interests.
- ◆ Review and update our GDPR policy and procedures, in addition to other policies due for review on a rolling basis, ensuring that all legislative requirements are covered, with robust documents and processes.
- ◆ Supporting the provision of a comprehensive Wellbeing offer through the engagement of VIVUP, who will be providing a specialist service. This will significantly enhance the levels of support that the Fund can offer beneficiaries.

GOVERNANCE, STRUCTURE AND MANAGEMENT

The BHS Trust Fund is constituted as a Charitable Incorporated Organisation (CIO) (Charity Registration Number 1171705). This was approved by the Charity Commission on 20th February 2017.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

BHS Trust Fund - Trustees

The following individuals served as the trustees of the charity from 1 June 2022 to the date of approval of this report (except as shown):

Trustee

Helene Hamer - Chair	
Susan Topping - Deputy Chair	
Rosemary Tocock, MBE	(Retired May 2023)
David Crudge	
Charles Gibson	
Robert Eller	
Keith Smalls	
Beverly Edgar	
Susan Amanda Taylor	(Appointed October 2023)
John Holmes	(Appointed October 2023)

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 BHS Trust Fund.

Brief Biographical details of the Trustees

Helene Hamer - Chair

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.

Given the opportunity to join Team BHS, as a young teenager. 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, Regional Management and finally 16 years as Fund Secretary.

No surprise that I was a little worried about what life would be like without BHS when I made the decision to step away from the role of Fund Secretary. Well, that did not happen! I was given the opportunity to become a Trustee, a voluntary role I held for a short time and then.

Around the time BHS closed I became Chair. I often get asked why I volunteer with the Fund. Firstly, the individuals who come to us for support were part of a dedicated work force that contributed to making BHS and to play a part in being able to offer them support when they find themselves in need is. Plus, I work with the most fantastic people who are empathic, honest open individuals and a joy to be around.



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. We faced many challenges over the years, but the most enjoyable aspect was working with such fantastic people - always professional, committed, passionate 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 look after such an important 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 and humbling to be able to support individuals facing difficult times for a wide variety of reasons. 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 support. My hope is that we can continue for many years to come.

Rosemary Tockock – 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 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 have enjoy being a Trustee and as a Charity, we have created something to be very proud of. We have helped and guided many people, who are trying to ensure a better future for themselves and their families, which is very rewarding. After nine years of being on the board, I have made the decision to retire in May 2023.

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 support suitable charitable causes. Currently I serve as a volunteer with my local hospice and act, also, as a trained mediator in dispute resolution with the regional mediation service. My appointment in 2014 as a Case Worker with the BHS Trust Fund has subsequently led to my serving as a Trustee with the Fund.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees (continued)

David Crudge (continued)

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 actively engaged as a Trustee with an organisation that strives to reach out to help, encourage, and support former BHS employees, many of whom are now experiencing significant financial, health and psychosocial problems, is a role that personally I find most rewarding and worthwhile.

Charles Gibson

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

After completing my management training, I relocated to various locations in the UK. In 1992 I returned to Scotland and took up the post of Manager in our Glasgow store, later moving to our Edinburgh store in Princess Street. I subsequently left BHS to pursue other retail opportunities, returning to BHS in 2005 and remained with the company until my retirement in 2016.



My initial role with the BHS Trust Fund was as a Case Worker, which subsequently led to my current role as a Trustee. Without a doubt, those individuals who worked for BHS were the company's most valuable asset. Their hardworking and caring attitude coupled with their sense of commitment bears testimony to this. It is a privilege to be part of the BHS Trust Fund team and I am grateful for the opportunity that this has given me to reconnect with former colleagues and assist ex-employees. many of whom are experiencing substantial difficulties. I find this both rewarding and humbling.

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. 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

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.

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 2023!

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 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)

Brief Biographical details of the Trustees (continued)

Susan Amanda Taylor

I worked in the HR team for BHS for over 10 years, until the business closed in 2016. As I had intended to remain with BHS until I retired, I took the opportunity to return to the BHS family, as a Volunteer Case Worker for the Trust Fund following retirement, in 2021, as a way of reconnecting with a company I had loved.



I have recently been appointed as a Trustee for the Fund, a role I'm both delighted and privileged to take on. I have become a Trustee as I believe this will afford me the opportunity to give something back to some of our former colleagues, who have found themselves in difficult circumstances and enable them to regain control of their lives. I am finding my ability to contribute to the Fund's aim of supporting former BHS colleagues extremely rewarding and, at times, very humbling.

Being a Trustee is a new experience for me and I am looking forward to developing new skills during my time in this role, as well as utilising skills acquired during my working life which I hope, will add value to the Fund.

John Holmes

I joined BHS in 1977 as a management trainee in Blackpool.

I worked for the Company in various roles for 39 years only leaving when the business closed in 2016.



BHS has been a major part of my life. It was challenging and rewarding but what I always thought made it special was the people you worked with on a day-to-day basis. I feel lucky to have had such a long career with the Company.

The Trust Fund has been helping both current and former employees for many years. When the opportunity came along for me to join the Trustee Team it was not something I needed to think twice about.

It is a great privilege to be part of the BHS Trust Fund team and to be able to help and support former colleagues who are experiencing difficult times.

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;

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Statement of Trustees' responsibilities (continued)

- ◆ 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 Trust Fund Manager, supported by the Fund Administrator. Both are wholly accountable to the Trustees, supported by a number of volunteer Case Workers. 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.

GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Key management personnel (continued)

The remuneration of the Trust Fund Manager, Grant Manager and Fund Administrator is decided upon by the Trustee team.

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:

Helene Hamer

Trustee

Date: 8 February 2024

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 2023 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 2023 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 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.

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: 9 February 2024

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 2023

	Notes	Unrestricted funds	
		2023 funds £	2022 funds £
Income from:			
Investments	1	62,597	73,312
Interest receivable	1	2,047	23
Other sources		—	155
Total income		64,644	73,490
Expenditure on:			
Raising funds			
. Investment management fees		18,924	21,889
Charitable activities			
. Relief of hardship amongst former employees of Bhs Limited, their dependents and retired employees of that company	2	345,706	232,401
Total expenditure		364,630	254,290
Net expenditure before investment losses		(299,986)	(180,800)
Net investment losses	8	(80,006)	(112,333)
Net expenditure and net movement in funds	5	(379,992)	(293,133)
Reconciliation of funds:			
Fund balances at 1 June 2022		3,176,408	3,469,541
Fund balances at 31 May 2023		2,796,416	3,176,408

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

Balance sheet 31 May 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Investments	8		2,462,051		3,078,840
Current assets					
Debtors	9	235		231	
Cash at bank and in hand		360,857		122,297	
		<u>361,092</u>		<u>122,528</u>	
Creditors: amounts falling due within one year	10	(26,727)		(24,960)	
Net current assets			<u>334,365</u>		<u>97,568</u>
Total net assets			<u>2,796,416</u>		<u>3,176,408</u>
The funds of the Trust					
Unrestricted income funds			<u>2,796,416</u>		<u>3,176,408</u>

Approved by the Trustees and signed on their behalf by:

Helene Hamer

Trustee

Approved on: 8 February 2024

Statement of cash flows Year to 31 May 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(362,789)	(277,024)
Cash flows from investing activities:			
Investment income and interest received		64,567	75,506
Proceeds from disposal of investments		1,027,056	438,693
Purchase of investments		(469,874)	(238,269)
Net cash provided by investing activities		621,749	275,930
Change in cash and cash equivalents in the period		258,960	(1,094)
Cash and cash equivalents at 1 June 2022		138,139	139,233
Cash and cash equivalents at 31 May 2023	B	397,099	138,139

Notes to the statement of cash flows for the period to 31 May 2023

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

	2023 £	2022 £
Net movement in funds (as per the statement of financial activities)	(379,922)	(293,133)
Adjustments for:		
Losses on investments	80,006	112,333
Investment income and interest receivable	(64,644)	(73,335)
Increase in debtors	4	—
Increase (decrease) in creditors	1,767	(22,889)
Net cash used in operating activities	(362,789)	(277,024)

B Analysis of changes in cash and cash equivalents

	2022 £	Cash flows £	2023 £
Cash at bank and in hand	122,297	238,560	360,857
Cash held by investment managers	15,842	20,400	36,242
Total cash and cash equivalents	138,139	258,960	397,099

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 2023

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 2023 with comparative information given in respect to the year to 31 May 2022.

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 2024, 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

	2023 £	2022 £
Income from listed investments		
UK fixed interest securities	3,593	4,736
Overseas equities	17,151	21,797
UK equities	24,980	32,461
Alternatives	16,873	14,318
	62,597	73,312
Income from interest receivable	2,047	23
	64,644	73,335

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

	2023 £	2022 £
Grants payable	220,452	140,419
Retired Staff Association expenses	13,694	8,076
Administration costs including liaison with grant and loan recipients	111,560	83,906
	345,706	232,401

Administration costs including liaison with grant and loan recipients include staff costs of £54,923 (2022 – £41,548) (note 3).

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

	2023 £	2022 £
Hardship grants	159,411	122,027
Christmas grants	56,850	16,169
Holiday	4,191	2,223
	220,452	140,419

During the year a total of 219 grants were awarded to individuals by the Trust (2022: 163 grants). On occasions more than one grant has been awarded to an individual.

3 Staff costs and remuneration of key management personnel

Staff costs during the period were as follows:

	2023 £	2022 £
Wages and salaries	54,923	41,548

No employees earned £60,000 per annum or more (including taxable benefits) during the year (2022 – none)

The average number of employees during the year was four (2022 – 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 £39,065 (2022 – £41,548).

4 Governance costs

	2023 £	2022 £
Auditor's remuneration (including VAT):		
. Statutory audit services	12,600	9,150
Legal and professional	1,224	1,152
	13,824	10,302

5 Net expenditure and net movement in funds

This is stated after charging:

	2023 £	2022 £
Staff costs (note 3)	54,923	41,548
Auditor's remuneration (including VAT)	12,600	9,150

6 Trustees' expenses and remuneration and transactions with trustees

None of the trustees received any remuneration for their services during the year (2022 – none).

Travel expenses totalling £7,653 were reimbursed to eight trustees during the year (2022 – £1,492 to seven 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

	2023 £	2022 £
Listed investments at market value		
At 1 June 2022	3,062,998	3,375,755
Additions at cost	469,874	238,269
Disposals at opening book value (proceeds: £1,027,056; realised losses: £36,496)	(1,063,553)	(414,313)
Unrealised losses on revaluation	(43,510)	(136,713)
At 31 May 2023	2,425,809	3,062,998
Cash held by investment managers for reinvestment	36,242	15,842
	2,462,051	3,078,840
Listed investments at historic cost	2,012,350	2,377,703

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

Listed investments held on 31 May 2023 comprised of:

	2023 £	2022 £
UK fixed interest securities	44,630	80,540
Overseas fixed interest securities	138,786	149,028
UK equities	577,581	922,095
Overseas equities	1,222,357	1,415,113
Property funds	192,488	224,494
Alternatives	249,967	271,728
	2,425,809	3,062,998

At 31 May 2023, the following holdings constituted material holdings when compared to the value of the total listed investment portfolio at that date:

	2023 Market value £	2023 % of portfolio %
Charities Property Fund	162,598	6.7
JP Morgan Funds Ltd US Equity Inc K	160,272	6.6
Blackrock Fm Ltd, European Dynamic Fd Inc	132,512	5.5
Brown Advisory Fds US Sustainable Gth Si GBP	181,625	7.5
Spdr S&P500 Etf Tr. Units Ser 1 S&P	236,007	9.7

9 Debtors

	2023 £	2022 £
Accrued investment income	235	231
	235	231

10 Creditors: amounts falling due within one year

	2023 £	2022 £
Grants payable	11,792	11,898
Accruals	14,935	13,062
	26,727	24,960

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 2023 (2022 – none).

12 Unrealised gains

The total unrealised gains at 31 May 2023 constituted movements on revaluation and were as follows:

	2023 £	2022 £
Total unrealised gains at 31 May 2023: On investments	413,455	685,295
Reconciliation of movements in unrealised gains:		
Unrealised gains at 1 June 2022	658,295	877,671
In respect to disposals in the period	(191,833)	(80,044)
Net (losses) gains arising on revaluations arising in the period	(80,007)	(112,332)
Total unrealised gains at 31 May 2023	413,455	685,295