

BHS Trust Fund

Annual Report and Accounts

31 May 2024

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	26

Accounts

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

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

Trustees	D Crudge A Curchin B Edgar R Eller C Gibson M Jones (Chair) 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 W1U 6AX
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 ended on the 31st of May, and I am sure you will all agree it was one of our most challenging years yet. One that required the whole team to go the extra mile to ensure the Fund is ready to meet its purpose, but also the demands of our ever-changing world. The key features of our year:

- ◆ Cost of living crisis expected to continue throughout 2024.
- ◆ Economic climate issues continue putting pressure on household incomes.
- ◆ Continued effects of the wars in Europe and the Middle East.
- ◆ Summer election in the UK.

At this point, I am going to suggest that you take a little time to read the Trustees' full report. It shows that as a Fund we are in good shape with regards to our governance procedures, management, and operational standards. It also shows the commitment made by the whole team as they have worked through the last twelve months to fulfil their responsibilities and deal with the many challenges faced. The key objectives and achievement areas are all detailed within the strategic subgroup reports.

These achievements reflect that we have a great wealth and depth of knowledge within our Trustee and Caseworker teams, along with a wide range of skills, experience, and energy to deliver. One must always appreciate how the Fund would exist and achieve what we actually do, without the generosity of those who have chosen to volunteer for us. Not forgetting our employees who are always prepared to go above and beyond when needed.

As this is my final Chair's report, I hope you will not mind me taking a little time to reflect on my time within this role. For me, this journey has been one of pure joy, to have been able to collaborate with the team to help so many former BHS employees. Many who can now look to the future more positively, following the financial support they have received from the Fund. Working with the team, who are so motivated and knowledgeable, has allowed me to learn and grow, constantly challenging the team to move the Fund forward, during these challenging times.

I mentioned earlier that the Fund was currently in a good place from a governance point of view and operationally sound. I also feel the same can be said for our People succession. This year due to planned turnover, we have looked to invest in our people to ensure we are ready to meet future needs.

- ◆ Operations - A new team was established this year led by Janet Day, who has taken up the baton as the BHS Trust Fund Manager, supported by Louise, as Grant Manager and Debra as Administrator. We have also added Kirsty to support our social media and our marketing activities within the operational team as well.
- ◆ Trustee Board - our current Board are both hardworking and committed. Their skills and knowledge cover all aspects of the role they are required to deliver. They are professional and confident, comfortable challenging their colleagues, at the same time respecting others' opinions.

INTRODUCTION - MESSAGE FROM OUR CHAIR (continued)

- ♦ Angela Curchin - retired as BHS Trust Fund Manager but remains within the Fund as a newly appointed Trustee. She brings to the team a comprehensive operational knowledge, as well as a long-term involvement within the Charity sector.
- ♦ Amanda Taylor - an experienced Caseworker, who brings extensive HR and ER knowledge to her newly appointed Trustee role.
- ♦ Caseworkers - We have also recruited four new individuals to join our Caseworker team. They have a varied range of experiences, knowledge, and people management skills. Judith, Julie, Liz, and Michael are all settling in very nicely.

All that remains now is to welcome the Fund's new Chair, Martyn Jones. Martyn started his new role at the beginning of the new financial year 1st June 2024. He brings to his role an extensive knowledge in the Charity sector and is already an experienced Chair. He was Founding Chair of the Mast Academy Trust, and Chair of the Morrison Foundation 2015-2023. I wish him well and I am confident the Fund will continue to evolve under his guidance and leadership.

I will sign off now with a sincere 'Thank you' for the last eight years. it has been a real honour to play my part alongside all of the Trustee team.

Helene

Helene Hamer

Outgoing Chair of Trustees (Retired 31 May 2024)

Trustees' report Year to 31 May 2024

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 2024.

The accounts have been prepared in accordance with the accounting policies set out on pages 33 to 36 of the attached accounts and comply with the constitution, applicable laws and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

OBJECTIVES AND ACTIVITIES

Introduction and background

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

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

In setting out and planning the activities of the charity, the trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

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.
- ◆ Our Strategy: To support and make a difference to the lives of our beneficiaries, whilst delivering our C.I.O Charitable purpose. To deliver this the Trustee group must demonstrate good governance, work as an effective team, using and having the appropriate balance of skills, background and knowledge to make informed decisions.

Achievements for 2023 - 2024

Our achievements are based on 3 strands which underpin our BHS Trust Fund Strategy with the support of the Operational function:

- ◆ Increasing Our Beneficiaries - Marketing Communication
- ◆ Team Development
- ◆ Financial and Risk Management.

OBJECTIVES AND ACTIVITIES (continued)

Achievements for 2023 – 2024 (continued)

Increasing Our Beneficiaries - Marketing Communications

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.

Marketing Co-ordinator- During 2023/2024, we successfully recruited a part-time Marketing Co-Ordinator (8 hrs per week) to initiate and deliver our marketing activity. This appointment has enabled us to deliver a varied and frequent schedule of social media posts plus mail communications to help us reach individuals in need of our support.

Brand Identity This year, we refreshed our brand identity, ensuring our social media presence, website and marketing materials reflect a more modern and attractive new image. This work was designed and produced in-house at low cost.

Applications 2023/2024 - Applicants continued to face the challenges of costs of living, particularly food and energy costs. In addition, we heard from many individuals with complex health and well-being circumstances, layered on top of financial worries and often interconnected. Our results are summarised below:

Full applications (excluding Xmas applicants/awards)

- ◆ We received 250 initial contacts/applications TY vs 253 LY. Of these, 18 were regretted by Trustees and 109 individuals didn't pursue their application
- ◆ 112 applicants received a full award, up from 94 LY (+19%)
- ◆ The average value of full awards was £1366 per beneficiary vs £1722 LY
- ◆ In addition, 4 applicants were provided with well-being support vs 9 applicants LY.

Xmas applications

- ◆ 113 applicants received help at Xmas vs 116 (LY). Of these, 87 received vouchers, 17 were provided with full support i.e. help with bills and 9 received hampers
- ◆ The average award for Xmas 2024 was £375 vs £494 LY. This represented a meaningful increase against awards in 2022 and earlier, as a result of our decision to increase the value of our awards at this expensive time of year.

Team Development

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

OBJECTIVES AND ACTIVITIES (continued)

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. The above and participation in other external training ensures personal development.
- ◆ 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.
- ◆ A new Chairperson has been recruited. A robust induction and detailed training plan were in place, delivered prior and just after commencement of role.
- ◆ Additional Trustee recruitment is required to fulfil the succession plan going forward, ensuring that we have all of the skills and knowledge to effectively govern the Fund.

Caseworkers

- ◆ Caseworkers' development discussions have again been completed and individual documentation has been shared, allowing continued understanding of Caseworkers' views of the Fund and enabling improvement opportunities to be shared.
- ◆ Caseworkers' quarterly meetings continue on Zoom, enabling updates on strategy, actual cases, and the ongoing activities of the Fund.
- ◆ Project resource has allowed the completion of the recruitment of 4 new caseworkers. Training plans and a full induction has been completed with all new volunteers.
- ◆ Trustees continue to be encouraged to participate in the Caseworkers' quarterly zoom meetings.

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. The aim is to preserve its value sufficient to meet operational overheads and grant expenditure over a 5-7 years' time horizon.

The Trustees recognise the realisation of such an objective is dependent upon favourable market conditions and the sound discretionary investment management performance that they entrust 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 a mix of short-dated Bonds and Global Equities, with relative performance measured against a benchmark that reflects the Fund is comfortable with a low-medium risk profile.

OBJECTIVES AND ACTIVITIES (continued)

Financial and Risk Management

Financial

Investec formally report Fund performance statistics to Trustees on a quarterly basis, informing of the current global investment climate and their overview of events likely to influence investment performance into the near-term future. The BHS Fund Manager has on-line access to the Investec website that provides Trustees with current portfolio information as, and when, necessary.

Risk Management

The Fund maintains a Risk Register that considers and evaluates the various risks to which the organisation could possibly be exposed, assessing their possible impact, and confirming 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 and therefore identify the principal risks and uncertainties facing the organisation.

The Register is subject to operational sub-group oversight, with principal risks reviewed by means of an Assurance process which is completed and shared with Trustees on a quarterly timescale.

Potential risks are assimilated under five generic headings.

- ◆ **Governance and Management**

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

- ◆ **Financial**

Risks include those that might arise due to the fluctuating value of investments, by pursuing 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 book-keeping 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 recognise and address demographic changes that might generate either exponential growth, or a gradual decline, in the numbers of potential Fund beneficiaries.

OBJECTIVES AND ACTIVITIES (continued)

Financial and Risk Management

Risk Management (continued)

◆ **Compliance with Laws and Regulatory Requirements**

Looks at the existential risks to which the Fund might become exposed if not meeting compliance with, for example, Charity Commission, HMRC, Audit reporting or GDPR requirements.

Operational

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 completed within the audit year 2023-2024 fall in the following categories:

- ◆ Working with both the Project Resource team and the People sub-group, ensured that all Operational positions have individuals in place, taking up their new appointments with increased responsibilities. A mentoring and work shadowing plan continued, ensuring a seamless transition for the Trust Fund.
- ◆ Working Smarter - a continued review of all BHS Trust Fund processes and daily requirements, identifying any improvement opportunities and ensuring all are fit for purpose. Implementation of review findings proved effective especially when faced with time pressured outcomes - example Christmas 2023 campaign process.
- ◆ Researched and implemented a third-party provider to move the Operational team's monthly payroll, HMRC and Pensions administration, away from the Fund Manager's role.
- ◆ Created a Cyber Security policy to provide guidance to the Trustees, Operational team and Caseworkers on how to protect the Fund's sensitive information against any possible breaches and threats and to ensure we comply with any relevant regulations. Training on going.
- ◆ Introduced 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.
- ◆ Reviewed and updated our GDPR policy and procedures, Health and Safety policy and guidelines. in addition to other policies due for review on a rolling basis, ensuring that all legislative requirements are covered, with robust documents and processes.
- ◆ Supported the provision of a comprehensive Wellbeing offer through the engagement of Vivup, who provide a specialist service. Feedback of this additional level of support that the Fund can offer beneficiaries continues to be monitored and promoted.

OBJECTIVES AND ACTIVITIES (continued)

Financial and Risk Management

Operational (continued)

- ◆ Completed a comprehensive working group to update the application form to capture all necessary information in detail to reflect the changing circumstances of our applications in this current economic climate and to provide the Board of Trustees with a detailed reflection of the applicant to be able to make a clear informed decision.
- ◆ 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

The BHS Trust Fund Strategy is split into three stands of responsibility and delivered by the following three sub-groups, supported by the Operational team

- ◆ Marketing Communication
- ◆ People
- ◆ Financial and Risk Management.

Our focus as always has been to react and be reflective of the current economic climate to support as many former BHS Employees and RSA (Retired Staff Association) as we possibly can. The BHS Trust Fund has a very clear set of strategic objectives that the Trustees reviewed and approved at their 'Away Day' held in London, prior to the commencement of the financial year in question. All required actions were allocated to one or more of the above sub-groups and revised and amended as required each quarter. By continuing to use 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 2023-2024 the Trust Fund awarded hardship and wellbeing grants in total to the value of £207,882 versus the previous year of £223,366, representing a decrease of £15,484.

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, beds, specialised equipment and aids, house repairs, car repairs. 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. A small number of wellbeing grants to support days out and short breaks were granted. Having engaged with Vivup, a provider of Wellbeing services, we have been able to offer third party confidential counselling sessions.

OBJECTIVES AND ACTIVITIES (continued)

Review of Activities (continued)

Financial Support (continued)

Throughout 2023-2024 the Trustees approved 112 full grants and 4 Wellbeing short breaks. This was against a backdrop of the previous year of 94 full grants and 9 Wellbeing short breaks.

Christmas grants awarded this year was a total of 113 versus 116 the previous year. The total spends being £42,333 versus £57,350 in 2022-2023. The majority of this spend was in food shopping vouchers.

The Trustees have this year focused on understanding the dynamics of our beneficiaries - new applicants compared with returning applicants who have previously been awarded grants both during the year and at Christmas time. There was a balanced approach that all help approved for both new and returning applicants should be at a level that would ease the financial budget pressures individuals faced, reducing the need for the applicant to request further support.

We have made a difference

Thank you so much for your kindness and generosity. This wonderful gift of a break away will be very much enjoyed. Thank you once again

I would like to take this opportunity to thank all the members of the BHS trust fund for their time and decision to award me Asda vouchers. I was genuinely so surprised at the amount I received. It was a great help and took the pressure off me over the last few weeks. I was able to pay and catch up with some bills.

Thank you again.

I would like to thank everyone who helped and supported myself and my husband in our most desperate time.

Thank you so much for your help whilst waiting for my pension – it is very much appreciated.

Christmas Applications and Grants

At the end of October 2023, 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.

OBJECTIVES AND ACTIVITIES (continued)

Review of Activities (continued)

Christmas Applications and Grants (continued)

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

Making a difference at Christmas

I would like to thank BHS trust fund for your gift, much appreciated. Financially it really helped myself and my family so much to enjoy Christmas

I cried opening the envelope, thank you so much – you have no idea how helpful this is to me.

Thank you very much for this lovely support, I am very grateful and overwhelmed by your generosity. Thank you so much.

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 RSA groups also celebrated Christmas 2023 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 all the members attending.

Caseworker Update

Our volunteer Caseworker team plays a crucial role in supporting and successfully delivering help and guidance to our applicants and beneficiaries. The increased complexity of each applicant case has resulted in the Caseworkers spending significantly more time with each case, to fully understand their individual needs and circumstances. This is key to preparing their reports and recommendations for the Trustee group, for their consideration and potential approval.

As a result of this increased workload, there has been a need to increase our Caseworker group numbers, with 4 new volunteers. 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 30 of the attached accounts.

Total income during the period amounted to £72,379 (2023 - £64,644).

Expenditure totalled £368,781 (2023 - £364,630), with relief of hardship amounting to £350,297 (2023 - £345,706).

Net gains on the revaluation and on the disposal of investments amounted to £102,509 (2023 – net losses of £80,006). This resulted in a net decrease of funds of £193,893 for the year (2023 - net decrease of £379,992).

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 £2,602,523 at 31 May 2024 (2023 - £2,796,416). 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 £2,456,025 (2023 - £2,462,051). 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 £68,074 (2023 - £62,597) during the period, which represents a yield of 3% (2023 – 3%). The yield is consistent with market returns in general. The portfolio generated unrealised losses during the period of £90,744 (2023 – unrealised losses of £43,510).

OUR FUTURE – JUNE 2024 TO MAY 2025 MARTYN JONES (Incoming Chair)

I joined the BHS Trust at an interesting time of change both for the UK economic outlook and for the Trust itself.

There is a view that for the majority of the population, things are feeling better, with wages currently running ahead of inflation and prices falling in some areas such as fuel and utilities. However, for the roughly 20% of the population who are living below the headline, financial life remains as tough as ever. There is, however, a newly elected government, whose vowed intent is to get the economy growing again, for the benefit of ordinary working people.

Consequently, the future of the BHS Trust Fund remains both challenged and challenging.

Challenged in terms of the increasing complexity of the applications the Fund is receiving and challenging in terms of getting the message out that the BHS Trust Fund is still around to assist ex and retired BHS colleagues who are in financial difficulties.

OUR FUTURE – JUNE 2024 TO MAY 2025 (continued)

Thanks to the work conducted last year by our excellent operations team, volunteer caseworkers, and dedicated Trustees, we will continue to face the challenge of finding appropriate support and targeted financial help for complex applications.

In addition, the Trustees and caseworkers will continue to work on the challenge of extending the reach of the BHS Trust fund to ex-employees in need, and to extend the financial help and support to more of the Retired (BHS) Staff Associations around the country.

This work will continue to be managed by three strategic subgroups involving Trustees, Ops team members and Caseworkers, planning and executing the strategies in the three principal areas of focus.

- ◆ Marketing and communications - spreading awareness of who and where we are, and what we do.
- ◆ People training and development - ensuring everyone in the Trust is trained and confident in handling complex applications, some of which come with potential safeguarding issues.
- ◆ Finance and Risk management - ensuring that we plan and execute the use of the Trust Fund's investments wisely and to the benefit of the maximum number of applicants.

It is vital that we continue to focus on delivering the optimal support for ex-BHS colleagues financially and in terms of advice and their wellbeing.

It is equally important that we extend our reach and support to retired BHS colleagues, who welcome and enjoy meeting each other regularly, to share their memories of working at BHS, and the challenges of being retired with only limited resources available.

Finally, it is crucial that we continue to focus on delivering all that we do at best cost, professionally and empathetically to the highest responsible standards.

Marketing Communications

This key strategic strand centres on ensuring the BHS Trust Fund fulfils its objects through reaching as many former Bhs employees who need our help as possible.

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**

OUR FUTURE – JUNE 2024 TO MAY 2025 (continued)

Marketing Communications (continued)

This year, we plan to:

- ◆ Establish a feedback process to identify our impact on beneficiary lives
- ◆ Promote our Well-being and Short Breaks support on our website and through social media posts, to include Vivup lifestyle discounts.
- ◆ Continue to develop new approaches on Facebook and other channels i.e. sharing personal stories and promoting campaigns from partner charities
- ◆ Explore opportunities to establish regular email communications with former employees
- ◆ Review our Retired Staff Association, with the aim of growing this population, communicating more regularly and providing appropriate support

People

Succession planning will continue to be an integral part of our People priorities in the coming year, as we carry on with the recruitment and development of our new volunteer Trustees, Caseworkers and Operational team members. We will ensure that we support both promotional and potential development opportunities within the Trust Fund.

Project Resource

- ◆ Project Resource will be reviewed, as recruitment requirements are ongoing due to one recent trustee resignation and potential vacancies from trustee retirements in 2025.
- ◆ Support will be available to assist in recruitment 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.

OUR FUTURE – JUNE 2024 TO MAY 2025 (continued)

Training and Development (continued)

Finally, we will continue to deliver an annual review discussion for all our Trustees, Caseworkers, 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.

- ◆ A new Chair has been recruited after a robust recruitment process.
- ◆ Recruit at least 2 additional Trustees to the team, ensuring that we have the resources, expertise, and diversity of individuals in place, ready to meet the challenges of the next five years.
- ◆ Continue to review the number of Caseworkers based on workload and requirements.
- ◆ Safeguarding refresher training will be completed for all existing volunteers and operational team, with new recruits completing full safeguarding training.

Financial and Risk Management

The key objective for the year ahead is to ensure the sustainability of the BHS Trust Fund in what is expected to be an uncertain investment environment. Following 2 years of unprecedented growth the organisation anticipates a levelling of activity both in terms of beneficiary numbers and grant expenditure

- ◆ We will continue to measure the Fund's internal financial performance, comparing actual monthly and year to date metrics against budget, ensuring any substantive variances are understood, and addressed where necessary.
- ◆ Mindful of the change in strategy which has resulted in steering the Fund towards investing its resources in a more risk-averse direction, we will closely monitor movements in Fund asset value. We would expect this investment approach to partly smooth out what might otherwise have been unsettling market volatility.
- ◆ We are aware of plans that are intended to bring about a merger of our investment manager, Investec, with another large organisation, Rathbones. We expect to be kept informed on progress and will seek reassurance of continuity in terms of a close working relationship.
- ◆ 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. Our aim is to achieve a beneficiary spend against operational spend ratio of 65:35. However, we recognise that operational spend is essentially fixed, therefore, to realise this objective we have to maintain grant giving at levels at least on a par with last year.
- ◆ 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 variable numbers of applicants and beneficiaries, to always ensure we have sufficient reserves to meet current demand for our support, and that of the foreseeable future.

OUR FUTURE – JUNE 2024 TO MAY 2025 (continued)

Financial and Risk Management (continued)

Risk oversight remains a key strategic objective. Respective subgroups will continue to review, and report back each quarter, by means of the Trustee assurance process, on 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 continue to be re-evaluated and carefully monitored.

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 Smarter - a continued review of all BHS Trust Fund processes and daily requirements, identifying any improvement opportunities and ensuring all are fit for purpose. Example: investigate electronic saving of documents and shared drives.
- ◆ Research and deliver findings to Board of Trustees – moving away from a full audit to Independent Examination based on Charity Commission guidelines for our level of Investment portfolio. Our current auditors do not offer this service. It is possible that we may transition to a new auditor company for 2024-2025.
- ◆ Continue to develop the Caseworker team effectiveness in completing complex applications, ensuring all parties feel supported and listened to when discussing and writing up applicant's case notes and recommendations.
- ◆ Continued support of the provision of a comprehensive Wellbeing offer through the engagement of Vivup, who provide specialist services.
- ◆ Implementation and review of the Fund's performance by our beneficiaries, collated via a feedback form used by our operational team when an individual case has been concluded. This enables us to identify whether and how we are making a difference to our beneficiaries' lives.

GOVERNANCE, STRUCTURE AND MANAGEMENT

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

BHS Trust Fund - Trustees

The following individuals served as the trustees of the charity from 1 June 2023 to the date of approval of this report (except as shown):

Trustee	
Helene Hamer – Chair	(Retired 31st May 2024)
Susan Topping - Deputy Chair	
David Crudge	
Charles Gibson	
Robert Eller	
Keith Smalls	
Beverly Edgar	
Susan Amanda Taylor	
John Holmes	(Resigned 1st January 2024)
Martyn Jones - Chair	(Appointed 1st June 2024)
Angela Curchin	(Appointed 1st April 2024)

Though out 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 – *Helene retired from her role as Chair and Trustee on 31st May 2024*

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 16years 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)

Martyn Jones - Chair - *Martyn joined the team as Chair from 1st June 2024*

I joined the BHS Trust Fund as a Trustee earlier this year, and took over as Chair in June, following the retirement of my long serving and dedicated predecessor, Helene Hamer. She will be a hard act to follow.



I started my career in retail and food retailing with BHS as a Department Manager back in 1976. Little did I think then that I would be involved with ex BHS colleagues again, 44 years later. I have been very lucky and had a full-on career, finishing up on the board of Morrisons supermarkets, as well as serving on various charitable trust boards in the areas of Early Intervention, Hospice Care, Charity Shops and Education Trusts. I helped to set up the Morrisons Foundation and stayed there as Chair for 9 years.

The BHS Trust's big challenge is improving awareness of what we can do for, and where we can be contacted by, ex BHS colleagues who may need a helping hand through times of health or financial misfortune. With the help of social media, and through the Retired Staff Associations around the country, we hope to optimise the use of our legacy funds to help as many BHS colleagues as possible. They, like us all, are getting older and potentially in need of more assistance. I intend to bring my experience to bear, with the fantastic help of our committed team, in planning for and delivering this awareness and help.

Apart from my work with the BHS Trust Fund, I am fortunate to be able to indulge a passion for world travel, seeing the people, wildlife, and trying the food from all areas and cultures. Once a food retailer, always a food retailer, wherever you are in the world!

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.

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 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.

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.



GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees (continued)

Robert Eller (continued)

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.

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.

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 2024!

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.

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.



GOVERNANCE, STRUCTURE AND MANAGEMENT (continued)

Brief Biographical details of the Trustees (continued)

John Holmes (continued)

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.

Angela Curchin

I began my retail career with BHS, as a Saturday assistant back in 1974, and was extremely fortunate to have been with the company all of my working life.

Joining the management training scheme enabled me to progress through to becoming a Store Manager in many stores across the Midlands. My role when I finally left the business in August 2016 was in regional HR.



My BHS journey did not end when the stores closed their doors for the final time, as I was delighted to be offered and accepted a position within the BHS Trust Fund, as the Fund Manager. For the last eight years, until my retirement at the end of March 2024. The Charity has supported so many individuals who faced major challenges in their lives and I am so grateful that I have been able to play a very small part in helping them and their families.

It is fitting that now my association with BHS still continues, as I was appointed a Trustee of the board in April 2024. I can continue to use the skills and knowledge that I have learnt over many years, but especially the last eight years when as the Trust Fund manager, building a small operational team, we have seen the Fund go from strength to strength. It is a privilege to be able to support the work that the Fund continues to deliver. It makes such a difference when former colleagues can be helped and supported, often at the most difficult of times for them, and to be part of that team is both worthwhile and rewarding.

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 and Grant Manager, 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 and Grant Manager 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:

Trustee: C M Jones

Date: 05/02/2025

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 2024 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 2024 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 other information comprises the information included in the Annual Report and Accounts, other than the accounts and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report. Our opinion on the accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the accounts themselves. 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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- ◆ the information given in the Trustees' 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; 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 set out on page 22 and 23, 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

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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' meetings; 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 Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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: 10 February 2025

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 2024

	Notes	Unrestricted funds	
		2024 funds £	2023 funds £
Income from:			
Investments	1	68,074	62,597
Interest receivable	1	4,300	2,047
Other sources		5	—
Total income		72,379	64,644
Expenditure on:			
Raising funds			
. Investment management fees		18,484	18,924
Charitable activities			
. Relief of hardship amongst former employees of Bhs Limited, their dependents and retired employees of that company	2	350,297	345,706
Total expenditure		368,781	364,630
Net expenditure before investment losses		(296,402)	(299,986)
Net investment gains (losses)	8	102,509	(80,006)
Net expenditure and net movement in funds	5	(193,893)	(379,992)
Reconciliation of funds:			
Fund balances at 1 June 2023		2,796,416	3,176,408
Fund balances at 31 May 2024		2,602,523	2,796,416

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

Balance sheet 31 May 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Fixed assets					
Investments	8		2,456,025		2,462,051
Current assets					
Debtors	9	13,441		235	
Cash at bank and in hand		156,019		360,857	
		169,460		361,092	
Creditors: amounts falling due within one year	10	(22,962)		(26,727)	
Net current assets			146,498		334,365
Total net assets			2,602,523		2,796,416
The funds of the Trust					
Unrestricted income funds			2,602,523		2,796,416

Approved by the Trustees and signed on their behalf by:

Trustee: C M Jones

Approved on: 05/02/2025

Statement of cash flows Year to 31 May 2024

	Notes	2024 £	2023 £
Cash flows from operating activities:			
Net cash used in operating activities	A	(385,747)	(362,867)
Cash flows from investing activities:			
Investment income and interest received		72,374	64,645
Proceeds from disposal of investments		2,609,512	1,027,056
Purchase of investments		(2,437,143)	(469,874)
Net cash provided by investing activities		244,743	621,827
Change in cash and cash equivalents in the period		(141,004)	258,960
Cash and cash equivalents at 1 June 2023		397,099	138,139
Cash and cash equivalents at 31 May 2024	B	256,095	397,099

Notes to the statement of cash flows for the period to 31 May 2024

A Reconciliation of net expenditure to new cash flows from operating activities

	2024 £	2023 £
Net movement in funds (as per the statement of financial activities)	(193,893)	(379,992)
Adjustments for:		
Losses on investments	(102,509)	80,006
Investment income and interest receivable	(72,374)	(64,644)
Increase in debtors	(13,206)	(4)
Increase (decrease) in creditors	(3,765)	1,767
Net cash used in operating activities	(385,747)	(362,867)

B Analysis of changes in cash and cash equivalents

	2023 £	Cash flows £	2024 £
Cash at bank and in hand	360,857	(204,838)	156,019
Cash held by investment managers	36,242	63,834	100,076
Total cash and cash equivalents	397,099	(141,004)	256,095

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 2024

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 2024 with comparative information given in respect to the year to 31 May 2023.

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

	2024 £	2023 £
Income from listed investments		
UK fixed interest securities	27,160	3,593
Overseas equities	19,306	17,151
UK equities	12,572	24,980
Alternatives	9,036	16,873
	68,074	62,597
Income from interest receivable	4,300	2,047
	72,373	64,644

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

	2024 £	2023 £
Grants payable	203,604	220,452
Retired Staff Association expenses	12,417	13,694
Administration costs including liaison with grant and loan recipients	134,276	111,560
	350,297	345,706

Administration costs including liaison with grant and loan recipients include staff costs of £71,239 (2023 – £54,923) (note 3).

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

	2024 £	2023 £
Hardship grants	148,705	159,411
Christmas grants	42,333	56,850
Holiday	12,566	4,191
	203,604	220,452

During the year a total of 229 grants were awarded to individuals by the Trust (2023: 219 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:

	2024 £	2023 £
Wages and salaries	69,058	54,923
Other Pension Costs	2,181	–
	71,239	54,923

No employees earned £60,000 per annum or more (including taxable benefits) during the year (2023 – none)

The average number of employees during the year was five (2023– four).

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 £46,066 (2023 – £39,065).

4 Governance costs

	2024 £	2023 £
Auditor's remuneration (including VAT):		
. Statutory audit services	11,460	12,600
Legal and professional	1,066	1,224
	12,526	13,824

5 Net expenditure and net movement in funds

This is stated after charging:

	2024 £	2023 £
Staff costs (note 3)	71,239	54,923
Auditor's remuneration (including VAT)	11,460	12,600

6 Trustees' expenses and remuneration and transactions with trustees

None of the trustees received any remuneration for their services during the year (2023 – none).

Travel expenses totalling £5,162 were reimbursed to eleven trustees during the year (2023 – £7,653 to eight trustees).

7 Taxation

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

8 Investments

	2024 £	2023 £
Listed investments at market value		
At 1 June 2023	2,425,809	3,062,998
Additions at cost	2,437,143	469,874
Disposals at opening book value (proceeds: £2,609,512; realised gains: £11,765)	(2,597,747)	(1,063,553)
Unrealised gains (losses) on revaluation	90,744	(43,510)
At 31 May 2024	2,355,949	2,425,809
Cash held by investment managers for reinvestment	100,076	36,242
	2,456,025	2,462,051
Listed investments at historic cost	2,322,991	2,012,350

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

Listed investments held on 31 May 2024 comprised of:

	2024 £	2023 £
UK fixed interest securities	973,620	44,630
Overseas fixed interest securities	100,360	138,786
UK equities	122,397	577,581
Overseas equities	823,644	1,222,357
Property funds	–	192,488
Alternatives	335,928	249,967
	2,355,949	2,425,809

At 31 May 2024, the following holdings constituted material holdings when compared to the value of the total listed investment portfolio at that date:

	2024 Market value £	2024 % of portfolio %
UK (Govt of) 2.75% Glit Snr 9/24 GBP1000	198,895	8.4%
UK (Govt of) 0.125% Snr 30/01/26 GBP1000	139,890	5.9%

9 Debtors

	2024 £	2023 £
Accrued investment income	13,441	235
	13,441	235

10 Creditors: amounts falling due within one year

	2024 £	2023 £
Grants payable	7,513	11,792
Accruals	15,449	14,935
	22,962	26,727

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 2024 (2023 – none).

12 Unrealised gains

The total unrealised gains at 31 May 2024 constituted movements on revaluation and were as follows:

	2024 £	2023 £
Total unrealised gains at 31 May 2024: On investments	32,958	413,455
Reconciliation of movements in unrealised gains:		
Unrealised gains at 1 June 2023	413,455	658,295
In respect to disposals in the period	(471,240)	(201,330)
Net (losses) gains arising on revaluations arising in the period	90,744	(43,510)
Total unrealised gains at 31 May 2024	32,959	413,455