

# BT BENEVOLENT FUND

England & Wales · Charity number 212565

## Details

---

**Other names** BRITISH TELECOM BENEVOLENT FUND

**Status** Registered

**Legal form** Other

**Registered** 1963-04-01

**Register** [View on the Charity Commission register](#)

## Contact

---

**Address** Room 4208  
Bristol CTE  
Marsh Street  
Bristol  
BS1 4AY

**Phone** 08007565555

**Email** [benevolent@bt.com](mailto:benevolent@bt.com)

**Website** [www.benevolent.bt.com](http://www.benevolent.bt.com)

## Activities

---

**Objects:** TO THE RELIEF (BY WAY OF A GIFT, LOAN OR IN SUCH MANNER AS THE COMMITTEE MAY DECIDE) OF CASES OF DISTRESS CAUSED BY:- (1) THE DECEASE OF PRESENT OR PAST MEMBERS OF THE STAFF OF BRITISH TELECOMMUNICATIONS AND/OR BRITISH TELECOMMUNICATIONS PLC OR PAST MEMBERS OF THE CLERICAL OR TECHNICAL STAFF OF THE POSTMASTER GENERAL OR OF PRESENT AND PAST MEMBERS OF THE BRITISH TELECOMMUNICATIONS STAFF SUPERANNUATION SCHEME OR THE BRITISH TELECOMMUNICATIONS PLC NEW PENSION SCHEME OR OF PAST MEMBERS OF THE CLERICAL OR TECHNICAL STAFF OF THE POST OFFICE WHO WERE SUBSCRIBERS TO THE FUND ON 31ST OCTOBER 1986. (2) THE RETIREMENT OF ANY PERSONS MENTIONED IN (1) ABOVE FROM THE SERVICE OF BRITISH TELECOMMUNICATIONS, BRITISH TELECOMMUNICATIONS PLC, THE POST OFFICE, THE DEPARTMENT OF THE POSTMASTER GENERAL, THE MINISTRY OF POST AND TELECOMMUNICATIONS, THE DEPARTMENT OF NATIONAL SAVINGS OR ANY GOVERNMENT DEPARTMENT TO WHICH SUCH PERSONS SHALL HAVE BEEN TRANSFERRED AFTER SERVICE IN THE SAID MINISTRY OR THE SAID DEPARTMENT (3) THE REDUCTION OF PAY OF ANY PERSONS MENTIONED IN (1) ABOVE OWING TO PROLONGED SICK LEAVE WHILE THEY ARE SERVING WITH BRITISH TELECOMMUNICATIONS PLC, THE POST OFFICE, THE DEPARTMENT OF NATIONAL SAVINGS OR ANY GOVERNMENT DEPARTMENTS TO WHICH SUCH PERSONS SHALL HAVE BEEN TRANSFERRED AFTER SERVICE IN THE SAID DEPARTMENT OR IN THE MINISTRY OF POSTS AND TELECOMMUNICATIONS. (4) OTHER CIRCUMSTANCES ADVERSELY AFFECTING SUCH PERSONS OR THEIR DEPENDANTS.

**Activities:** The object of the charity, as set out in its constitution, is the relief of financial hardship among BT employees past and present and their dependants and this is the principle activity.

## Classification

---

- **How:** Makes Grants To Individuals
- **What:** The Prevention Or Relief Of Poverty
- **Who:** Other Defined Groups

## Geography

---

- Northern Ireland
- Scotland
- Throughout England And Wales

## Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£1,219,135	£982,484	£7,255,773	7
2023-12-31	£1,257,273	£1,005,243	£6,583,488	7
2022-12-31	£1,193,636	£808,087	£6,133,672	7
2021-12-31	£1,122,575	£772,611	£6,078,492	7
2020-12-31	£2,028,461	£845,248	£5,241,910	7

## Trustees

Name	Role	Appointed
Clive Selley		2016-11-02
JANE SHIPWAY		2005-06-30
Jessica Norton		2025-08-06
KEVIN CHARLESWORTH		2006-03-31
MR JOHN HOLME		2006-03-31
Matt Rogers		2016-11-02
Robert Leonard Jones		2015-07-28

**BT BENEVOLENT FUND**

England & Wales - Charity number 212565

---

# Accounts

---



**BT BENEVOLENT FUND**  
**REPORT and FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2024**  
**CHARITY NO. 212565**

# BT Benevolent Fund

## CONTENTS

	Page
Report of the Trustees	
Chair's Report	3
Objectives and Activities	4 - 5
Achievements and Performance	5 - 6
Financial Review	6 - 9
Structure, Governance and Management	9 - 10
Reference and Administrative Information	10 - 11
Independent Auditors' Report to the Trustees	12 – 15
Financial statements	
Statement of financial activities	16
Balance sheet	17
Statement of Cash Flows	18
Notes	19 - 26

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2024

The trustees present their annual report and financial statements for the year ended 31<sup>st</sup> December 2024. These have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 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 UK and Republic of Ireland.

### Chair's Report

As the new Chair of the BT Benevolent Fund Trustee Board, I am delighted to report that the Fund had another successful year in 2024. We awarded grants of over £660,000 and helped 473 individuals, couples and families who were in financial difficulty. We helped 149 current BT employees and ended the year paying weekly grants to 114 BT pensioners on very low incomes.

The economic climate remains challenging and in particular energy costs are still high which continued to impact the most vulnerable in our society. The Fund continued to respond effectively to this crisis thanks to the high level of support from both our individual and corporate donors.

Our largest individual grant in 2024 was £5,000 for bathroom adaptations and we also awarded 35 grants of £2,500 or more. Many of these were for funeral costs, new boilers and priority debt. We currently pay weekly grants to 114 former BT people on very low incomes and are in regular contact with them, so we know what a huge difference these payments make and how grateful they are for our support. We also made additional Christmas payments to all weekly grant recipients, consisting of a £200 winter fuel payment, funded in part from the donation received from the Civil Service Insurance Society Charity Fund (CSIS CF), and a Christmas bonus payment of £200.

In 2024 our income exceeded £1million for the 11th year in a row. Membership donations and Gift Aid made up over 69% of this and thanks must go to the CSIS CF, PORF and Openreach for their very generous contributions. Other income came from investments, Christmas card sales, one-off donations and legacies. We again ended the year with a surplus and have substantial reserves, which will help to support our work well into the future.

Whilst we saw a decline in donor numbers from 16,466 to 16,015, thankfully many existing donors increased their contributions and new donors (of which we had 781 in the year) generally donated more than those that left us, which helped our overall donor income remain reasonably flat.

This year Vivien Lantree stood down as a trustee after 5 years with the BT Benevolent Fund so I would like to thank Vivien for all her hard work and dedication during that time. As always, the whole Board has worked hard to support the Fund's objectives and my thanks go to them for all their time and effort.

The Secretariat team have worked hard again this year in support of those that come to us for help and my thanks go to them for their continued commitment and enthusiasm. We now look forward to 2025 where our focus will be on growing our donor base and most importantly, continuing to provide financial help and support to our BT colleagues, past and present.

On a personal note, I was honoured to be asked to take on the role of Chair of the Trustee Board following Mark's departure. I would like to thank Mark for his 5 years of support and sponsorship of the Fund and to extend my thanks to the whole team for their ongoing professionalism and enthusiasm and to our many wonderful donors for their continuing support. I look forward to working with the Fund's board and wider team who go above and beyond to make sure they help as many of those who come to us as possible and I hope to be able to make a significant positive contribution myself.

**Jessica Norton, Chair of Trustees**

# BT Benevolent Fund

*Report of the Trustees for the year ended 31<sup>st</sup> December 2024 continued*

## **Fund Mission Statement**

To increase awareness of the Fund and its activities throughout the company workforce and pension fund membership with a view to recruitment of ‘contributing members’ and identifying the Fund as a ‘resource’ to those in hardship.

## **Objectives and Activities for the Public Benefit**

The main objective of the BT Benevolent Fund is the relief of financial hardship amongst current and former BT employees and their dependants. The trustees confirm that they have referred to the Charity Commission’s guidance on public benefit when reviewing the charity’s aims and objectives, in planning future activities, and setting the grant making policy.

The objective and funding of the charity limit the services we provide to employees and ex-employees of BT Group and its predecessors, and their dependent families. The trustees are aware that whilst this is a restricted section of society, it still represents a sizeable number of people any of whom can ask for help at any time. In addition, the range and depth of the service we provide means that it is not just the individual who benefits but their wider family, thus extending the range of our support. All our charitable help is provided free of charge, and people do not need to contribute to the Fund to benefit from our help.

## **Grant-making Policy**

The Fund assists current BT Group employees, pensioners and former employees and their dependants whose circumstances qualify them for assistance under the Fund’s Grant Aid Guidelines, which aim to ensure fairness and consistency. Beneficiaries must be experiencing financial hardship and satisfy criteria regarding income and savings which are regularly reviewed by the trustees. Generally, help will be in the form of a one-off grant based on the applicants’ circumstances and the specific requirement. Regular grants may be available to BT pensioners in the form of a weekly grant, but such grants are dependent upon net income levels. The general aim is to help people in need to move to a more stable and sustainable position.

The ways in which the Fund aims to reduce poverty and hardship include:

- Payments towards home adaptations and mobility aids for adults and children with disabilities
- Payment of debts relating to security of accommodation, e.g. rent, mortgage or council tax arrears
- Payments to assist with energy bills
- Payments to assist with funeral bills
- Payments for essential home maintenance and heating repairs
- The provision of items such as furniture, bedding, clothes, fuel, heating and domestic appliances
- Providing one-off payments following a crisis or natural disaster
- Providing one-off payments to meet a particular need
- Payment of travelling expenses connected with hospital stays, respite care and convalescence
- The payment of weekly grants to older people on very low incomes
- The payment of weekly grants to assist with shortfalls in residential home fees
- The payment of grants for services such as shopping, gardening and personal care to allow people to remain independent in their homes

Equal access to our services is an important issue for the Fund and we therefore write to all BT pensioners on a regular basis reminding them that we are here to help. We also publicise our services within BT via various communications channels and externally via our website and social media channels.

## BT Benevolent Fund

### *Report of the Trustees for the year ended 31<sup>st</sup> December 2024 continued*

At the end of 2024 the usual maximum grant payment was £2,500 and up to £10,000 for home adaptations related to disability. However, all grants are made on a discretionary basis and there is no absolute maximum. Grant aid criteria has however been reviewed for 2025 and advisory grant limits will be removed from 1<sup>st</sup> April.

#### **Achievements and Performance**

The Fund continues to aid BT employees, ex-employees, pensioners and their dependants experiencing financial hardship. In 2024 we dealt with 359 individual cases and our charitable grant expenditure was £661,980 (2023: £699,033). Our biggest area of need were people in debt, normally with rent, council tax and utility bill arrears. Others required help with funeral bills, re-housing costs, home adaptations and home and heating repairs. We also continue to see how the impact of ill-health, bereavement, redundancy or relationship breakdown can result in people struggling financially.

Threat of repossessions and evictions and the stress of people losing their home or not being able to pay bills has a detrimental effect on health and wellbeing. Long-term sickness and an unexpected event within the family often causes financial distress so it is important that the Fund can support people at a time when they find themselves at their most vulnerable.

The trustees don't set targets for relieving hardship and place no restrictions on charitable activity but support the secretariat in dealing with all grant applications presented to the charity within the year.

The main measures of activity are as follows:-

		<b>2024</b>	<b>2023</b>
Cost of charitable activities:	Grants paid to or on behalf of beneficiaries	661,980	699,033
	Pensioner contact scheme	17,940	22,211
	Indirect costs of grant giving	173,599	156,490
	<b>Total</b>	<b>£853,519</b>	<b>£877,734</b>
Cases decided:	Employees	149	166
	Pensioner contact scheme	7	3
	Pensioners and ex-employees	203	219
		<b>359</b>	<b>388</b>
Membership subscriptions:	Total for year	£698,779	£685,906
	Year on year (decrease)/increase	1.9%	-1.0%
	Number of members	16,015	16,466
	Average giving rate per member per annum	£43.63	£41.66
Expenditure as % of total incoming resources:	Grants	54.3%	55.6%
	Pensioner contact scheme	1.5%	1.8%
	Indirect costs of grant giving	14.2%	12.4%
	Costs of generating funds	8.3%	7.5%
	Governance costs	2.3%	2.6%

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2024 continued*

Most employee cases are referred to the Fund by the BT Group Employee Assistance Programme with whom we continue to enjoy an excellent working relationship, meeting regularly to discuss cases and any process issues that arise. Case analysis shows how the impact of continued economic pressures, the impact of a partner being made redundant, of relationship breakdown, or of sudden illness or disability amongst BT employees can all destabilise family budgets and lead to extreme financial pressure and debt. As such, we want to encourage BT employees, ex-employees and pensioners to ask for help when they need it and remove the stigma attached to approaching the Fund for assistance. To succeed we need sustained communication and we work with BT Group and the BTPS to achieve this aim. We regularly use social media to promote our work. It is a wide-ranging and powerful tool, and we use this form of media to engage with organisations and individuals on a regular basis. We also continue to communicate with employee members through BT's other internal communications channels. In 2024 we also publicised the Fund in the BTPS P60 mailing and in the BTPS newsletter and this resulted in a number of additional grant applications.

The Pensioner Contact scheme was discontinued in 2024 due to a greatly reduced response. We now send a single letter to all BT Pensioners, regardless of age primarily to offer support but also seeking a donation where appropriate. More than 110,000 of these letters were sent in 2024 and the response to this new letter has been pleasing.

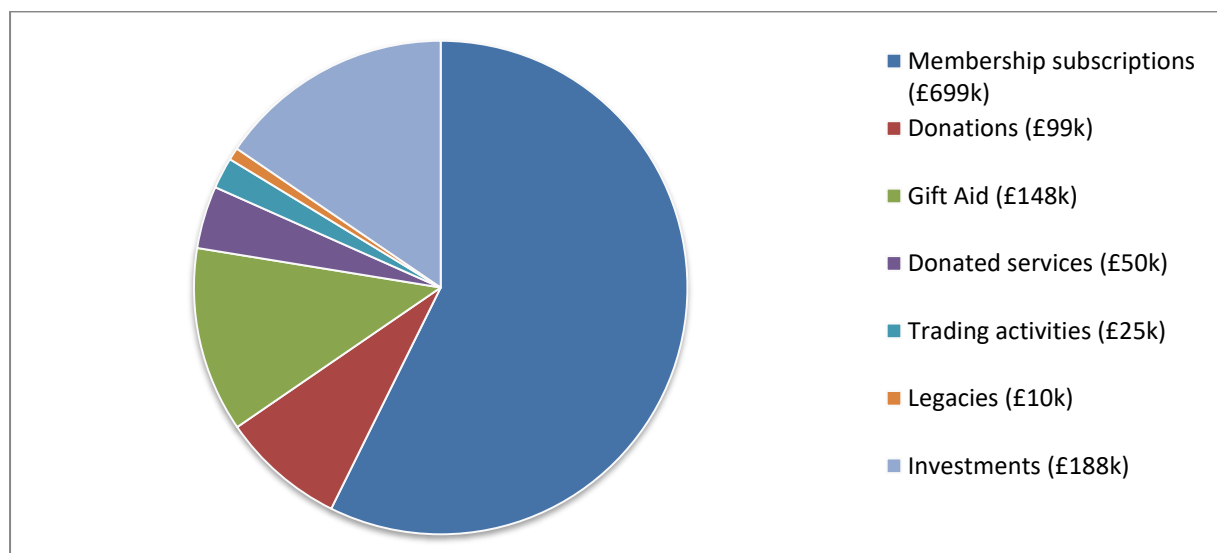
We continue to pay weekly grants ranging from £15pw to £50pw to older people on very low incomes, and all such beneficiaries received a bonus payment at Christmas of £200, as well as an additional winter fuel payment of £200, funded in part by the donation received from the Civil Service Insurance Society Charity Fund.

During 2024 the Fund also continued to make payments under the 'Care in the Home' scheme designed to help the elderly pay for specific items of care to enable them to maintain their independence and allowing them to remain in their own homes for as long as possible.

### **Financial Review**

The principal funding source of the charity continues to be donations. Regular donations from individuals accounted for 57% (2023: 55%) of total income. Investment income, gift aid and one-off donations are the other material sources of income. Included in donations are significant receipts from Openreach, the POFR and the CSIS Charity Fund (see note 3).

Total income for the year was £1,219,135 analysed as follows:

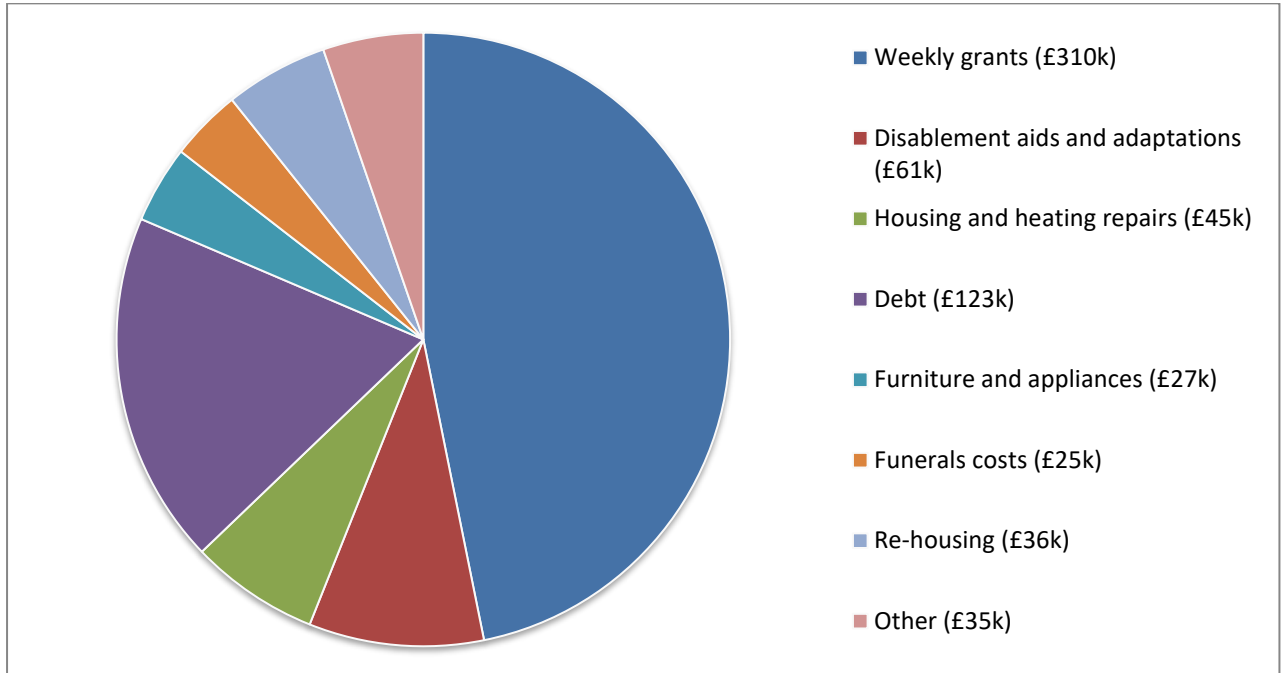


# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2024 continued*

Total expenditure for the year was £982,484. Some £661,980 of this total (67%) was paid out in grants. The indirect costs of paying these grants were £191,539 with fundraising costs (£100,624) and other costs (£28,341) making up the balance.

Grants paid may be analysed as follows.



The surplus for the year amounted to £236,651 (2023: Surplus of £252,030). After movements in the market value of investments there is a total surplus of incoming resources of £672,285 (2023: £449,816).

Case numbers in 2024 decreased slightly compared to 2023 and remain lower than pre COVID levels. Numbers had been climbing post pandemic and we expected this trend to continue throughout 2024. This looked to be the case in the first 3 quarters of the year, but an unusually quiet Q4 led to a slight reduction overall. This does mean however that we remain in surplus and are able to meet all qualifying requests for financial help. It should be noted that Q1 2025 was extremely busy so we expect the trend of increasing case numbers to resume in 2025 and beyond.

With the increased cost of living and costs in general rising, the trustees have reviewed the existing grant aid criteria and the following changes will be made from 1<sup>st</sup> April 2025:

- Saving thresholds for grant applicants will be increased to from £5k to £10k for individuals and from £7.5K to £15k for couples
- The guideline limit for maximum grant amounts will be removed and all awards will be discretionary with no absolute maximum
- Support will be considered for un-secured debt such as credit card arrears, overdrafts and personal loan arrears

We continue to proactively encourage people to approach us for help using regular direct mailings, social media channels and our website. We also have a Workplace group in both BT and Openreach and this gives us significant reach, enabling us to communicate directly with the majority of BT's workforce. By using these social media channels and other more traditional methods we are doing all

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2024 continued*

we can to encourage BT people who are in need to reach out to us and we will continue to be proactive in this area.

As stated, we have a cash surplus for 2024 and although we already have significant reserves, we still need to ensure that we invest responsibly to ensure the long-term future of the Fund and mitigate against any future loss of income. Although expenditure still hasn't reached pre-pandemic levels, we have seen a decrease in the number of people donating to the Fund and although this hasn't adversely affected overall donor income to date it cannot be guaranteed going forward. In fact, individual donor income increased slightly in 2024, but we received reduced income from one off donations and in the current economic climate this trend may well continue, so any reserves built up now will be essential for our future viability.

### **Collaboration with Other Charities**

We continue to work with other charities and have built excellent relationships with many of them including SSAFA, the Royal British Legion and other military charities, the Rowland Hill Fund, the National Federation of Occupational Pensioners, the Education Support Partnership, the Electrical Industries Charity, the Benenden Charitable Trust and the Civil Service Retirement Fellowship. We also regularly liaise with local authority housing departments, Citizens Advice Bureaux, and similar organisations.

### **Investment Policy and Performance**

Cazenove Capital Management Ltd continues to manage the Fund's investments on a discretionary basis in order to balance income and capital growth and to lessen the level of overall risk. The Investment Sub-committee meets with Cazenove twice-yearly to review our portfolio and the performance of our investments. The capital position of the charity remains satisfactory, with the total investment portfolio standing at £6,346,832 (2023: £5,835,971). There are no restrictions on the Fund's power to invest.

### **Risk Management**

The trustees have established regular reporting systems, including the maintenance of a risk register which is reviewed quarterly and assesses and monitors the major strategic and operational risks faced by the charity.

The key risk identified in 2024 continues to be the Fund's dependency on a gradually decreasing donor base. The Fund also receives donations from, Openreach, POFR, the CSIS Charity Fund and on occasion from BT but these cannot be relied upon in the future. It should be noted however that the Fund has a sound financial position secured on a diversified risk averse portfolio of investments.

### **Reserves Policy**

Unrestricted funds are needed to cover administration and support costs without which the charity could not function, and to provide funds which can be designated to specific projects so they can be undertaken at short notice. The trustees consider it prudent that unrestricted reserves should be sufficient to cover a minimum of one year's administration and support costs. The trustees monitor and review reserve levels routinely and consider the current level of £6,178,079 to be more than adequate to meet the costs of operating the Fund for a considerable period of time in the event of an unforeseen decline in donation income or corporate support. It should be noted that the current level of reserves are effectively underpinned by fixed asset investments which are held on a long-term basis for the continuing benefit of the charity in the form of both income generation and capital appreciation.

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2024 continued*

The Fund has a restricted endowment fund (Kelvin Homes endowment) where the income is to be applied to cases involving housing and associated costs (see note 15). The charity's general funds are not subject to any restriction.

### **Securing the future**

Sustainability of the Fund remains a priority for 2025 as we need to ensure that those who need help are aware of the existence of the Fund and the valuable work it performs. We also want to encourage colleagues and pensioners to become regular contributors, so it is imperative that we continue to raise our awareness and profile with the distribution of promotional materials. Mailings direct from the Fund to our contributors and a communication to pensioners highlighting the work we do are also essential.

A strategic review was carried out in 2023 which confirmed that the following priorities remained appropriate to sustain the work of the charity for the foreseeable future:

- Maintain and if possible, increase our charitable work
- Maintain and grow our income and control our costs
- Understand and react to the context we operate in
- Raise our profile within BT
- Safeguard the future of the Fund

### **Structure, Governance and Management**

The charity was formed in 1853 as the Post Office Clerks' Charitable Fund. It became the British Telecommunications Benevolent Fund in 1981 and the BT Benevolent Fund in 1992. The governing document of the charity is a written constitution dated 3<sup>rd</sup> July 1996 and amended on 13<sup>th</sup> June 2005, 30<sup>th</sup> July 2014, and 28<sup>th</sup> July 2022. The charity delivers its aims and objectives by making financial grants. Membership is available to defined groups of people, principally past and present employees of BT Group, and is dependent on donations. Each member has one vote at general meetings.

Trustees are in the first instance co-opted by the board of trustees and their appointment confirmed at the next Annual General Meeting. The trustees regularly review the composition of the board and the skill sets required to ensure good governance. A detailed skills assessment of existing trustees was started in 2023 and continued throughout 2024. More work on this will be undertaken in 2025. A process for appointments has been adopted together with appropriate arrangements for induction and training depending on experience and individual requirements. Of the existing board, three are serving senior managers from within BT Group, three are retired former employees or ex-employees and one is a wholly independent trustee with no connection to BT Group. BT Group has the right under the constitution to appoint one trustee. Trustees give their time free of charge.

The day-to-day operations of the charity are managed by a secretariat headed by the charity's general manager who reports directly to the board of trustees. The treasurer/accountant works with the charity's general manager but also reports separately to the board of trustees. The board of trustees monitors performance at its quarterly meetings and takes all the significant decisions associated with strategy.

The charity is legally and fiscally wholly independent of BT Group but continues to enjoy significant support from BT Group in the form of donated services and facilities.

Saffery LLP have signified their willingness to continue as our auditors. A resolution will be proposed at the annual general meeting to re-appoint them for the coming year.

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2024 continued*

### **Key management personnel remuneration**

The trustees consider the board of trustees and the general manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 2 to the accounts.

Trustees are required to disclose any relevant interests and to withdraw from any decisions where a conflict of interest arises.

The remuneration of the Fund's secretariat team is reviewed annually. Pay rates are normally increased in accordance with average earnings and are subject to agreement by a minimum of two trustees.

### **Reference and Administrative Information**

#### **Trustees**

All served throughout 2024 unless otherwise indicated

Mark Murphy – resigned December 2024  
Kevin Charlesworth  
John Holme  
Robert Jones

Vivien Lantree – resigned May 2024  
Matt Rogers  
Clive Selley  
Jane Shipway

Jessica Norton was appointed as Chair of the Trustee Board on 1<sup>st</sup> January 2025

#### **General Manager**

Rob Pearce

#### **Treasurer**

Michael Pearce

#### **Honorary Solicitors**

Rachel Blackwell, BT Group, 1 Braham Street, London E1 8EE  
Ciara Burke, BT Group, Riverside Tower, 5 Lanyon Place, Belfast, BT1 3BT

#### **Principal Office**

Room 4210, Bristol Central TE, Marsh Street, Bristol BS1 4AY

#### **Auditors**

Saffery LLP, St John's Court, Easton Street, High Wycombe HP11 1JX

#### **Bankers**

Santander UK plc, Bootle, Merseyside GIR 0AA  
Unity Trust Bank plc, Nine Brindleyplace, Birmingham B1 2HB

#### **Investment Managers**

Cazenove Capital Management Ltd, 1 London Wall Place, London EC2Y 5AU

### **Trustee's responsibilities in relation to the financial statements**

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

## BT Benevolent Fund

### *Report of the Trustees for the year ended 31<sup>st</sup> December 2024 continued*

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the

incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports)

Regulations, and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and 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 in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees on 6<sup>th</sup> May 2025 and signed on their behalf by:



**Jessica Norton, Chair of Trustees**

# BT Benevolent Fund

## Independent Auditors' Report to the Trustees of the BT Benevolent Fund

### Opinion

We have audited the financial statements of The BT Benevolent Fund for the year ended 31 December 2024 which comprise of a statement of financial activities, balance sheet, statement of cashflows and notes to the financial statements, including significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements 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, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance

## BT Benevolent Fund

### *Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued*

conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 financial statements 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**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements 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 set out on page 10, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

## BT Benevolent Fund

### *Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued*

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# BT Benevolent Fund

## *Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued*

### **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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....

Saffery LLP  
Statutory Auditors

Saffery LLP  
St John's Court  
Easton Street  
High Wycombe  
HP11 1JX

Date: 6 May 2025

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

## BT Benevolent Fund

### Statement of Financial Activities For the year ended 31 December 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
<b>Income and endowments</b>						
Donations and legacies	3	1,005,559	-	-	1,005,559	1,063,516
Trading activities	4	24,862	-	-	24,862	26,226
Investments	5	160,698	28,016	-	188,714	167,531
<b>Total income</b>		<b>1,191,119</b>	<b>28,016</b>	<b>-</b>	<b>1,219,135</b>	<b>1,257,273</b>
<b>Expenditure</b>						
Costs of raising funds	6	95,418	5,206	-	100,624	94,751
Expenditure on charitable activities:						
Grants	7	635,170	26,810	-	661,980	699,033
Indirect costs of grant giving	8	191,539	-	-	191,539	178,701
Other	9	28,341	-	-	28,341	32,758
<b>Total expenditure</b>		<b>950,468</b>	<b>32,016</b>	<b>-</b>	<b>982,484</b>	<b>1,005,243</b>
<b>Net surplus/(expense) for the year</b>		<b>240,651</b>	<b>(4,000)</b>	<b>-</b>	<b>236,651</b>	<b>252,030</b>
Net gain on investments	12	361,229	74,405	-	435,634	197,786
<b>Net movement in funds</b>		<b>601,880</b>	<b>70,405</b>	<b>-</b>	<b>672,285</b>	<b>449,816</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>5,576,199</b>	<b>439,048</b>	<b>568,241</b>	<b>6,583,488</b>	<b>6,133,672</b>
<b>Total funds carried forward</b>		<b>6,178,079</b>	<b>509,453</b>	<b>568,241</b>	<b>7,255,773</b>	<b>6,583,488</b>

# BT Benevolent Fund

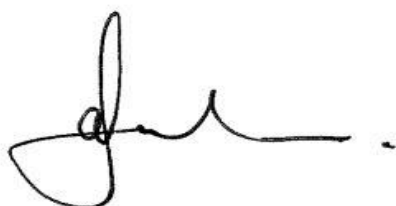
## Balance Sheet as at 31 December 2024

	Note	Unrestricted Funds 2024 £	Restricted Funds 2024 £	Endowment Funds 2024 £	Total Funds 2024 £	Total Funds 2023 £
<b>Fixed assets</b>						
Investments	12	5,269,138	509,453	568,241	6,346,832	5,835,971
<b>Current assets</b>						
Debtors	13	116,214	-	-	116,214	117,506
Cash at bank and in hand	13	834,400	-	-	834,400	671,411
<b>Total current assets</b>		<b>950,614</b>	<b>-</b>	<b>-</b>	<b>950,614</b>	<b>788,917</b>
<b>Liabilities</b>						
Creditors falling due within one year	14	41,673	-	-	41,673	41,400
<b>Net current assets</b>		<b>908,941</b>	<b>-</b>	<b>-</b>	<b>908,941</b>	<b>747,517</b>
<b>Net assets</b>		<b>6,178,079</b>	<b>509,453</b>	<b>568,241</b>	<b>7,255,773</b>	<b>6,583,488</b>
<b>The funds of the charity:</b>						
Unrestricted income funds		6,178,079	-	-	6,178,079	5,576,199
Restricted income funds	15	-	509,453	-	509,453	439,048
Endowment	15	-	-	568,241	568,241	568,241
		<b>6,178,079</b>	<b>509,453</b>	<b>568,241</b>	<b>7,255,773</b>	<b>6,583,488</b>

The notes on pages 19 to 26 form part of these accounts.

Approved by the trustees on 6 May 2025 and signed on their behalf by:

J Norton  
Trustee



# BT Benevolent Fund

## Statement of Cash Flows For the year ended 31 December 2024

	Note	Total Funds 2024 £	Total Funds 2023 £
Net cash generated by operating activities	17	<u>49,502</u>	<u>89,533</u>
Cash flows from investing activities:			
Interest and dividends		188,714	167,531
Proceeds from sale of investments		1,793,164	1,917,124
Purchase of investments		(1,868,391)	(2,291,765)
Net cash provided by/(used in) investing activities		<u>113,487</u>	<u>(207,110)</u>
Change in cash and cash equivalents in the year		162,989	(117,577)
Cash and cash equivalent brought forward		671,411	788,988
Cash and cash equivalents carried forward		<u>834,400</u>	<u>671,411</u>

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2024

### 1. Accounting Policies

#### (a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### (b) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Income arising from investments, subscriptions, donations, bequests, endowments and similar incoming resources are accounted for on an accruals basis. This income is treated as unrestricted unless the donor specifies to the contrary.

Donated services and facilities are recognised in the statement of financial activities at market value or trustees' estimate as the charity would otherwise have to purchase these services and facilities.

#### (c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are recognised in the financial statements as liabilities as soon as they have been approved even though there may be conditions attached to them. This is because there is a valid expectation by the recipients that they will receive those grants. Weekly grants, which are discretionary and subject to continuous review, are paid six months in advance, and are recognised in the financial statements as and when payments are made. Further details are set out in note 7.

#### (d) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2024 continued

### **(e) Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. The bases on which these costs have been allocated are set out in note 10.

### **(f) Costs of raising funds**

The costs of generating funds consist of investment management fees, purchase of Christmas cards as well as a percentage of staffing costs, equipment hire, postage and dispatch costs, leaflets and stationery relating to promotional mailings to potential members.

### **(g) Charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 8.

### **(h) Tangible fixed assets and depreciation**

All additions are written off in full upon acquisition within resources expended in the Statement of Financial Activities because the amounts concerned are not material to the charity.

### **(i) Fixed asset investments**

Investments are stated at market value. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if 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. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

### **(j) Funds structure**

The charity's assets are represented by the unrestricted fund and the restricted and endowment funds. Details of the nature and purpose of these funds are set out in note 15.

### **(k) Leasing**

Rental payable under operating leases are charged against income on a straight line basis over the lease term.

### **(l) Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at amortised cost.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2024 continued

### 2. Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2023: £nil). Expenses paid to the trustees in the year totalled £2,198 (2023: £3,131). These expenses were paid to three trustees in respect of travel expenses (2023: three).

Of the charity's trustees listed on page 10, the following were employees of the BT Group as at 31 December 2024:

Mr M Murphy	Mr C Selley
Mr M Rogers	Ms J Norton

In 2024, the BT Group provided the charity with office accommodation, furniture, equipment and utility services and the services of two solicitors free of charge, and in addition met the postage and dispatch costs relating to various mailings. These services have been valued and charged to the relevant cost centres (notes 6, 8 & 9).

The charity received material donations totalling £20,000 (2023 - £20,000) from the BT Group as listed in note 3. At 31 December 2024 £nil (2023 - £nil) included in debtors was due from the BT Group.

### 3. Donations and legacies

	2024 £	2023 £
Membership subscriptions	698,779	685,906
Donations: CSiS Charity Fund	20,000	25,000
BT Group plc	20,000	20,000
Post Office Fellowship of Remembrance	45,000	45,000
Other	13,948	3,423
Income tax recoverable under 'Gift Aid' provisions	147,866	149,489
Donated services and facilities	50,000	50,000
Legacies	9,966	84,698
	1,005,559	1,063,516

### 4. Trading activities

	2024 £	2023 £
Sale of Christmas cards	24,862	26,226

### 5. Investment income

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Fixed asset investments	136,015	28,016	164,031	143,970
Deposit interest	24,683	-	24,683	23,561
	160,698	28,016	188,714	167,531

In 2023 £26,404 of the fixed asset investment income was attributable to restricted income with the balance of £117,566 being added to unrestricted funds. In 2023 deposit interest of £23,561 was added to unrestricted funds.

## BT Benevolent Fund

### Notes to the financial statements as at 31 December 2024 continued

#### 6. Costs of raising funds

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Investment management fees	25,272	5,206	30,478	26,151
Christmas cards	4,841	-	4,841	5,780
Staff costs	36,434	-	36,434	34,248
Hire of office equipment	3,871	-	3,871	3,572
Donated services (postage and dispatch)	25,000	-	25,000	25,000
	95,418	5,206	100,624	94,751

In 2023 £4,796 of the investment management fees were attributable to restricted expenditure with the balance of £21,355 being added to unrestricted funds. In 2023 all other costs of raising funds were unrestricted.

#### 7. Grants payable

	Unrestricted 2024 £	Restricted 2024 £	Total 2024 £	Total 2023 £
Weekly grants	309,624	-	309,624	300,928
Single grants	325,546	26,810	352,356	398,105
	635,170	26,810	661,980	699,033

In 2023 single grants expenditure of £29,603 and weekly grants expenditure of £nil were paid from restricted funds.

#### 8. Indirect costs of grant giving

	2024 £	2023 £
Staff costs - Pensioner contact scheme	17,940	22,211
Staff costs - grant giving	137,431	120,301
Annual newsletter	10,136	9,229
Subscriptions	1,628	1,577
Turning Point - wellbeing package	1,368	1,074
Miscellaneous	3,036	4,309
Donated services (Postage and dispatch)	2,750	2,750
Donated services (Office space, furniture, equipment & utilities)	17,250	17,250
	191,539	178,701

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2024 continued

### 9. Governance costs

	2024	2023
	£	£
Staff costs	9,010	11,342
Audit fee	10,850	12,340
Travel - Trustees	2,198	3,131
Travel - Other	1,283	945
Donated services (Solicitors' fees and support costs)	5,000	5,000
	28,341	32,758

The charity's only charitable activity is that of grant giving therefore there is no requirement to allocate governance costs.

### 10. Analysis of staff costs and remuneration of key management personnel

	2024	2023
	£	£
Salaries and wages	172,588	161,100
Social security costs	10,030	8,648
Fees	15,185	15,579
Other pension costs	3,012	2,775
Total	200,815	188,102

Allocated as:

Costs of raising funds (note 6)	36,434	34,248
Indirect costs of grant giving (note 8)	155,371	142,512
Governance (note 9)	9,010	11,342
	200,815	188,102

The average number of employees during the year was 7 (2023: 7) with all employee time involved in providing either support to the governance of the charity or support services to charitable activities. The charity also used the services of two part-time consultants during the year. The above staff costs have been allocated to the cost centre headings (Notes 6, 8 & 9 above) according to the percentage of time spent by each staff member. All other costs incurred are specifically attributable to individual cost centres.

The Trust considers its key management personnel comprise the trustees and the general manager. The total employment benefits of the key management personnel were £53,505 (2023: £52,435). No employees had employee benefits in excess of £60,000 (2023: none).

# BT Benevolent Fund

Notes to the financial statements as at 31 December 2024 continued

## 11. Auditor's remuneration

The auditor's remuneration (net of VAT) constituted an audit fee of £9,040 (2023: £8,775).

## 12. Fixed assets - investments

### Movement in fixed asset investments

	Unrestricted 2024 £	Restricted 2024 £	Endowment 2024 £	Total 2024 £	Total 2023 £
Market value 1 January 2024	4,828,682	439,048	568,241	5,835,971	5,263,544
Additions to investments at cost	1,566,606	301,785	-	1,868,391	2,291,765
Disposals at carrying value	(1,487,379)	(305,785)	-	(1,793,164)	(1,917,124)
Net (loss)/gain on revaluation	361,229	74,405	-	435,634	197,786
Market value 31 December 2024	5,269,138	509,453	568,241	6,346,832	5,835,971

### Investments at market value comprised:

Equities	4,451,528	3,825,725
Bonds	917,696	895,864
Property	421,373	424,435
Other	495,712	568,997
Cash	60,523	120,950
	6,346,832	5,835,971

Investments are held primarily within the UK and as at 31 December 2024 investment holdings in excess of 5% of the total portfolio were as follows:

	2024	2023
SPDR S+P 500 ETF - GBP	6.7%	-
Charity Equity Income Fund	5.9%	7.9%
Vanguard S&P 500 ETF	11.3%	9.8%
Schroder Global Sustainable Growth	6.6%	6.4%
Schroder Charities Property Funds	6.6%	7.3%
M+G Japan Fund	5.1%	3.5%

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2024 continued

### 13. Analysis of current assets

<b>Debtors</b>	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Income tax recoverable under 'Gift Aid' provisions	108,750	108,750
Prepayments and accrued income	7,464	8,756
<b>Total</b>	<b>116,214</b>	<b>117,506</b>
<b>Cash at bank and in hand</b>		
Short term deposits	743,014	524,103
Cash at bank and in hand	91,386	147,308
	<b>834,400</b>	<b>671,411</b>

All current assets related to unrestricted funds in both 2024 and 2023.

### 14. Creditors falling due within one year

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Grants payable	14,090	19,865
Other creditors and accruals	27,583	21,535
	<b>41,673</b>	<b>41,400</b>

All current liabilities related to unrestricted funds in both 2024 and 2023.

### 15. Restricted and endowment funds

In August 2001 the charity received an endowment of £568,241 from the trustees of the former Kelvin Old People's Home Ltd with conditions attached restricting the type of grant which can be paid out of income arising from the investment of the endowment to cases involving housing adaptations and associated costs enabling recipients to remain in their own or residential homes. The initial endowment value of £568,241 is only expendable after August 2026. In 2024 the overall expenditure charged to the Restricted Fund was limited to the level of the income available.

The Unrestricted fund is utilised to cover the charitable expenditure not falling within the scope of the Endowment fund and all the other costs to enable the charity to continue with its charitable objectives.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2024 continued

### 16. Movement on restricted and endowment funds

	Restricted £	Endowment £	Total £
Balance at 1 January 2023	410,778	568,241	979,019
Income	26,404	-	26,404
Expenditure	(34,399)	-	(34,399)
Gain on Investments	36,265	-	36,265
Balance at 31 December 2023	439,048	568,241	1,007,289
Income	28,016	-	28,016
Expenditure	(32,016)	-	(32,016)
Gain on Investments	74,405	-	74,405
Balance at 31 December 2024	509,453	568,241	1,077,694

### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net movement in funds	672,285	449,816
Deduct investment income shown in investing activities	(188,714)	(167,531)
Deduct gains on investments	(435,634)	(197,786)
Decrease/(increase) in debtors	1,292	(2,803)
Increase in creditors	273	7,837
Net cash generated by operating activities	49,502	89,533

### Analysis of changes in net debt

The net debt is made up entirely by the cash balance outlined in the Statement of cash flows, and all movements in the year were cash flow changes.

### 18. Operating Leases

As at 31 December 2024 the charity was due to pay the following amounts in respect of non-cancellable operating leases:

	2024 £	2023 £
Amounts due in:		
Less than 1 year	4,284	3,572
2 to 5 years	19,278	2,679
	23,562	6,251

**BT BENEVOLENT FUND**

England & Wales - Charity number 212565

---

# Accounts

---



**BT BENEVOLENT FUND**  
**REPORT and FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2023**  
**CHARITY NO. 212565**

# BT Benevolent Fund

## CONTENTS

	Page
Report of the Trustees	
Chair's Report	3
Objectives and Activities	4 - 5
Achievements and Performance	5 - 6
Financial Review	6 - 9
Structure, Governance and Management	9 - 10
Reference and Administrative Information	10 - 11
Independent Auditors' Report to the Trustees	12 – 15
Financial statements	
Statement of financial activities	16
Balance sheet	17
Statement of Cash Flows	18
Notes	19 - 26

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2023

The trustees present their annual report and financial statements for the year ended 31<sup>st</sup> December 2023. These have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 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 UK and Republic of Ireland.

### Chair's Report

Following a couple of unusually quiet years in terms of grant applications, 2023 was much busier, driven no doubt by high inflation and the continuing cost-of-living crisis. The BT Benevolent Fund rose to the challenge as ever, continuing to help those in most need. Energy costs also remained high in 2023 which was of particular concern to the most vulnerable people in our society, but through the generosity of our donors, the BT Benevolent Fund was able to help many people who were struggling to pay their bills.

In 2023 we awarded grants of almost £700,000 and helped 513 individuals, couples and families who needed financial support. Cases from current BT employees remain high and account for 43% of our case load. We awarded 3 grants of £5,000, which were the largest we made in the year and all three were for wet rooms with accessible access. We also made 31 grants of £2,500 or more, many of these being for funeral costs, new boilers and priority debt. In addition to our single grants, we ended the year paying weekly grants to 125 former BT people on very low incomes. We are in regular contact with our weekly grant recipients, so we know what a huge difference these payments make and how grateful they are for our support. We also made additional Christmas payments to them, which included a £200 winter fuel payment funded in part from the donation received from the Civil Service Insurance Society Charity Fund (CSIS CF) and a Christmas bonus payment of £100.

Our income exceeded £1million for the 10th year in a row. Membership donations, together with Gift Aid made up over 66% of this and thanks must go to the CSIS CF, PORF and Openreach for their very generous contributions. Other income came from investments, Christmas card sales, various one-off donations and legacies. We again ended the year with a surplus and have substantial reserves, which will help to support our work well into the future.

Once again this year we saw a decline in overall donor numbers which decreased by 4% to 16,466. Many existing donors increased their monthly contributions and new donors tend to donate more than those that leave us, so this helped overall donor income remain reasonably flat.

This year Beth Courtier stood down as a trustee after 5 years with the BT Benevolent Fund and I would like to thank Beth for all her hard work and dedication during that time. There were no other changes to the Trustee Board throughout 2023. As always, the whole Board has worked hard to support the Fund's objectives and my thanks go to them for all their time and effort.

The Secretariat team have worked hard again this year in support of those that come to us for help and my thanks go to them for their continued commitment and enthusiasm. We now look forward to 2024 where our focus will be on growing our donor base and most importantly continuing to provide financial help and support to our BT colleagues, past and present.



**Mark Murphy, Chair of Trustees**

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2023 continued*

### **Fund Mission Statement**

To increase awareness of the Fund and its activities throughout the company workforce and pension fund membership with a view to recruitment of ‘contributing members’ and identifying the Fund as a ‘resource’ to those in hardship.

### **Objectives and Activities for the Public Benefit**

The main objective of the BT Benevolent Fund is the relief of financial hardship among BT employees past and present and their dependants. The trustees confirm that they have referred to the Charity Commission’s guidance on public benefit when reviewing the charity’s aims and objectives, in planning future activities, and setting the grant making policy.

The objective and funding of the charity limit the services we provide to current and former employees of BT Group and its predecessors, and their dependent families. The trustees are aware that whilst this is a restricted section of society, it still represents a sizeable number of people any of whom can ask for help at any time. In addition, the range and depth of the service we provide means that it is not just the individual who benefits but their wider family, thus extending the range of our support. All our charitable help is provided free of charge, and people do not need to contribute to the Fund to benefit from our help.

### **Grant-making Policy**

The Fund assists current BT Group employees, pensioners and former employees and their dependants whose circumstances qualify them for assistance under the Fund’s Grant Aid Guidelines, which aim to ensure fairness and consistency. Beneficiaries must be experiencing financial hardship and satisfy criteria regarding income and savings which are regularly reviewed by the trustees. Generally, help will be in the form of a one-off grant based on the applicants’ circumstances and the specific requirement. Regular grants may be available to BT pensioners in the form of a weekly grant, but such grants are dependent upon net income levels. The general aim is to help people in need to move to a more stable and sustainable position.

The ways in which the Fund aims to reduce poverty and hardship include:

- Payments towards home adaptations and mobility aids for adults and children with disabilities
- Payment of debts relating to security of accommodation, e.g. rent, mortgage or council tax arrears
- Payments to assist with energy bills
- Payments to assist with funeral bills
- Payments for essential home maintenance and heating repairs
- The provision of items such as furniture, bedding, clothes, fuel, heating and domestic appliances
- Providing one-off payments following a crisis or natural disaster
- Providing one-off payments to meet a particular need
- Payment of travelling expenses connected with hospital stays, respite care and convalescence
- The payment of weekly grants to older people on very low incomes
- The payment of weekly grants to assist with shortfalls in residential home fees
- The payment of grants for services such as shopping, gardening and personal care in order to allow people to remain independent in their homes

Equal access to our services is an important issue for the Fund and we therefore write to all BT pensioners on a regular basis reminding them that we are here to help. We also publicise our services within BT via various communications channels and externally via our website and social media channels.

## BT Benevolent Fund

### *Report of the Trustees for the year ended 31<sup>st</sup> December 2023 continued*

The usual maximum grant payment is £2,500 and up to £10,000 for home adaptations related to disability. However, all grants are made on a discretionary basis and there is no absolute maximum.

#### **Achievements and Performance**

The Fund continues to aid employees, ex-employees, BT pensioners and their dependants experiencing financial hardship, and in 2023 we dealt with 388 single grant cases and our charitable grant expenditure was £699,033 (2022: £523,507). Our biggest area of need again this year was people in debt, normally with rent, mortgage, council tax and utility bill arrears. Other areas of need were for help with funeral bills, re-housing costs, home adaptations relating to disability, and home and heating repairs, and we continue to see how the impact of ill-health, bereavement, redundancy or relationship breakdown can result in people struggling financially.

The threat of repossessions and evictions and the stress of losing their home or not being able to pay bills has a detrimental effect on people's health and wellbeing. Long-term sickness and an unexpected event within the family often causes financial distress so it is important that the fund can support people at a time when they find themselves at their most vulnerable.

The trustees do not set absolute targets for the mainstream work of relieving hardship and have placed no restrictions on charitable activity but seek instead to support the secretariat in dealing with all applications for assistance presented to the charity within the year.

The main measures of activity are as follows:-

		<b>2023</b>	<b>2022</b>
Cost of charitable activities:	Grants paid to or on behalf of beneficiaries	699,033	523,507
	Pensioner contact scheme	22,211	19,604
	Indirect costs of grant giving	156,490	144,849
	<b>Total</b>	<b>£877,734</b>	<b>£687,960</b>
Cases decided:	Employees	166	119
	Pensioner contact scheme	3	3
	Pensioners and ex-employees	219	160
	<b>Total</b>	<b>388</b>	<b>282</b>
Membership subscriptions:	Total for year	£685,906	£693,155
	Year on year (decrease)/increase	-1.0%	0.5%
	Number of members	16,466	17,167
	Average giving rate per member per annum	£41.66	£40.38
Expenditure as % of total incoming resources:	Grants	55.6%	43.9%
	Pensioner contact scheme	1.8%	1.6%
	Indirect costs of grant giving	12.4%	12.1%
	Costs of generating funds	7.5%	7.6%
	Governance costs	2.6%	2.5%

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2023 continued*

Employee cases are referred to the Fund by the BT Group Employee Assistance Programme with whom we continue to enjoy an excellent working relationship, meeting regularly to discuss cases and any process issues that arise. Case analysis shows how the impact of continued economic pressures, the impact of a partner being made redundant, of relationship breakdown, or of sudden illness or disability amongst BT employees can all destabilise family budgets and lead to extreme financial pressure and debt, so we want to encourage BT employees, ex-employees and pensioners to ask for help when they need it and remove the stigma attached to approaching the Fund for assistance. To succeed we need sustained communication and are working with BT Group and the BTPS to achieve this aim. We are now using social media more often to promote our work. It is a wide-ranging and powerful tool, and we are using this form of media to engage with organisations and individuals on a more regular basis. We also continue to communicate with employee members through BT's other internal communications channels. In 2023 we also publicised the Fund in the BTPS P60 mailing and in the BTPS newsletter and this resulted in a significant number of additional grant applications.

The Pensioner Contact scheme continued in 2023. However a greatly reduced response means that we will revise our process in 2024 and will now send a single letter to all BT Pensioners, regardless of age primarily to offer support but also seeking a donation where appropriate.

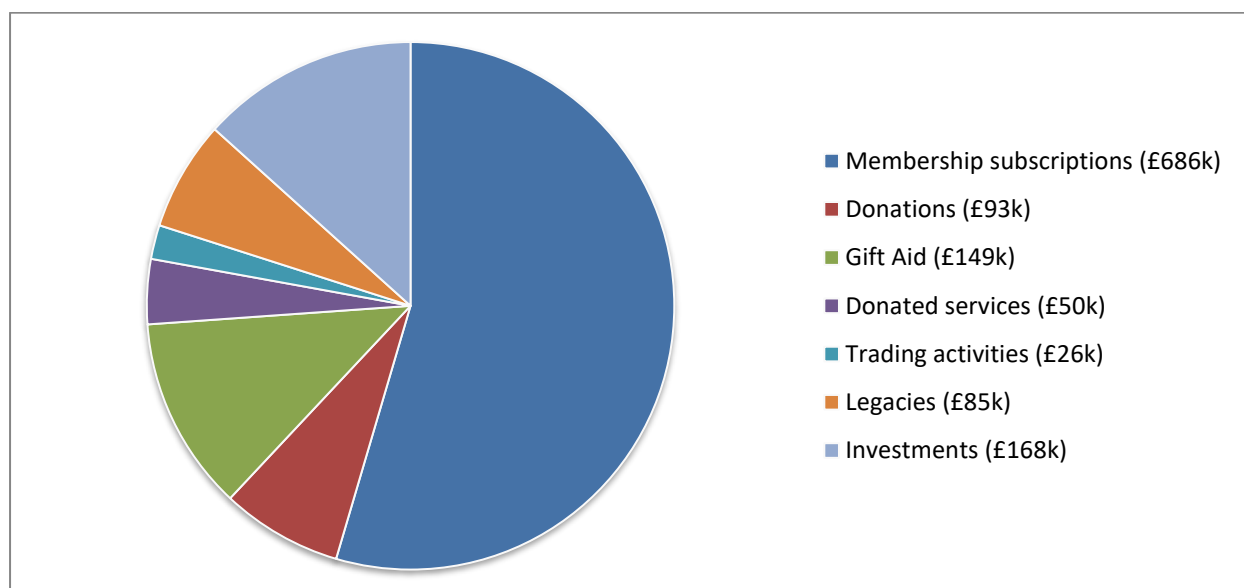
We continue to pay weekly grants to older people on very low incomes, and all such beneficiaries received a special payment at Christmas of £100, as well as an additional winter fuel payment of £200, funded in part by the donation received from the Civil Service Insurance Society Charity Fund. Our weekly grant ranges from £15 to £50 dependant on income.

During 2023 the Fund also continued to make payments under the 'Care in the Home' scheme designed to help the elderly pay for specific items of care to enable them to maintain their independence and for them to remain in their own homes for as long as possible.

### **Financial Review**

The principal funding source of the charity continues to be donations. Regular donations from individuals accounted for 55% (2022: 58%) of total income. Investment income, gift aid and one-off donations are the other material sources of income. Included in donations are significant receipts from Openreach, the POFR and the CSIS Charity Fund (see note 3).

Total income for the year was £1,257,273 analysed as follows:

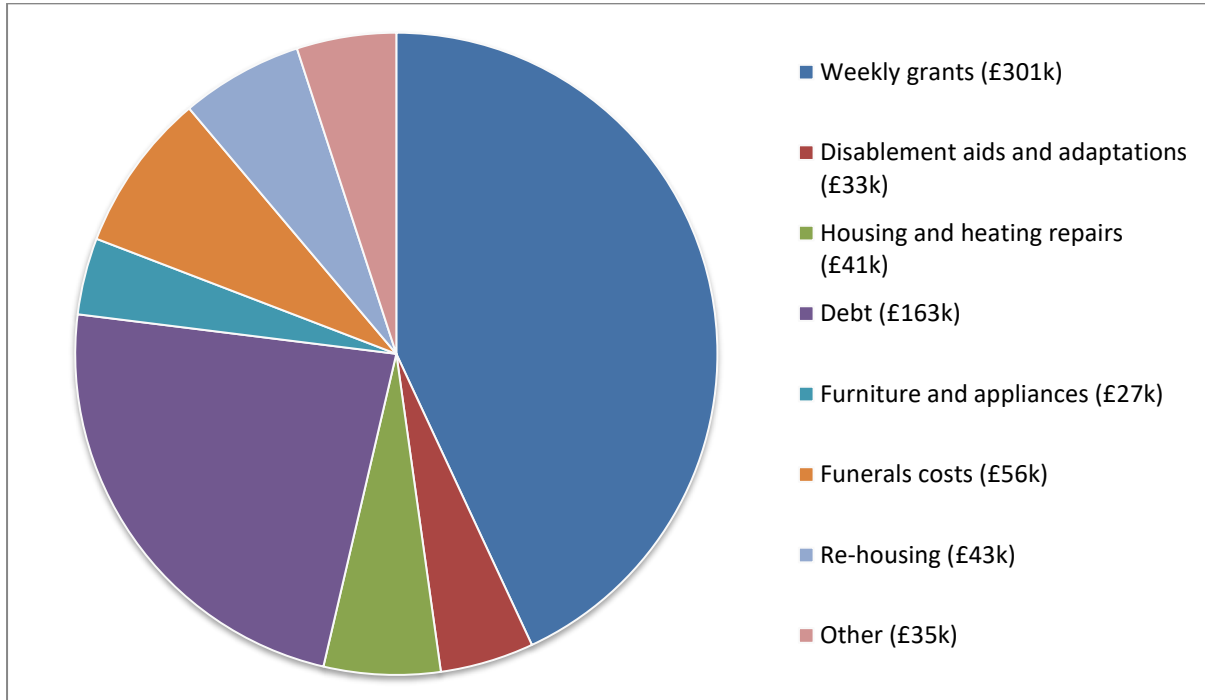


# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2023 continued

Total expenditure for the year was £1,005,243. Some £699,033 of this total (70%) was paid out in grants. The indirect costs of paying these grants were £178,701 with fundraising costs (£94,751) and other costs (£32,758) making up the balance.

Grants paid may be analysed as follows.



The surplus for the year amounted to £252,030 (2022: Surplus of £385,549). After movements in the market value of investments there is a total surplus of incoming resources of £449,816 (2022: £55,180).

Case numbers in 2023 have increased following a couple of unusually quiet years but still remain slightly lower than pre COVID levels. This means that although expenditure has started to increase we remain in surplus and are able to meet all qualifying requests for financial help. We expect the trend of increasing case numbers to continue into 2024 and beyond.

We continue to proactively encourage people to approach us for help using direct mailing, social media channels and our website. We also have a Workplace group in both BT and Openreach and this gives us significant reach, enabling us to communicate directly with the majority of BT's workforce. By using these social media channels and other more traditional methods we are doing all we can to encourage BT people who are in need to reach out to us and will continue to be proactive in this area.

As stated, we have a cash surplus for 2023 and although we already have significant reserves, we still need to ensure that we invest responsibly to ensure the long-term future of the Fund and mitigate against any future loss of income. Although expenditure still hasn't reached pre-pandemic levels, we have seen a decrease in the number of people donating to the Fund and whereas income has remained fairly flat from individual donors this cannot be guaranteed going forward and a slight decrease in donor income was recorded in 2023. In addition, we have received reduced income from one off donations in 2023 and in the current economic climate this trend may well continue, so any reserves built up now will be essential for our future viability.

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2023 continued*

### **Collaboration with Other Charities**

We continue to work with other charities and have built excellent relationships with many of them including SSAFA, the Royal British Legion and other military charities, the Rowland Hill Fund, the National Federation of Occupational Pensioners, the Education Support Partnership, the Electrical Industries Charity, the Benenden Charitable Trust and the Civil Service Retirement Fellowship. We also regularly liaise with local authority housing departments, Citizens Advice Bureaux, and similar organisations.

### **Investment Policy and Performance**

Cazenove Capital Management Ltd continues to manage the Fund's investments on a discretionary basis in order to balance income and capital growth and to lessen the level of overall risk. The Investment Sub-committee meets with Cazenove twice-yearly to review our portfolio and the performance of our investments. The capital position of the charity remains satisfactory, with the total investment portfolio standing at £5,835,971 (2022: £5,263,544). There are no restrictions on the Fund's power to invest.

### **Risk Management**

The trustees have established regular reporting systems, including the maintenance of a risk register which is reviewed quarterly and assesses and monitors the major strategic and operational risks faced by the charity.

The key risk identified in 2023 continues to be the Fund's dependency on a gradually decreasing donor base. The Fund also receives donations from, Openreach. POFR, the CSIS Charity Fund and on occasion from BT but these cannot be relied upon in the future. It should be noted however that the Fund has a sound financial position secured on a diversified risk averse portfolio of investments.

### **Reserves Policy**

Unrestricted funds are needed to cover administration and support costs without which the charity could not function, and to provide funds which can be designated to specific projects so they can be undertaken at short notice. The trustees consider it prudent that unrestricted reserves should be sufficient to cover a minimum of one year's administration and support costs. The trustees monitor and review reserve levels routinely and consider the current level of £5,576,199 to be more than adequate to meet the costs of operating the Fund for a considerable period of time in the event of an unforeseen decline in donation income or corporate support. It should be noted that the current level of reserves are effectively underpinned by fixed asset investments which are held on a long-term basis for the continuing benefit of the charity in the form of both income generation and capital appreciation.

The Fund has a restricted endowment fund (Kelvin Homes endowment) where the income is to be applied to cases involving housing and associated costs (see note 15). The charity's general funds are not subject to any restriction.

### **Securing the future**

Sustainability of the Fund remains a priority for 2024 as we need to ensure that those who need help are aware of the existence of the Fund and the valuable work it performs. We also want to encourage colleagues and pensioners to become regular contributors, so it is imperative that we continue to raise our awareness and profile with the distribution of promotional materials. Mailings direct from the Fund to our contributors and a communication to pensioners highlighting the work we do are also essential.

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2023 continued*

A strategic review was carried out in 2023 which confirmed that the following priorities remained appropriate to sustain the work of the charity for the foreseeable future:

- Maintain and if possible, increase our charitable work
- Maintain and grow our income and control our costs
- Understand and react to the context we operate in
- Raise our profile within BT
- Safeguard the future of the Fund

### **Structure, Governance and Management**

The charity was formed in 1853 as the Post Office Clerks' Charitable Fund. It became the British Telecommunications Benevolent Fund in 1981 and the BT Benevolent Fund in 1992. The governing document of the charity is a written constitution dated 3<sup>rd</sup> July 1996 and amended on 13<sup>th</sup> June 2005, 30<sup>th</sup> July 2014, and 28<sup>th</sup> July 2022. The charity delivers its aims and objectives by making financial grants. Membership is available to defined groups of people, principally past and present employees of BT Group, and is dependent on donations. Each member has one vote at general meetings.

Trustees are in the first instance co-opted by the board of trustees and their appointment confirmed at the next Annual General Meeting. The trustees regularly review the composition of the board and the skill sets required to ensure good governance. A detailed skills assessment of existing trustees was started in 2023 and will continue throughout 2024. A process for appointments has been adopted together with appropriate arrangements for induction and training depending on experience and individual requirements. Of the existing board, three are serving senior managers from within BT Group, four are retired former employees or ex-employees and one is a wholly independent trustee with no connection with the Group. BT Group has the right under the constitution to appoint one trustee. Trustees give their time free of charge.

The day-to-day operations of the charity are managed by a secretariat headed by the charity's general manager who reports directly to the board of trustees. The treasurer/accountant works with the charity's general manager but also reports separately to the board of trustees. The board of trustees monitors performance at its quarterly meetings and takes all the significant decisions associated with strategy.

The charity is legally and fiscally wholly independent of BT Group but continues to enjoy significant support from BT Group in the form of donated services and facilities.

Saffery LLP have signified their willingness to continue as our auditors. A resolution will be proposed at the annual general meeting to re-appoint them for the coming year.

### **Key management personnel remuneration**

The trustees consider the board of trustees and the general manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 2 to the accounts.

Trustees are required to disclose any relevant interests and to withdraw from any decisions where a conflict of interest arises.

The remuneration of the Fund's secretariat team is reviewed annually. Pay rates are normally increased in accordance with average earnings and are subject to agreement by a minimum of two trustees.

# BT Benevolent Fund

*Report of the Trustees for the year ended 31<sup>st</sup> December 2023 continued*

## Reference and Administrative Information

### Trustees

All served throughout 2023 unless otherwise indicated

Kevin Charlesworth	Vivien Lantree
Mark Murphy	Matt Rogers
John Holme	Clive Selley
Robert Jones	Jane Shipway
Beth Courtier - resigned 23 October 2023	

### General Manager

Rob Pearce

### Treasurer

Michael Pearce

### Honorary Solicitors

Lauren Nesbit, BT Group, Riverside Tower, 5 Lanyon Place, Belfast, BT1 3BT – resigned May 2023

Rachel Blackwell, BT Group, 1 Braham Street, London E1 8EE

Ciara Burke, BT Group, Riverside Tower, 5 Lanyon Place, Belfast, BT1 3BT – from May 2023

### Principal Office

Room 4210, Bristol Central TE, Marsh Street, Bristol BS1 4AY

### Auditors

Saffery LLP, St John's Court, Easton Street, High Wycombe HP11 1JX

### Bankers

Santander UK plc, Bootle, Merseyside GIR 0AA

Unity Trust Bank plc, Nine Brindleyplace, Birmingham B1 2HB

### Investment Managers

Cazenove Capital Management Ltd, 1 London Wall Place, London EC2Y 5AU

### Trustee's responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

## BT Benevolent Fund

### *Report of the Trustees for the year ended 31<sup>st</sup> December 2023 continued*

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports)

Regulations, and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and 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 in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees on 1<sup>st</sup> May 2024 and signed on their behalf by:



**Mark Murphy, Chair of Trustees**

# BT Benevolent Fund

## Independent Auditors' Report to the Trustees of the BT Benevolent Fund

### Opinion

We have audited the financial statements of The BT Benevolent Fund for the year ended 31 December 2023 which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2023 and of its incoming resources and application of resources 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements 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, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# BT Benevolent Fund

## **Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 financial statements 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**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements 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 set out on page 10, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

## BT Benevolent Fund

### Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## BT Benevolent Fund

### Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued

#### 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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Saffery LLP*

Saffery LLP  
Chartered Accountants  
Statutory Auditors  
St John's Court  
High Wycombe  
HP11 1JX

1st May 2024

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

## BT Benevolent Fund

### Statement of Financial Activities For the year ended 31 December 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
<b>Income and endowments</b>						
Donations and legacies	3	1,063,516	-	-	1,063,516	1,037,500
Trading activities	4	26,226	-	-	26,226	24,328
Investments	5	141,127	26,404	-	167,531	131,808
<b>Total income</b>		<b>1,230,869</b>	<b>26,404</b>	<b>-</b>	<b>1,257,273</b>	<b>1,193,636</b>
<b>Expenditure</b>						
Costs of raising funds	6	89,955	4,796	-	94,751	90,461
Expenditure on charitable activities:						
Grants	7	669,430	29,603	-	699,033	523,507
Indirect costs of grant giving	8	178,701	-	-	178,701	164,453
Other	9	32,758	-	-	32,758	29,666
<b>Total expenditure</b>		<b>970,844</b>	<b>34,399</b>	<b>-</b>	<b>1,005,243</b>	<b>808,087</b>
<b>Net surplus/(expense) for the year</b>		<b>260,025</b>	<b>(7,995)</b>	<b>-</b>	<b>252,030</b>	<b>385,549</b>
Net gain/(loss) on investments	12	161,521	36,265	-	197,786	(330,369)
<b>Net movement in funds</b>		<b>421,546</b>	<b>28,270</b>	<b>-</b>	<b>449,816</b>	<b>55,180</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>5,154,653</b>	<b>410,778</b>	<b>568,241</b>	<b>6,133,672</b>	<b>6,078,492</b>
<b>Total funds carried forward</b>		<b>5,576,199</b>	<b>439,048</b>	<b>568,241</b>	<b>6,583,488</b>	<b>6,133,672</b>

# BT Benevolent Fund

## Balance Sheet as at 31 December 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
<b>Fixed assets</b>						
Investments	12	4,828,682	439,048	568,241	5,835,971	5,263,544
<b>Current assets</b>						
Debtors	13	117,506	-	-	117,506	114,703
Cash at bank and in hand	13	671,411	-	-	671,411	788,988
<b>Total current assets</b>		<b>788,917</b>	<b>-</b>	<b>-</b>	<b>788,917</b>	<b>903,691</b>
<b>Liabilities</b>						
Creditors falling due within one year	14	41,400	-	-	41,400	33,563
<b>Net current assets</b>		<b>747,517</b>	<b>-</b>	<b>-</b>	<b>747,517</b>	<b>870,128</b>
<b>Net assets</b>		<b>5,576,199</b>	<b>439,048</b>	<b>568,241</b>	<b>6,583,488</b>	<b>6,133,672</b>
<b>The funds of the charity:</b>						
Unrestricted income funds		5,576,199	-	-	5,576,199	5,154,653
Restricted income funds	15	-	439,048	-	439,048	410,778
Endowment	15	-	-	568,241	568,241	568,241
		<b>5,576,199</b>	<b>439,048</b>	<b>568,241</b>	<b>6,583,488</b>	<b>6,133,672</b>

The notes on pages 19 to 26 form part of these accounts.

Approved by the trustees on 1 May 2024 and signed on their behalf by:



M Murphy  
Trustee

## BT Benevolent Fund

### Statement of Cash Flows For the year ended 31 December 2023

	Note	Total Funds 2023 £	Total Funds 2022 £
Net cash generated by operating activities	17	<u>89,533</u>	<u>244,482</u>
Cash flows from investing activities:			
Interest and dividends		167,531	131,808
Proceeds from sale of investments		1,917,124	1,269,220
Purchase of investments		(2,291,765)	(1,498,638)
Net cash used in investing activities		<u>(207,110)</u>	<u>(97,610)</u>
Change in cash and cash equivalents in the year		(117,577)	146,872
Cash and cash equivalent brought forward		788,988	642,116
Cash and cash equivalents carried forward		<u>671,411</u>	<u>788,988</u>

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2023

### 1. Accounting Policies

#### (a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### (b) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Income arising from investments, subscriptions, donations, bequests, endowments and similar incoming resources are accounted for on an accruals basis. This income is treated as unrestricted unless the donor specifies to the contrary.

Donated services and facilities are recognised in the statement of financial activities at market value or trustees' estimate as the charity would otherwise have to purchase these services and facilities.

#### (c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are recognised in the financial statements as liabilities as soon as they have been approved even though there may be conditions attached to them. This is because there is a valid expectation by the recipients that they will receive those grants. Weekly grants, which are discretionary and subject to continuous review, are paid six months in advance, and are recognised in the financial statements as and when payments are made. Further details are set out in note 7.

#### (d) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2023 continued

### **(e) Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. The bases on which these costs have been allocated are set out in note 10.

### **(f) Costs of raising funds**

The costs of generating funds consist of investment management fees, purchase of Christmas cards as well as a percentage of staffing costs, equipment hire, postage and dispatch costs, leaflets and stationery relating to promotional mailings to potential members.

### **(g) Charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 8.

### **(h) Tangible fixed assets and depreciation**

All additions are written off in full upon acquisition within resources expended in the Statement of Financial Activities because the amounts concerned are not material to the charity.

### **(i) Fixed asset investments**

Investments are stated at market value. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if 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. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

### **(j) Funds structure**

The charity's assets are represented by the unrestricted fund and the restricted and endowment funds. Details of the nature and purpose of these funds are set out in note 15.

### **(k) Leasing**

Rental payable under operating leases are charged against income on a straight line basis over the lease term.

### **(l) Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at amortised cost.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2023 continued

### 2. Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2022: £nil). Expenses paid to the trustees in the year totalled £3,131 (2022: £3,444). These expenses were paid to three trustees in respect of travel expenses (2022: three).

Of the charity's trustees listed on page 10, the following were employees of the BT Group as at 31 December 2023:

Mr M Murphy	Mr C Selley
Mr M Rogers	

In 2023, the BT Group provided the charity with office accommodation, furniture, equipment and utility services and the services of two solicitors free of charge, and in addition met the postage and dispatch costs relating to various mailings. These services have been valued and charged to the relevant cost centres (notes 6, 8 & 9).

The charity received material donations totalling £20,000 (2022 - £73,333) from the BT Group as listed in note 3. At 31 December 2023 £nil (2022 - £nil) included in debtors was due from the BT Group.

### 3. Donations and legacies

	2023 £	2022 £
Membership subscriptions	685,906	693,155
Donations: CSiS Charity Fund	25,000	20,000
BT Group plc	20,000	73,333
Post Office Fellowship of Remembrance	45,000	50,000
Other	3,423	5,613
Income tax recoverable under 'Gift Aid' provisions	149,489	145,399
Donated services and facilities	50,000	50,000
Legacies	84,698	-
	1,063,516	1,037,500

### 4. Trading activities

	2023 £	2022 £
Sale of Christmas cards	26,226	24,328

### 5. Investment income

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Fixed asset investments	117,566	26,404	143,970	127,678
Deposit interest	23,561	-	23,561	4,130
	141,127	26,404	167,531	131,808

In 2022 £23,876 of the fixed asset investment income was attributable to restricted income with the balance of £103,802 being added to unrestricted funds. In 2022 deposit interest of £4,130 was added to unrestricted funds.

## BT Benevolent Fund

### Notes to the financial statements as at 31 December 2023 continued

#### 6. Costs of raising funds

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Investment management fees	21,355	4,796	26,151	25,852
Christmas cards	5,780	-	5,780	5,339
Staff costs	34,248	-	34,248	30,698
Hire of office equipment	3,572	-	3,572	3,572
Donated services (postage and dispatch)	25,000	-	25,000	25,000
	<u>89,955</u>	<u>4,796</u>	<u>94,751</u>	<u>90,461</u>

In 2022 £4,834 of the investment management fees were attributable to restricted expenditure with the balance of £21,018 being added to unrestricted funds. In 2022 all other costs of raising funds were unrestricted.

#### 7. Grants payable

	Unrestricted 2023 £	Restricted 2023 £	Total 2023 £	Total 2022 £
Weekly grants	300,928	-	300,928	259,856
Single grants	368,502	29,603	398,105	263,651
	<u>669,430</u>	<u>29,603</u>	<u>699,033</u>	<u>523,507</u>

In 2022 single grants expenditure of £9,299 and weekly grants expenditure of £nil were paid from restricted funds.

#### 8. Indirect costs of grant giving

	2023 £	2022 £
Staff costs - Pensioner contact scheme	22,211	19,604
Staff costs - grant giving	120,301	110,045
Annual newsletter	9,229	8,694
Subscriptions	1,577	1,695
Turning Point - wellbeing package	1,074	-
Miscellaneous	4,309	4,415
Donated services (Postage and dispatch)	2,750	2,750
Donated services (Office space, furniture, equipment & utilities)	17,250	17,250
	<u>178,701</u>	<u>164,453</u>

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2023 continued

### 9. Governance costs

	2023 £	2022 £
Staff costs	11,342	8,685
Audit fee	12,340	9,150
Travel - Trustees	3,131	3,444
Travel - Other	945	2,827
Insurances	-	560
Donated services (Solicitors' fees and support costs)	5,000	5,000
	32,758	29,666

The charity's only charitable activity is that of grant giving therefore there is no requirement to allocate governance costs.

### 10. Analysis of staff costs and remuneration of key management personnel

	2023 £	2022 £
Salaries and wages	161,100	145,798
Social security costs	8,648	7,065
Fees	15,579	13,800
Other pension costs	2,775	2,369
Total	188,102	169,032
Allocated as:		
Costs of raising funds (note 6)	34,248	30,698
Indirect costs of grant giving (note 8)	142,512	129,649
Governance (note 9)	11,342	8,685
	188,102	169,032

The average number of employees during the year was 7 (2022: 7) with all employee time involved in providing either support to the governance of the charity or support services to charitable activities. The charity also used the services of two part-time consultants during the year. The above staff costs have been allocated to the cost centre headings (Notes 6, 8 & 9 above) according to the percentage of time spent by each staff member. All other costs incurred are specifically attributable to individual cost centres.

The Trust considers its key management personnel comprise the trustees and the fund manager. The total employment benefits of the key management personnel were £52,435 (2022: £48,713). No employees had employee benefits in excess of £60,000 (2022: none).

# BT Benevolent Fund

Notes to the financial statements as at 31 December 2023 continued

## 11. Auditor's remuneration

The auditor's remuneration (net of VAT) constituted an audit fee of £8,775 (2022: £7,625).

## 12. Fixed assets - investments

### Movement in fixed asset investments

	Unrestricted 2023 £	Restricted 2023 £	Endowment 2023 £	Total 2023 £	Total 2022 £
Market value 1 January 2023	4,284,525	410,778	568,241	5,263,544	5,364,495
Additions to investments at cost	1,952,348	339,417	-	2,291,765	1,498,638
Disposals at carrying value	(1,569,712)	(347,412)	-	(1,917,124)	(1,269,220)
Net (loss)/gain on revaluation	161,521	36,265	-	197,786	(330,369)
Market value 31 December 2023	4,828,682	439,048	568,241	5,835,971	5,263,544

### Investments at market value comprised:

Equities	3,825,725	3,338,563
Bonds	895,864	619,742
Multi-Asset funds	-	138,978
Property	424,435	500,500
Other	568,997	565,794
Cash	120,950	99,967
	5,835,971	5,263,544

Investments are held primarily within the UK and as at 31 December 2023 investment holdings in excess of 5% of the total portfolio were as follows:

Liontrust UK Equity Fund (Formerly Majedie UK Equity Fund)	-	6.6%
Charity Equity Income Fund	7.9%	10.2%
Vanguard S&P 500 ETF	9.8%	5.1%
Schroder Global Sustainable Growth	6.4%	4.8%
Schroder Charities Property Funds	7.3%	9.5%

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2023 continued

### 13. Analysis of current assets

<b>Debtors</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Income tax recoverable under 'Gift Aid' provisions	108,750	105,000
Prepayments and accrued income	8,756	9,703
<b>Total</b>	<b>117,506</b>	<b>114,703</b>
<b>Cash at bank and in hand</b>		
Short term deposits	524,103	596,644
Cash at bank and in hand	147,308	192,344
	<b>671,411</b>	<b>788,988</b>

All current assets related to unrestricted funds in both 2023 and 2022.

### 14. Creditors falling due within one year

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Grants payable	19,865	10,441
Other creditors and accruals	21,535	23,122
	<b>41,400</b>	<b>33,563</b>

All current liabilities related to unrestricted funds in both 2023 and 2022.

### 15. Restricted and endowment funds

In August 2001 the charity received an endowment of £568,241 from the trustees of the former Kelvin Old People's Home Ltd with conditions attached restricting the type of grant which can be paid out of income arising from the investment of the endowment to cases involving housing adaptations and associated costs enabling recipients to remain in their own or residential homes. The initial endowment value of £568,241 is only expendable after August 2026. In 2023 the overall expenditure charged to the Restricted Fund was limited to the level of the income available.

The Unrestricted fund is utilised to cover the charitable expenditure not falling within the scope of the Endowment fund and all the other costs to enable the charity to continue with its charitable objectives.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2023 continued

### 16. Movement on restricted and endowment funds

	Restricted £	Endowment £	Total £
Balance at 1 January 2022	462,815	568,241	1,031,056
Income	23,876	-	23,876
Expenditure	(14,133)	-	(14,133)
Gain on Investments	(61,780)	-	(61,780)
Balance at 31 December 2022	410,778	568,241	979,019
Income	26,404	-	26,404
Expenditure	(34,399)	-	(34,399)
Loss on Investments	36,265	-	36,265
Balance at 31 December 2023	439,048	568,241	1,007,289

### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net movement in funds	449,816	55,180
Deduct investment income shown in investing activities	(167,531)	(131,808)
(deduct gains)/add losses on investments	(197,786)	330,369
(Increase)/decrease in debtors	(2,803)	481
Increase/(decrease) in creditors	7,837	(9,740)
Net cash generated by operating activities	89,533	244,482

### Analysis of changes in net debt

The net debt is made up entirely by the cash balance outlined in the Statement of cash flows, and all movements in the year were cash flow changes.

### 18. Operating Leases

As at 31 December 2023 the charity was due to pay the following amounts in respect of non-cancellable operating leases:

	2023 £	2022 £
Amounts due in:		
Less than 1 year	3,572	3,572
2 to 5 years	2,679	6,251
	6,251	9,823

**BT BENEVOLENT FUND**

England & Wales - Charity number 212565

---

# Accounts

---



**BT BENEVOLENT FUND**  
**REPORT and FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2022**  
**CHARITY NO. 212565**

# BT Benevolent Fund

## CONTENTS

	Page
Report of the Trustees	
Chair's Report	3
Objectives and Activities	4
Achievements and Performance	5 - 6
Financial Review	6 - 9
Structure, Governance and Management	9 - 10
Reference and Administrative Information	10 - 11
Independent Auditors' Report to the Trustees	12 – 15
Financial statements	
Statement of financial activities	16
Balance sheet	17
Statement of Cash Flows	18
Notes	19 - 26

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2022

The trustees present their annual report and financial statements for the year ended 31<sup>st</sup> December 2022. These have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 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 UK and Republic of Ireland.

### Chair's Report

As we started to get back to normal in 2022 following COVID, the legacy left for some by the pandemic and the cost-of-living crisis, meant that the fund was busy continuing to help those in most need. In addition, we have also seen an explosion in energy costs which has particularly affected the most vulnerable people in our society. I am very happy to report that the Fund has been able to respond effectively to all these challenges thanks to the continuing high level of support from our contributing members and corporate donors.

In 2022 we awarded grants of £523,507 and helped 410 individuals, couples and families who needed financial support. Cases from current BT employees remain high and account for 43% of our case load. We awarded 3 grants of £5,000, which were the largest we made in 2022 and these were for a wet room, an all-terrain wheelchair and a standing wheelchair. We also made 23 grants of £2,500 or more. In addition to our single grants, we ended the year paying weekly grants to 128 former BT people on very low incomes. We talk to our weekly grant recipients on a regular basis, so we know what a huge difference these payments make and how grateful they are for our support. We also made additional Christmas payments to them, which included a £100 winter fuel payment funded in part from the donation received from the Civil Service Insurance Society Charity Fund (CSIS CF) and a Christmas bonus payment of £150. With the increase in energy prices these payments were particularly important again this year.

Our income exceeded £1million for the 9th year in a row. Membership donations, together with Gift Aid made up over 70% of this and thanks must go to the CSIS CF, BT and Openreach for their very generous contributions. Other income came from investments, Christmas card sales and various one-off donations. We again ended the year with a surplus and have substantial reserves, which will help to support our long-term activities.

Recruiting and retaining regular donors continues to remain challenging, with the total number of people making regular donations decreasing by 2.5% to 17,167. We did see a slight increase in the number of existing BT employees that donate to us and we will continue to try and increase employee donations further in 2023.

This year the Fund's Trustee Board has remained unchanged throughout 2022. The whole Board has worked hard in support of the Fund's operations and kept future challenges firmly in focus when deciding on strategic issues. My thanks go to them for all their time and effort.

As always, the Secretariat team worked extremely hard in support of those that come to us for help and my thanks go to them for their continued commitment and enthusiasm. I have no doubt 2023 will provide a new set of challenges for the Fund. We are in a strong position to tackle those challenges head on, and I am confident we will be ready and prepared to help those in need who look to us in difficult times.



**Mark Murphy, Chair of Trustees**

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2022 continued*

### **Fund Mission Statement**

To increase awareness of the Fund and its activities throughout the company workforce and pension fund membership with a view to recruitment of ‘contributing members’ and identifying the Fund as a ‘resource’ to those in hardship.

### **Objectives and Activities for the Public Benefit**

The main objective of the BT Benevolent Fund is the relief of financial hardship among BT employees past and present and their dependants. The trustees confirm that they have referred to the Charity Commission’s guidance on public benefit when reviewing the charity’s aims and objectives, in planning future activities, and setting the grant making policy.

The objective and funding of the charity limit the services we can provide to current and former employees of BT Group and its predecessors, and their dependent families. The trustees are aware that whilst this is a restricted section of society, it represents a sizeable number of people, any of whom can ask for help at any time. In addition, the range and depth of the service we provide means that it is not just the individual who benefits but their wider family, thus extending the range of our support. All our charitable help is provided free of charge, and people do not need to contribute to the Fund to benefit from our help.

### **Grant-making Policy**

The Fund assists current BT Group employees, pensioners and former employees and their dependants whose circumstances qualify them for assistance under the Fund’s Grant Aid Guidelines, which aim to ensure fairness and consistency. Beneficiaries must be experiencing financial hardship and satisfy criteria regarding income and savings which are regularly reviewed by the trustees. Generally, help will be in the form of a one-off grant based on the applicants’ circumstances and the specific requirement. Regular grants may be available to BT pensioners in the form of a weekly grant, but such grants are dependent upon net income levels. The general aim is to help people in need to move to a more stable and sustainable position.

The ways in which the Fund aims to reduce poverty and hardship include:

- Payments towards home adaptations and mobility aids for adults and children with disabilities
- Payment of debts relating to security of accommodation, e.g. rent, mortgage or council tax arrears
- Payments to assist with energy bills
- Payments to assist with funeral bills
- Payments for essential home maintenance and heating repairs
- The provision of items such as furniture, bedding, clothes, fuel, heating and domestic appliances
- Providing one-off payments following a crisis or natural disaster
- Providing one-off payments to meet a particular need
- Payment of travelling expenses connected with hospital stays, respite care and convalescence
- The payment of weekly grants to older people on very low incomes
- The payment of weekly grants to assist with shortfalls in residential home fees
- The payment of grants for services such as shopping, gardening and personal care in order to allow people to remain independent in their homes

Equal access to our services is an important issue for the Fund and we therefore write to all BT pensioners aged over 75 on a regular basis reminding them that we are here to help. We also publicise our services within BT via various communications channels and externally via our website and social media channels.

## BT Benevolent Fund

### *Report of the Trustees for the year ended 31<sup>st</sup> December 2022 continued*

The normal maximum grant payment is £2,500, and up to £10,000 for home adaptations related to disability. However, all grants are made on a discretionary basis and there is no absolute maximum.

#### **Achievements and Performance**

The Fund continued to aid employees, ex-employees, BT pensioners and their dependants experiencing financial hardship and in 2022 we dealt with 282 single grant cases and our charitable grant expenditure was £523,507 (2021: £498,965). Our biggest area of need this year was people in debt, normally with rent, mortgage, council tax and utility bill arrears. Other areas of need were for help with funeral bills, re-housing costs, home adaptations relating to disability, and home and heating repairs, and we continue to see how the impact of ill-health, bereavement, redundancy or relationship breakdown can result in people struggling financially.

The threat of repossessions and evictions and the stress of losing their home or not being able to pay bills has a detrimental effect on people's health and wellbeing. Long-term sickness and an unexpected event within the family often causes financial distress so it is important that the fund can support people at a time when they find themselves at their most vulnerable.

The trustees do not set absolute targets for the mainstream work of relieving hardship and have placed no restrictions on charitable activity but seek instead to support the secretariat in dealing with all applications for assistance presented to the charity within the year.

The main measures of activity are as follows:-

		2022	2021
Cost of charitable activities:	Grants paid to or on behalf of beneficiaries	523,507	498,965
	Pensioner contact scheme	19,604	18,971
	Indirect costs of grant giving	144,849	140,083
	<b>Total</b>	<b>£687,960</b>	<b>£658,019</b>
Cases decided:	Employees	119	126
	Pensioner contact scheme	3	21
	Pensioners and ex-employees	160	161
	<b>Total</b>	<b>282</b>	<b>308</b>
Membership subscriptions:	Total for year	£693,155	£689,478
	Year on year increase	0.5%	3.5%
	Number of members	17,167	17,555
	Average giving rate per member per annum	£40.38	£39.28
Expenditure as % of total incoming resources:	Grants	43.9%	44.4%
	Pensioner contact scheme	1.6%	1.7%
	Indirect costs of grant giving	12.1%	12.5%
	Costs of generating funds	7.6%	7.6%
	Governance costs	2.5%	2.6%

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2022 continued*

Employee cases are referred to the Fund by the BT Group Employee Assistance Programme with whom we continue to enjoy an excellent working relationship. Case analysis shows how the impact of continued economic pressures, often leading to debt, the impact of a partner being made redundant, of relationship breakdown, or of sudden illness or disability amongst BT employees can all destabilise family budgets and lead to extreme financial pressure, so we want to encourage BT employees, ex-employees and pensioners to ask for help when they need it and remove the stigma attached to approaching the fund for assistance. To succeed we need sustained communication and are working with BT Group and the BTPS to achieve this aim. We are now using social media more often to promote our work. It is a wide-ranging and powerful tool, and we are using this form of media to engage with organisations and individuals on a more regular basis. We also continue to communicate with employee members through BT's other internal communications channels.

The Pensioner Contact scheme continued in 2022. Despite a reduced response we still feel it's an important part of the Fund's activities. Each year we write to BT pensioners aged over 75 inviting them to provide some basic financial information if they think they may be eligible for our assistance. Their needs are then determined during a telephone conversation with a case secretary. We continue to be extremely grateful to the Civil Service Insurance Society Charity Fund for their major contribution to the costs of this vital part of our work.

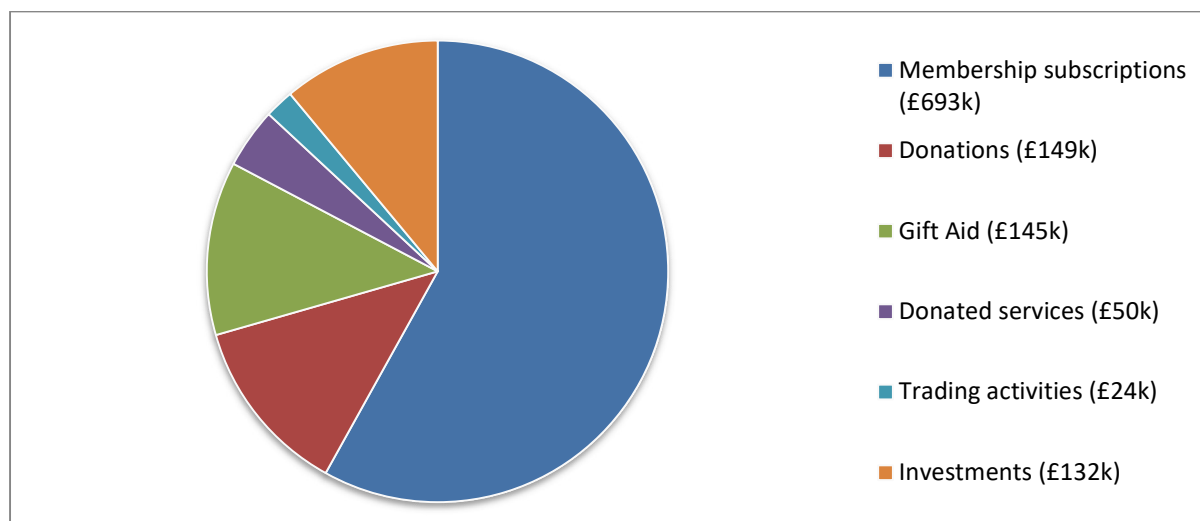
We continue to pay weekly grants to older people on very low incomes, and all such beneficiaries received a special payment at Christmas of £150, as well as an additional winter fuel payment of £100, funded by part of the donation received from the Civil Service Insurance Society Charity Fund. This year we increased the minimum and maximum weekly grants that we pay, so this now ranges from £15 to £50 dependant on income.

During 2022 the Fund also continued to make payments under the 'Care in the Home' scheme designed to help the elderly pay for specific items of care to enable them to maintain their independence and for them to remain in their own homes for as long as possible.

### **Financial Review**

The principal funding source of the charity continues to be donations. Regular donations from individuals accounted for 58% (2021: 62%) of total income. Investment income, gift aid and one-off donations are the other material sources of income. Included in donations are significant receipts from BT, Openreach, POFR and the CSIS Charity Fund (see note 3).

Total income for the year was £1,193,636 analysed as follows:

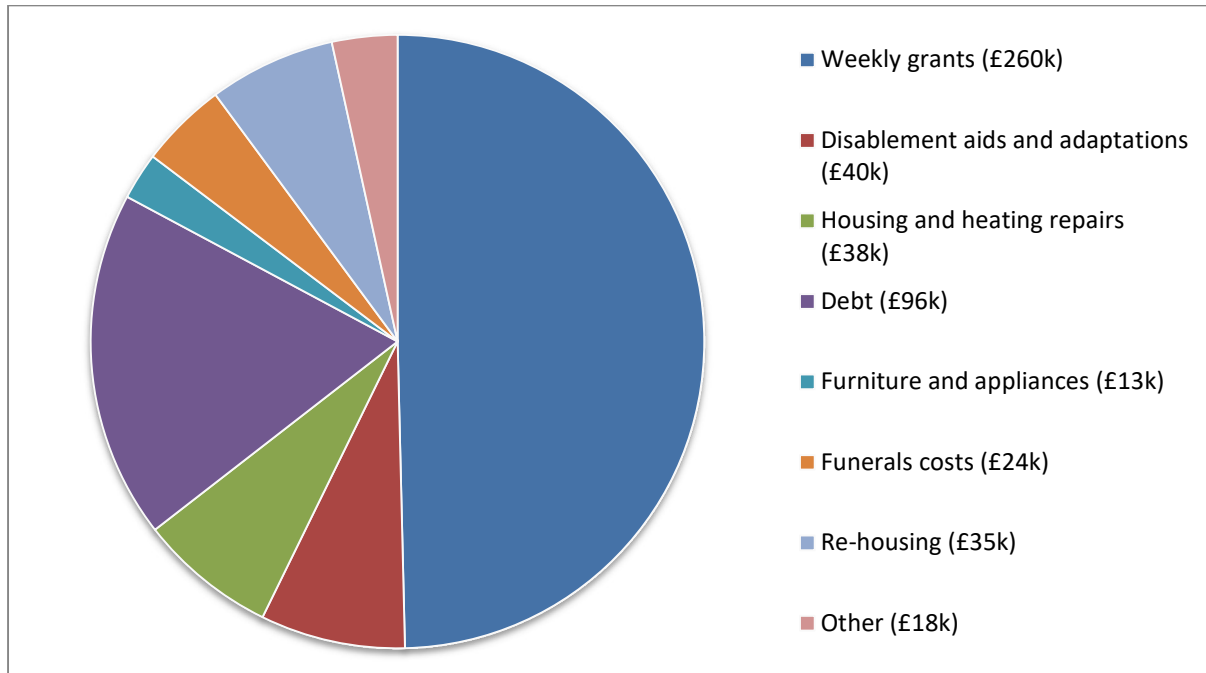


## BT Benevolent Fund

### *Report of the Trustees for the year ended 31<sup>st</sup> December 2022 continued*

Total expenditure for the year was £808,087. Some £523,507 of this total (65%) was paid out in grants. The indirect costs of paying these grants were £164,453 with fundraising costs (£90,461) and other costs (£29,666) making up the balance.

Grants paid may be analysed as follows.



The surplus for the year amounted to £385,549 (2021: Surplus of £349,964). After movements in the market value of investments there is a total surplus of incoming resources of £55,180 (2021: £836,582).

The impact of the COVID-19 pandemic continued into 2022 and it was disappointing that case numbers remained lower than pre COVID levels. This again meant that expenditure has been lower than in previous years. We did however start to see an increase in case numbers towards the back end of the year and expect this trend to continue into 2023.

We continue to proactively encourage people to approach us for help using our Pensioner Contact Scheme, social media channels and website. We also have a Workplace group in both BT and Openreach and this gives us significant reach, enabling us to communicate directly with the majority of BT's workforce. By using these social media channels and other more traditional methods we are doing all we can to encourage BT people who are in need to reach out to us and will continue to be proactive in this area.

Another decrease in expenditure has again resulted in a surplus for 2022 and although we already have significant reserves, we still need to ensure that we invest responsibly to ensure the long-term future of the fund and mitigate against any future loss of income. Although expenditure is lower than normal, we have also seen a decrease in the number of people donating to the fund and whereas income has remained fairly flat from individual donors, this cannot be guaranteed going forward. In addition, we have received reduced income from one off donations in 2022 and in the current economic climate this trend may well continue, so any reserves built up now will be essential for our future viability.

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2022 continued*

### **Collaboration with Other Charities**

We continue to work with other charities and have built excellent relationships with many of them including SSAFA, the Royal British Legion and other military charities, the Rowland Hill Fund, the National Federation of Occupational Pensioners, the Education Support Partnership, the Electrical Industries Charity, the Benenden Charitable Trust and the Civil Service Retirement Fellowship. We also regularly liaise with local authority housing departments, Citizens Advice Bureaux, and similar organisations.

### **Investment Policy and Performance**

Cazenove Capital Management Ltd continues to manage the Fund's investments on a discretionary basis in order to balance income and capital growth and to lessen the level of overall risk. The Investment Sub-committee meets with Cazenove twice-yearly to review our portfolio and the performance of our investments. The capital position of the charity remains satisfactory, with the total investment portfolio standing at £5,263,544 (2021: £5,364,495). There are no restrictions on the Fund's power to invest.

### **Risk Management**

The trustees have established regular reporting systems, including the maintenance of a risk register which is reviewed quarterly and assesses and monitors the major strategic and operational risks faced by the charity.

A full review of the funds risks was undertaken in 2022 with Trustees taking individual responsibility for existing and newly identified risks to ensure that appropriate mitigation and measures exist to minimise the impact of these risks.

The key risk identified in 2022 continues to be the Funds dependency on a gradually decreasing donor base. The fund also receives donations from BT, Openreach and the CSIS Charity Fund which cannot be relied upon in the future. It should be noted however that the fund has a sound financial position secured on a diversified risk averse portfolio of investments.

### **Reserves Policy**

Unrestricted funds are needed to cover administration and support costs without which the charity could not function, and to provide funds which can be designated to specific projects so they can be undertaken at short notice. The trustees consider it prudent that unrestricted reserves should be sufficient to cover a minimum of one year's administration and support costs. The trustees monitor and review reserve levels routinely and consider the current level of £5,154,653 to be more than adequate to meet the costs of operating the Fund for a considerable period of time in the event of an unforeseen decline in donation income or corporate support. It should be noted that the current level of reserves are effectively underpinned by fixed asset investments which are held on a long-term basis for the continuing benefit of the charity in the form of both income generation and capital appreciation.

The Fund has a restricted endowment fund (Kelvin Homes endowment) where the income is to be applied to cases involving housing and associated costs (see note 15). The charity's general funds are not subject to any restriction.

### **Securing the future**

Sustainability of the Fund remains a priority for 2023 as we need to ensure that those who need help are aware of the existence of the Fund and the valuable work it performs. We also want to encourage

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2022 continued*

colleagues and pensioners to become regular contributors, so it is imperative that we continue to raise our awareness and profile with the distribution of promotional materials. Mailings direct from the Fund to our contributors and a communication to pensioners highlighting the work we do are also essential.

The trustees' most recent strategic review in 2018 resulted in agreement that the following priorities remained appropriate to sustain the work of the charity for the foreseeable future:

- Maintain and if possible, increase our charitable work
- Maintain and grow our income and control our costs
- Understand and react to the context we operate in
- Raise our profile within BT
- Safeguard the future of the Fund

### **Structure, Governance and Management**

The charity was formed in 1853 as the Post Office Clerks' Charitable Fund. It became the British Telecommunications Benevolent Fund in 1981 and the BT Benevolent Fund in 1992. The governing document of the charity is a written constitution dated 3<sup>rd</sup> July 1996 and amended on 13<sup>th</sup> June 2005, 30<sup>th</sup> July 2014, and 28<sup>th</sup> July 2022. The charity delivers its aims and objectives by making financial grants. Membership is available to defined groups of people, principally past and present employees of BT Group, and is dependent on donations. Each member has one vote at general meetings.

Trustees are in the first instance co-opted by the board of trustees and their appointment confirmed at the next Annual General Meeting. The trustees regularly review the composition of the board and the skill sets required to ensure good governance. A process for appointments has been adopted together with appropriate arrangements for induction and training depending on experience and individual requirements. Of the existing board, three are serving senior managers from within BT Group, five are retired former employees or ex-employees and one is a wholly independent trustee with no connection with the Group. BT Group has the right under the constitution to appoint one trustee. Trustees give their time free of charge.

The day-to-day operations of the charity are managed by a secretariat headed by the charity's manager who reports directly to the board of trustees. The treasurer/accountant works with the charity's manager but also reports separately to the board of trustees. The board of trustees monitors performance at its quarterly meetings and takes all the significant decisions associated with strategy.

The charity is legally and fiscally wholly independent of BT Group but continues to enjoy significant support from BT Group in the form of cash donations and donated services and facilities.

Saffery Champness LLP have signified their willingness to continue as our auditors. A resolution will be proposed at the annual general meeting to re-appoint them for the coming year.

### **Key management personnel remuneration**

The trustees consider the board of trustees and the fund manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 2 to the accounts.

Trustees are required to disclose any relevant interests and to withdraw from any decisions where a conflict of interest arises.

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2022 continued*

The remuneration of the Fund's secretariat team is reviewed annually. Pay rates are normally increased in accordance with average earnings and are subject to agreement by a minimum of two trustees.

### **Reference and Administrative Information**

#### **Trustees**

All served throughout 2022 unless otherwise indicated

Kevin Charlesworth  
Mark Murphy  
John Holme  
Robert Jones  
Beth Courtier

Vivien Lantree  
Matt Rogers  
Clive Selley  
Jane Shipway

#### **Manager**

Rob Pearce

#### **Treasurer**

Michael Pearce

#### **Honorary Solicitors**

Lauren Nesbit, BT Group, Riverside Tower, 5 Lanyon Place, Belfast, BT1 3BT  
Rachel Blackwell, BT Group, 1 Braham Street, London E1 8EE

#### **Principal Office**

Room 4210, Bristol Central TE, Marsh Street, Bristol BS1 4AY

#### **Auditors**

Saffery Champness LLP, St John's Court, Easton Street, High Wycombe HP11 1JX

#### **Bankers**

Santander UK plc, Bootle, Merseyside GIR 0AA  
Unity Trust Bank plc, Nine Brindleyplace, Birmingham B1 2HB

#### **Investment Managers**

Cazenove Capital Management Ltd, 1 London Wall Place, London EC2Y 5AU

### **Trustee's responsibilities in relation to the financial statements**

The charity trustees are responsible for preparing a trustees' annual report and financial statements 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

## BT Benevolent Fund

### *Report of the Trustees for the year ended 31<sup>st</sup> December 2022 continued*

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and 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 in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees on 3<sup>rd</sup> May 2023 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'Mark Murphy', is written over a faint, illegible stamp or watermark.

**Mark Murphy, Chair of Trustees**

# BT Benevolent Fund

## Independent Auditors' Report to the Trustees of the BT Benevolent Fund

### Opinion

We have audited the financial statements of The BT Benevolent Fund for the year ended 31 December 2022 which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements 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, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# BT Benevolent Fund

## **Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 financial statements 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**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements 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 set out on page 10, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

## BT Benevolent Fund

### Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# BT Benevolent Fund

## Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued

### 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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Saffery Champness LLP*

Saffery Champness LLP

Chartered Accountants

Statutory Auditors

St John's Court

High Wycombe

HP11 1JX

3<sup>rd</sup> May 2023

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

## BT Benevolent Fund

### Statement of Financial Activities For the year ended 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>Income and endowments</b>						
Donations and legacies	3	1,037,500	-	-	1,037,500	994,870
Trading activities	4	24,328	-	-	24,328	31,389
Investments	5	107,932	23,876	-	131,808	96,316
<b>Total income</b>		<b>1,169,760</b>	<b>23,876</b>	<b>-</b>	<b>1,193,636</b>	<b>1,122,575</b>
<b>Expenditure</b>						
Costs of raising funds	6	85,627	4,834	-	90,461	85,412
Expenditure on charitable activities:						
Grants	7	514,208	9,299	-	523,507	498,965
Indirect costs of grant giving	8	164,453	-	-	164,453	159,054
Other	9	29,666	-	-	29,666	29,180
<b>Total expenditure</b>		<b>793,954</b>	<b>14,133</b>	<b>-</b>	<b>808,087</b>	<b>772,611</b>
<b>Net surplus/(expense) for the year</b>		<b>375,806</b>	<b>9,743</b>	<b>-</b>	<b>385,549</b>	<b>349,964</b>
Net (loss)/gain on investments	12	(268,589)	(61,780)	-	(330,369)	486,618
<b>Net movement in funds</b>		<b>107,217</b>	<b>(52,037)</b>	<b>-</b>	<b>55,180</b>	<b>836,582</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>5,047,436</b>	<b>462,815</b>	<b>568,241</b>	<b>6,078,492</b>	<b>5,241,910</b>
<b>Total funds carried forward</b>		<b>5,154,653</b>	<b>410,778</b>	<b>568,241</b>	<b>6,133,672</b>	<b>6,078,492</b>

## BT Benevolent Fund

### Balance Sheet as at 31 December 2022

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Endowment Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
<b>Fixed assets</b>						
Investments	12	4,284,525	410,778	568,241	5,263,544	5,364,495
<b>Current assets</b>						
Debtors	13	114,703	-	-	114,703	115,184
Cash at bank and in hand	13	788,988	-	-	788,988	642,116
<b>Total current assets</b>		<b>903,691</b>	<b>-</b>	<b>-</b>	<b>903,691</b>	<b>757,300</b>
<b>Liabilities</b>						
Creditors falling due within one year	14	33,563	-	-	33,563	43,303
<b>Net current assets</b>		<b>870,128</b>	<b>-</b>	<b>-</b>	<b>870,128</b>	<b>713,997</b>
<b>Net assets</b>		<b>5,154,653</b>	<b>410,778</b>	<b>568,241</b>	<b>6,133,672</b>	<b>6,078,492</b>
<b>The funds of the charity:</b>						
Unrestricted income funds		5,154,653	-	-	5,154,653	5,047,436
Restricted income funds	15	-	410,778	-	410,778	462,815
Endowment	15	-	-	568,241	568,241	568,241
		<b>5,154,653</b>	<b>410,778</b>	<b>568,241</b>	<b>6,133,672</b>	<b>6,078,492</b>

The notes on pages 19 to 26 form part of these accounts.

Approved by the trustees on 3 May 2023 and signed on their behalf by:

M Murphy  
Trustee

## BT Benevolent Fund

### Statement of Cash Flows For the year ended 31 December 2022

	Note	Total Funds 2022 £	Total Funds 2021 £
Net cash generated by operating activities	17	<u>244,482</u>	<u>232,826</u>
Cash flows from investing activities:			
Interest and dividends		131,808	96,316
Proceeds from sale of investments		1,269,220	843,598
Purchase of investments		(1,498,638)	(1,556,564)
Net cash used in investing activities		<u>(97,610)</u>	<u>(616,650)</u>
Change in cash and cash equivalents in the year		146,872	(383,824)
Cash and cash equivalent brought forward		642,116	1,025,940
Cash and cash equivalents carried forward		<u>788,988</u>	<u>642,116</u>

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2022

### 1. Accounting Policies

#### (a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### (b) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Income arising from investments, subscriptions, donations, bequests, endowments and similar incoming resources are accounted for on an accruals basis. This income is treated as unrestricted unless the donor specifies to the contrary.

Donated services and facilities are recognised in the statement of financial activities at market value or trustees' estimate as the charity would otherwise have to purchase these services and facilities.

#### (c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are recognised in the financial statements as liabilities as soon as they have been approved even though there may be conditions attached to them. This is because there is a valid expectation by the recipients that they will receive those grants. Weekly grants, which are discretionary and subject to continuous review, are paid six months in advance, and are recognised in the financial statements as and when payments are made. Further details are set out in note 7.

#### (d) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2022 continued

### **(e) Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. The bases on which these costs have been allocated are set out in note 10.

### **(f) Costs of raising funds**

The costs of generating funds consist of investment management fees, purchase of Christmas cards as well as a percentage of staffing costs, equipment hire, postage and dispatch costs, leaflets and stationery relating to promotional mailings to potential members.

### **(g) Charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 8.

### **(h) Tangible fixed assets and depreciation**

All additions are written off in full upon acquisition within resources expended in the Statement of Financial Activities because the amounts concerned are not material to the charity.

### **(i) Fixed asset investments**

Investments are stated at market value. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if 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. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

### **(j) Funds structure**

The charity's assets are represented by the unrestricted fund and the restricted and endowment funds. Details of the nature and purpose of these funds are set out in note 15.

### **(k) Leasing**

Rental payable under operating leases are charged against income on a straight line basis over the lease term.

### **(l) Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at amortised cost.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2022 continued

### 2. Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2021: £nil). Expenses paid to the trustees in the year totalled £3,444 (2021: £256). These expenses were paid to three trustees in respect of travel expenses (2021: One).

Of the charity's trustees listed on page 10, the following were employees of the BT Group as at 31 December 2022:

Mr M Murphy	Mr C Selley
Mr M Rogers	

In 2022, the BT Group provided the charity with office accommodation, furniture, equipment and utility services and the services of two solicitors free of charge, and in addition met the postage and dispatch costs relating to various mailings. These services have been valued and charged to the relevant cost centres (notes 6, 8 & 9).

The charity received material donations totalling £73,333 (2021 - £20,000) from the BT Group as listed in note 3. At 31 December 2022 £nil (2021 - £nil) included in debtors was due from the BT Group.

### 3. Donations and legacies

	2022 £	2021 £
Membership subscriptions	693,155	689,478
Donations: CSiS Charity Fund	20,000	40,000
BT Group plc	73,333	20,000
Post Office Fellowship of Remembrance	50,000	50,000
Other	5,613	3,168
Income tax recoverable under 'Gift Aid' provisions	145,399	142,224
Donated services and facilities	50,000	50,000
	1,037,500	994,870

### 4. Trading activities

	2022 £	2021 £
Sale of Christmas cards	24,328	31,389

### 5. Investment income

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Fixed asset investments	103,802	23,876	127,678	92,099
Deposit interest	4,130	-	4,130	4,217
	107,932	23,876	131,808	96,316

In 2021 £19,249 of the fixed asset investment income was attributable to restricted income with the balance of £72,850 being added to unrestricted funds. In 2021 deposit interest of £4,217 was added to unrestricted funds.

## BT Benevolent Fund

### Notes to the financial statements as at 31 December 2022 continued

#### 6. Costs of raising funds

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Investment management fees	21,018	4,834	25,852	22,915
Christmas cards	5,339	-	5,339	5,214
Staff costs	30,698	-	30,698	29,550
Hire of office equipment	3,572	-	3,572	2,733
Donated services (postage and dispatch)	25,000	-	25,000	25,000
	<u>85,627</u>	<u>4,834</u>	<u>90,461</u>	<u>85,412</u>

In 2021 £4,789 of the investment management fees were attributable to restricted expenditure with the balance of £18,126 being added to unrestricted funds. In 2021 all other costs of raising funds were unrestricted.

#### 7. Grants payable

	Unrestricted 2022 £	Restricted 2022 £	Total 2022 £	Total 2021 £
Weekly grants	259,856	-	259,856	237,138
Single grants	254,352	9,299	263,651	261,827
	<u>514,208</u>	<u>9,299</u>	<u>523,507</u>	<u>498,965</u>

In 2021 single grants expenditure of £22,212 and weekly grants expenditure of £nil were paid from restricted funds.

#### 8. Indirect costs of grant giving

	2022 £	2021 £
Staff costs - Pensioner contact scheme	19,604	18,971
Staff costs - grant giving	110,045	107,413
Annual newsletter	8,694	7,449
Subscriptions	1,695	1,692
Miscellaneous	4,415	3,033
Telephone	-	496
Donated services (Postage and dispatch)	2,750	2,750
Donated services (Office space, furniture, equipment & utilities)	17,250	17,250
	<u>164,453</u>	<u>159,054</u>

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2022 continued

### 9. Governance costs

	2022	2021
	£	£
Staff costs	8,685	10,413
Audit fee	9,150	8,950
Travel - Trustees	3,444	256
Travel - Other	2,827	4,001
Insurances	560	560
Donated services (Solicitors' fees and support costs)	5,000	5,000
	<u>29,666</u>	<u>29,180</u>

The charity's only charitable activity is that of grant giving therefore there is no requirement to allocate governance costs.

### 10. Analysis of staff costs and remuneration of key management personnel

	2022	2021
	£	£
Salaries and wages	145,798	140,630
Social security costs	7,065	6,783
Fees	13,800	16,747
Other pension costs	2,369	2,187
Total	<u>169,032</u>	<u>166,347</u>
Allocated as:		
Costs of raising funds (note 6)	30,698	29,550
Indirect costs of grant giving (note 8)	129,649	126,384
Governance (note 9)	8,685	10,413
	<u>169,032</u>	<u>166,347</u>

The average number of employees during the year was 7 (2021: 7) with all employee time involved in providing either support to the governance of the charity or support services to charitable activities. The charity also used the services of two part-time consultants during the year. The above staff costs have been allocated to the cost centre headings (Notes 6, 8 & 9 above) according to the percentage of time spent by each staff member. All other costs incurred are specifically attributable to individual cost centres.

The Trust considers its key management personnel comprise the trustees and the fund manager. The total employment benefits of the key management personnel were £48,713 (2021: £46,820). No employees had employee benefits in excess of £60,000 (2021: none).

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2022 continued

### 11. Auditor's remuneration

The auditor's remuneration (net of VAT) constituted an audit fee of £7,625 (2021: £7,450).

### 12. Fixed assets - investments

#### Movement in fixed asset investments

	Unrestricted 2022 £	Restricted 2022 £	Endowment 2022 £	Total 2022 £	Total 2021 £
Market value 1 January 2022	4,333,439	462,815	568,241	5,364,495	4,164,911
Additions to investments at cost	1,251,528	247,110	-	1,498,638	1,556,564
Disposals at carrying value	(1,031,853)	(237,367)	-	(1,269,220)	(843,598)
Net (loss)/gain on revaluation	(268,589)	(61,780)	-	(330,369)	486,618
Market value 31 December 2022	4,284,525	410,778	568,241	5,263,544	5,364,495

#### Investments at market value comprised:

Equities	3,338,563	3,492,681
Bonds	619,742	641,981
Multi-Asset funds	138,978	192,558
Property	500,500	542,494
Other	565,794	476,239
Cash	99,967	18,542
	5,263,544	5,364,495

Investments are held primarily within the UK and as at 31 December 2022 investment holdings in excess of 5% of the total portfolio were as follows:

Liontrust UK Equity Fund (Formerly Majedie UK Equity Fund)	6.6%	8.0%
Charity Equity Income Fund	10.2%	9.8%
Vanguard S&P 500 ETF	5.1%	5.0%
Schroder Diversified Alternative	4.5%	5.0%
Schroder Charities Property Funds	9.5%	10.1%

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2022 continued

### 13. Analysis of current assets

<b>Debtors</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Income tax recoverable under 'Gift Aid' provisions	105,000	101,500
Other debtors	-	3,055
Prepayments and accrued income	9,703	10,629
<b>Total</b>	<b>114,703</b>	<b>115,184</b>
<b>Cash at bank and in hand</b>		
Short term deposits	596,644	344,896
Cash at bank and in hand	192,344	297,220
	<b>788,988</b>	<b>642,116</b>

All current assets related to unrestricted funds in both 2022 and 2021.

### 14. Creditors falling due within one year

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Grants payable	10,441	21,689
Other creditors and accruals	23,122	21,614
	<b>33,563</b>	<b>43,303</b>

All current liabilities related to unrestricted funds in both 2022 and 2021.

### 15. Restricted and endowment funds

In August 2001 the charity received an endowment of £568,241 from the trustees of the former Kelvin Old People's Home Ltd with conditions attached restricting the type of grant which can be paid out of income arising from the investment of the endowment to cases involving housing adaptations and associated costs enabling recipients to remain in their own or residential homes. The initial endowment value of £568,241 is only expendable after August 2026. In 2022 the overall expenditure charged to the Restricted Fund was limited to the level of the income available.

The Unrestricted fund is utilised to cover the charitable expenditure not falling within the scope of the Endowment fund and all the other costs to enable the charity to continue with its charitable objectives.

## BT Benevolent Fund

### Notes to the financial statements as at 31 December 2022 continued

#### 16. Movement on restricted and endowment funds

	Restricted £	Endowment £	Total £
Balance at 1 January 2021	368,864	568,241	937,105
Income	19,249	-	19,249
Expenditure	(27,001)	-	(27,001)
Loss on Investments	101,703	-	101,703
Balance at 31 December 2021	462,815	568,241	1,031,056
Income	23,876	-	23,876
Expenditure	(14,133)	-	(14,133)
Gain on Investments	(61,780)	-	(61,780)
Balance at 31 December 2022	410,778	568,241	979,019

#### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	2021 £
Net movement in funds	55,180	836,582
Deduct investment income shown in investing activities	(131,808)	(96,316)
Add losses/(deduct gains) on investments	330,369	(486,618)
Decrease/(increase) in debtors	481	(10,716)
Decrease in creditors	(9,740)	(10,106)
Net cash generated by operating activities	244,482	232,826

#### Analysis of changes in net debt

The net debt is made up entirely by the cash balance outlined in the Statement of cash flows, and all movements in the year were cash flow changes.

#### 18. Operating Leases

As at 31 December 2022 the charity was due to pay the following amounts in respect of non-cancellable operating leases:

	2022 £	2021 £
Amounts due in:		
Less than 1 year	3,572	3,572
2 to 5 years	6,251	9,823
	9,823	13,395

**BT BENEVOLENT FUND**

England & Wales - Charity number 212565

---

# Accounts

---



**BT BENEVOLENT FUND**  
**REPORT and FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2021**  
**CHARITY NO. 212565**

# BT Benevolent Fund

## CONTENTS

	Page
Report of the Trustees	
Chair's Report	3
Objectives and Activities	4
Achievements and Performance	4 - 6
Financial Review	6 - 9
Structure, Governance and Management	9 - 10
Reference and Administrative Information	10 - 11
Independent Auditors' Report to the Trustees	12 – 15
Financial statements	
Statement of financial activities	16
Balance sheet	17
Statement of Cash Flows	18
Notes	19 - 26

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2021

The trustees present their annual report and financial statements for the year ended 31<sup>st</sup> December 2021. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 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 UK and Republic of Ireland published on 16<sup>th</sup> July 2014.

### Chair's Report

Once again, in 2021 the team at the Fund worked hard to meet the many requests for help from people in financial difficulty, and to maintain and increase the Fund's income. It has come as no surprise, given the continuing background of the COVID-19 pandemic and economic uncertainty, that some of our most vulnerable employees and pensioners have at times found it difficult to manage. The need for our assistance has never been more important, and the help we are able to give, both financially and as a caring and friendly voice on the telephone, has made a real difference to those who otherwise would have nowhere else to turn to.

In 2021 we awarded grants of just under £500,000 and helped 446 individuals, couples and families who needed financial assistance. Cases from current BT employees remain high and account for 41% of our case load. The largest grant we made in 2021 was £3,800 for bathroom adaptations, and we made 18 grants of £2,500 or more. In addition to our single grants, we ended the year paying weekly grants to 138 former BT people on very low incomes and we know from their feedback what a huge difference these payments make. We also made additional Christmas payments to our weekly grant recipients, which included a £100 winter fuel payment funded from the donation we received from the Civil Service Insurance Society Charity Fund (CSIS CF) and a Christmas bonus payment of £150. With energy prices rising rapidly these payments were particularly important.

In 2021 our income exceeded £1million for the 8th year in a row. Membership donations, together with Gift Aid, made up over 70% of this and thanks must go to the CSIS CF, POFR and Openreach for their very generous contributions. Investment income, Christmas card sales and various one-off donations boosted our funds further. We have ended 2021 with a surplus and have substantial reserves, which will ensure that we can continue our grant-making activities well into the future.

Recruiting and retaining regular donors remained challenging in 2021 with the total number of people making regular donations decreasing to 17,555. We did see a slight increase in the number of existing BT employees that donate to us and we will continue to try and increase employee donations further in 2022.

In terms of staffing, the Fund's Trustee Board has remained unchanged throughout 2021. All our Trustees provide valuable input to the oversight of the Fund and I remain grateful for this and would like to thank my fellow Trustees for their continued support of the Fund, as well as the Secretariat team for their commitment and enthusiasm. I have no doubt 2022 will be another challenging and busy year for the Fund but ultimately, I believe that the Fund is in a great position and is ready and prepared to help all those in need who look to us for help in difficult times.



**Mark Murphy, Chair of Trustees**

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2021 continued

### Objectives and Activities for the Public Benefit

The object of the charity, as set out in our constitution, is the relief of financial hardship among BT employees past and present and their dependants and this is the principal activity. The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives, in planning future activities, and setting the grant making policy.

The objects and funding of the charity limit the services we can provide to current and former employees of BT Group and its predecessors, and their dependent families. It has been calculated that this group amounts to around two million people. The trustees are aware that whilst this is a restricted section of society, it represents a sizeable number of people, any of whom can ask for help at any time. In addition, the range and depth of the service we provide means that it is not just the individual who benefits but their wider family, thus extending the range of our support.

All our charitable help is provided free of charge, and people do not need to contribute to the Fund to benefit from our help.

### Grant-making Policy

Grants are made to beneficiaries whose circumstances qualify them for assistance under the Fund's Grant Aid Guidelines, which aim to ensure fairness and consistency. Beneficiaries must be experiencing financial hardship and satisfy criteria regarding income and savings which are regularly reviewed by the trustees. The aim is to help people in need to move to a more stable and sustainable position.

The ways in which the Fund aims to reduce poverty and hardship include:

- Payments towards home adaptations and mobility aids for adults and children with disabilities
- Payment of debts relating to security of accommodation, e.g. rent, mortgage or council tax arrears
- Payments to assist with energy bills
- Payments to assist with funeral bills
- Payments for essential home maintenance and heating repairs
- The provision of items such as furniture, bedding, clothes, fuel, heating and domestic appliances
- Providing one-off payments following a crisis or natural disaster
- Providing one-off payments to meet a particular need
- Payment of travelling expenses connected with hospital stays, respite care and convalescence
- The payment of weekly grants to older people on very low incomes
- The payment of weekly grants to assist with shortfalls in residential home fees
- The payment of grants for services such as shopping, gardening and personal care in order to allow people to remain independent in their homes

Equal access to our services is an important issue for the Fund and we therefore write to all BT pensioners aged over 75 on a regular basis reminding them that we are here to help. We also publicise our services within BT at every opportunity.

The normal maximum grant payment is £2,500, and up to £10,000 for home adaptations related to disability.

### Achievements and Performance

In accordance with its constitution, the Fund continued to offer assistance to employees, ex-employees, BT pensioners and their dependants experiencing financial hardship for whatever reason.

## BT Benevolent Fund

### *Report of the Trustees for the year ended 31<sup>st</sup> December 2021 continued*

In 2021 we dealt with 308 single grant cases and our charitable grant expenditure was £498,965 (2020: £586,422). Our biggest area of need in 2021 was once again people in debt, generally with rent, mortgage, council tax and utility bill arrears. Once again, we saw how quickly the impact of ill-health, bereavement, redundancy or relationship breakdown can result in people struggling financially.

Other areas of need were for help with funeral bills, re-housing costs, home adaptations relating to disability, and home and heating repairs.

The trustees do not set absolute targets for the mainstream work of relieving hardship and have placed no restrictions on charitable activity but seek instead to support the secretariat in dealing with all applications for assistance presented to the charity within the year.

The main measures of activity are as follows:-

		<b>2021</b>	<b>2020</b>
Cost of charitable activities:	Grants paid to or on behalf of beneficiaries	498,965	586,422
	Pensioner contact scheme	18,971	18,061
	Indirect costs of grant giving	140,083	141,014
	<b>Total</b>	<b>£658,019</b>	<b>£745,497</b>
Cases decided:	Employees	126	181
	Pensioner contact scheme	21	35
	Pensioners and ex-employees	161	172
	<b>Total</b>	<b>308</b>	<b>388</b>
Membership subscriptions:	Total for year	£689,478	£666,454
	Year on year increase	3.5%	4.4%
	Number of members	17,555	17,610
	Average giving rate per member per annum	£39.28	£37.85
Expenditure as % of total incoming resources:	Grants	44.4%	28.9%
	Pensioner contact scheme	1.7%	0.9%
	Indirect costs of grant giving	12.5%	7.0%
	Costs of generating funds	7.6%	3.7%
	Governance costs	2.6%	1.3%

Employee cases are referred to the Fund by the BT Group Employee Assistance Programme with whom we continue to enjoy a good working relationship. Case analysis shows how the impact of continued economic pressures, often leading to debt, the impact of a partner being made redundant, of relationship breakdown, or of sudden illness or disability amongst BT employees can all destabilise family budgets and lead to extreme financial pressure.

In 2021 the proactive Pensioner Contact scheme continued to be an important part of the Fund's

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2021 continued*

activities. Each year we write to BT pensioners aged over 75 inviting them to provide some basic financial information if they think they may be eligible for our assistance. A case secretary then phones them to discuss their needs and financial situation in more detail, with financial hardship then being validated in the same way as for all other cases. This is a vital part of our work and we are extremely grateful to the Civil Service Insurance Society Charity Fund for their major contribution to its costs.

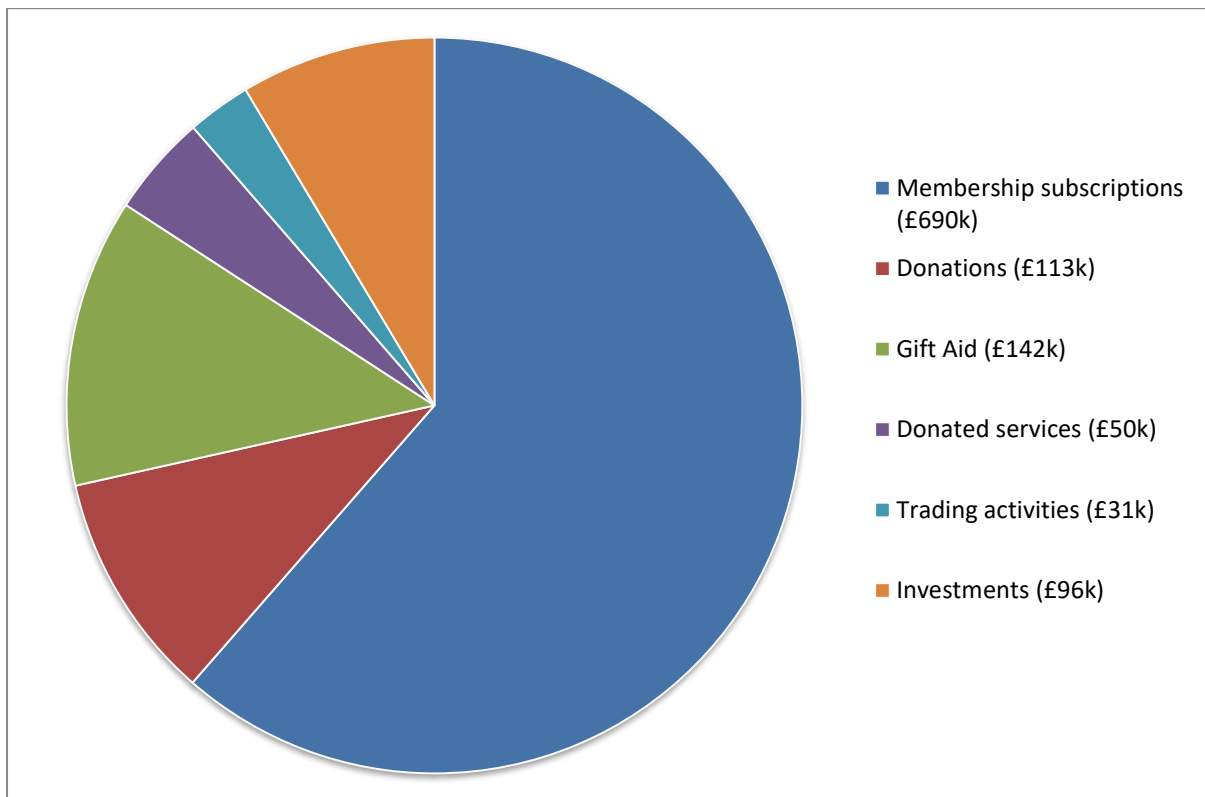
Weekly grants are paid to older people on very low incomes, and all such beneficiaries received a special payment at Christmas of £150, as well as an additional winter fuel payment of £100, funded by part of the donation received from the Civil Service Insurance Society Charity Fund.

During 2021 the Fund also continued to make payments under the 'Care in the Home' scheme designed to help the elderly pay for specific items of care to enable them to remain in their own homes for as long as possible.

### **Financial Review**

The principal funding source of the charity continues to be donations. Regular donations from individuals which are classified as membership subscriptions accounted for 62% (2020: 33%) of total income. Investment income, gift aid and one-off donations are the other material sources of income. Included in donations are significant receipts from the POFR, Openreach and the CSIS Charity Fund (see note 3).

Total income for the year was £1,122,575 analysed as follows:

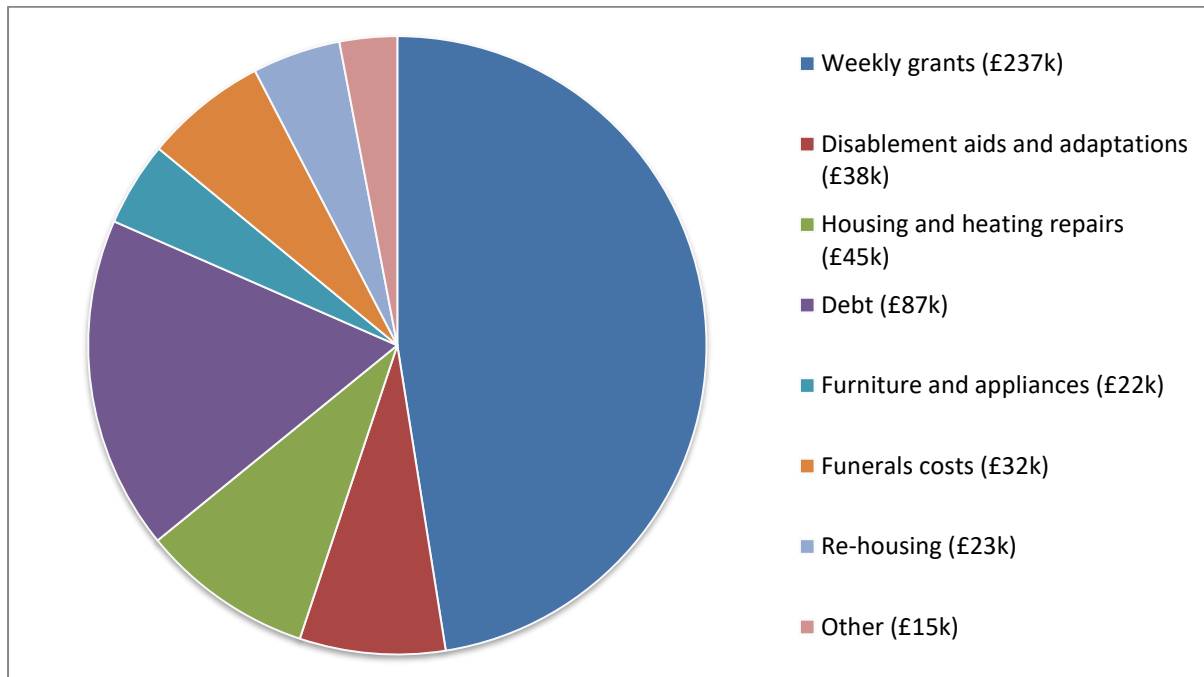


Total expenditure for the year was £772,611. Some £498,965 of this total (65%) was paid out in grants. The indirect costs of paying these grants were £159,054 with fundraising costs (£85,412) and other costs (£29,180) making up the balance.

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2021 continued

Grants paid may be analysed as follows.



The surplus for the year amounted to £349,964 (2020: Surplus of £1,183,213). After movements in the market value of investments there is a total surplus of incoming resources of £836,582 (2020: £1,171,269).

Since the start of the COVID-19 pandemic we have seen a decrease in the number of people approaching the Fund for help leading to a gradual decline in our expenditure. This is a phenomenon experienced by many small charities over the last 2 years and the reasons for this are still unclear. The Fund's expenditure has been further reduced by a change in working practises with the secretariat team working largely from home and trustee meetings being held virtually, which has led to a fall in travel expenses.

We have always proactively encouraged people to approach us for help as demonstrated by our Pensioner Contact Scheme and we also publicise our services directly to BT employees using a number of different communications channels. Most recently we have set up a BT Benevolent Fund Workplace group in both BT and Openreach. This gives us significant reach, enabling us to communicate directly with the majority of BT's workforce. We are doing all we can to encourage BT people who are in need to reach out to us and will continue to be proactive in this area.

The decrease in expenditure has resulted in a surplus for 2021 and although we already have significant reserves, we still need to ensure that we invest responsibly to ensure the long-term future of the fund and mitigate against any future loss of income. Although expenditure is lower than normal, we have also seen a decrease in the number of people donating to the fund and whereas income has remained fairly flat from individual donors, this cannot be guaranteed going forward. In addition, we have received reduced income from one off donations in 2021 and this trend may well continue so any reserves built up now will be essential for our future viability.

### Collaboration with Other Charities

The Fund has good working relationships with a number of other charities and organisations helping those in need. These include SSAFA, the Royal British Legion and other military charities, the Rowland

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2021 continued*

Hill Fund, the National Federation of Occupational Pensioners, the Education Support Partnership, the Electrical Industries Charity, the Benenden Charitable Trust and the Civil Service Retirement Fellowship. We also regularly liaise with local authority housing departments, Citizens Advice Bureaux, and similar organisations.

### **Investment Policy and Performance**

Cazenove Capital Management Ltd continues to manage the Fund's investments on a discretionary basis in order to balance income and capital growth and to lessen the level of overall risk. The Investment Sub-committee meets with Cazenove twice-yearly to review our portfolio and the performance of our investments. The capital position of the charity remains satisfactory, with the total investment portfolio standing at £5,364,495 (2020: £4,164,911). There are no restrictions on the Fund's power to invest.

### **Risk Management**

The trustees have established regular reporting systems, including the maintenance of a risk register which is reviewed quarterly and assesses and monitors the major strategic and operational risks faced by the charity. The key risk identified in 2021 continues to be the Funds dependency on a gradually decreasing donor base, but the total contribution received in the last year actually increased, despite the reduction in donor numbers. The fund also receives donations from Openreach and the CSIS Charity Fund which cannot be relied upon in the future. It should be noted however that the fund has a sound financial position secured on a diversified risk averse portfolio of investments.

In terms of potential future risks, if the structure or ownership of BT plc were to change significantly this could affect the Fund's work.

### **Reserves Policy**

Unrestricted funds are needed to cover administration and support costs without which the charity could not function, and to provide funds which can be designated to specific projects so they can be undertaken at short notice. The trustees consider it prudent that unrestricted reserves should be sufficient to cover a minimum of one year's administration and support costs. The trustees monitor and review reserve levels routinely and consider the current level of £5,047,436 to be more than adequate to meet the costs of operating the Fund for a considerable period of time in the event of an unforeseen decline in donation income or corporate support. It should be noted that the current level of reserves are effectively underpinned by fixed asset investments which are held on a long-term basis for the continuing benefit of the charity in the form of both income generation and capital appreciation.

The Fund has a restricted endowment fund (Kelvin Homes endowment) where the income is to be applied to cases involving housing and associated costs (see note 15). The charity's general funds are not subject to any restriction.

### **Plans for the Future**

The trustees' most recent strategic review in 2018 resulted in agreement that the following priorities remained appropriate to sustain the work of the charity for the foreseeable future at similar activity levels to those currently being experienced.

The main strategic priorities are:

- Maintaining and if possible, increasing our charitable work
- Maintaining and growing our income and controlling our costs

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2021 continued*

- Understanding and reacting to the context we operate in
- Raising our profile in BT
- Safeguarding the future of the Fund

The main focus for 2022 will be to continue to increase the profile of the Fund within BT Group to make people aware that they can approach us for help and to attract more employee donors. In addition, we will continue our activities aimed at recruiting pensioner donors and other potential sources of fundraising will also continue to be considered where appropriate.

### **Structure, Governance and Management**

The charity was formed in 1853 as the Post Office Clerks' Charitable Fund. It became the British Telecommunications Benevolent Fund in 1981 and the BT Benevolent Fund in 1992. The governing document of the charity is a written constitution dated 3 July 1996 as amended 13 June 2005 and 30 July 2014, and the charity delivers its aims and objectives by making financial grants. Membership is available to defined groups of people, principally past and present employees of BT Group, and is dependent on donations. Each member has one vote at general meetings.

Trustees are in the first instance co-opted by the board of trustees and their appointment confirmed at the next Annual General Meeting. The trustees regularly review the composition of the board and the skill sets required to ensure good governance. A process for appointments has been adopted together with appropriate arrangements for induction and training depending on experience and individual requirements. Of the existing board, four are serving senior managers from within BT Group, four are retired former employees or ex-employees and one is a wholly independent trustee with no connection with the Group. BT Group has the right under the constitution to appoint one trustee. Trustees give their time free of charge.

The day-to-day operations of the charity are managed by a secretariat headed by the charity's manager who reports directly to the board of trustees. The treasurer/accountant works with the charity's manager but also reports separately to the board of trustees. The board of trustees monitors performance at its quarterly meetings and takes all the significant decisions associated with strategy.

The charity is legally and fiscally wholly independent of BT Group but continues to enjoy significant support from BT Group in the form of cash donations and donated services and facilities.

Saffery Champness LLP have signified their willingness to continue as our auditors. A resolution will be proposed at the annual general meeting to re-appoint them for the coming year.

### **Key management personnel remuneration**

The trustees consider the board of trustees and the fund manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day-to-day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 2 to the accounts.

Trustees are required to disclose any relevant interests and to withdraw from any decisions where a conflict of interest arises.

The remuneration of the Fund's secretariat team is reviewed annually. Pay rates are normally

# BT Benevolent Fund

## *Report of the Trustees for the year ended 31<sup>st</sup> December 2021 continued*

increased in accordance with average earnings and are subject to agreement by a minimum of two trustees.

### **Post balance sheet event**

The first quarter of 2022, following the balance sheet date of these accounts, has seen the Coronavirus global pandemic continue to impact society in general and to a lesser extent the economy. Some variants of concern have been identified but the outlook continues to be more positive as a result of the vaccine rollout, new treatments and increasing herd immunity. The duration and ongoing severity of the pandemic and its impact is still difficult to quantify at this time, but it is hoped that things will continue to return to normal as the year progresses.

The Fund continues to operate as normal, but remote working is now more prevalent than prior to the pandemic but this has not impacted the team's ability to continue to assist beneficiaries who may increasingly require our help in these uncertain times.

### **Reference and Administrative Information**

#### **Trustees**

All served throughout 2021 unless otherwise indicated

Kevin Charlesworth  
Mark Murphy  
John Holme  
Robert Jones  
Beth Courtier

Vivien Lantree  
Matt Rogers  
Clive Selley  
Jane Shipway

#### **Manager**

Rob Pearce

#### **Treasurer**

Michael Pearce

#### **Honorary Solicitors**

Julia Jackson, BT Group, 81 Newgate Street, London EC1A 7AJ  
Rachel Blackwell, BT Group, 81 Newgate Street, London EC1A 7AJ

#### **Principal Office**

Room 323, Reading Central TE, 41 Minster Street, Reading RG1 2JB

#### **Auditors**

Saffery Champness LLP, St John's Court, Easton Street, High Wycombe HP11 1JX

#### **Bankers**

Santander UK plc, Bootle, Merseyside GIR 0AA  
Unity Trust Bank plc, Nine Brindleyplace, Birmingham B1 2HB

#### **Investment Managers**

Cazenove Capital Management Ltd, 1 London Wall Place, London EC2Y 5AU

#### **Trustee's responsibilities in relation to the financial statements**

The charity trustees are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

## BT Benevolent Fund

### *Report of the Trustees for the year ended 31<sup>st</sup> December 2021 continued*

The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and 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 in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees on 3<sup>rd</sup> May 2022 and signed on their behalf by:



**Mark Murphy, Trustee**

# BT Benevolent Fund

## Independent Auditors' Report to the Trustees of the BT Benevolent Fund

### Opinion

We have audited the financial statements of The BT Benevolent Fund for the year ended 31 December 2021 which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2021 and of its incoming resources and application of resources 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements 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, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# BT Benevolent Fund

## **Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 financial statements 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**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements 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 set out on page 10, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

## BT Benevolent Fund

### Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## BT Benevolent Fund

### Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued

#### 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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Saffery Champness LLP*

Saffery Champness LLP

Chartered Accountants

Statutory Auditors

St John's Court

High Wycombe

HP11 1JX

3<sup>rd</sup> May 2022

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

## BT Benevolent Fund

### Statement of Financial Activities For the year ended 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
<b>Income and endowments</b>						
Donations and legacies	3	994,870	-	-	994,870	1,912,137
Trading activities	4	31,389	-	-	31,389	27,633
Investments	5	77,067	19,249	-	96,316	88,691
<b>Total income</b>		<b>1,103,326</b>	<b>19,249</b>	<b>-</b>	<b>1,122,575</b>	<b>2,028,461</b>
<b>Expenditure</b>						
Costs of raising funds	6	80,623	4,789	-	85,412	74,283
Expenditure on charitable activities:						
Grants	7	476,753	22,212	-	498,965	586,422
Indirect costs of grant giving	8	159,054	-	-	159,054	159,075
Other	9	29,180	-	-	29,180	25,468
<b>Total expenditure</b>		<b>745,610</b>	<b>27,001</b>	<b>-</b>	<b>772,611</b>	<b>845,248</b>
<b>Net surplus/(expense) for the year</b>		<b>357,716</b>	<b>(7,752)</b>	<b>-</b>	<b>349,964</b>	<b>1,183,213</b>
Net (loss)/gain on investments	12	384,915	101,703	-	486,618	(11,944)
<b>Net movement in funds</b>		<b>742,631</b>	<b>93,951</b>	<b>-</b>	<b>836,582</b>	<b>1,171,269</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>4,304,805</b>	<b>368,864</b>	<b>568,241</b>	<b>5,241,910</b>	<b>4,070,641</b>
<b>Total funds carried forward</b>		<b>5,047,436</b>	<b>462,815</b>	<b>568,241</b>	<b>6,078,492</b>	<b>5,241,910</b>

## BT Benevolent Fund

### Balance Sheet as at 31 December 2021

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Endowment Funds 2021 £	Total Funds 2021 £	Total Funds 2020 £
<b>Fixed assets</b>						
Investments	12	4,333,439	462,815	568,241	5,364,495	4,164,911
<b>Current assets</b>						
Debtors	13	115,184	-	-	115,184	104,468
Cash at bank and in hand	13	642,116	-	-	642,116	1,025,940
<b>Total current assets</b>		<b>757,300</b>	<b>-</b>	<b>-</b>	<b>757,300</b>	<b>1,130,408</b>
<b>Liabilities</b>						
Creditors falling due within one year	14	43,303	-	-	43,303	53,409
<b>Net current assets</b>		<b>713,997</b>	<b>-</b>	<b>-</b>	<b>713,997</b>	<b>1,076,999</b>
<b>Net assets</b>		<b>5,047,436</b>	<b>462,815</b>	<b>568,241</b>	<b>6,078,492</b>	<b>5,241,910</b>
<b>The funds of the charity:</b>						
Unrestricted income funds		5,047,436	-	-	5,047,436	4,304,805
Restricted income funds	15	-	462,815	-	462,815	368,864
Endowment	15	-	-	568,241	568,241	568,241
		<b>5,047,436</b>	<b>462,815</b>	<b>568,241</b>	<b>6,078,492</b>	<b>5,241,910</b>

The notes on pages 19 to 26 form part of these accounts.

Approved by the trustees on 3 May 2022 and signed on their behalf by:

M Murphy  
Trustee

## BT Benevolent Fund

### Statement of Cash Flows For the year ended 31 December 2021

	Note	Total Funds 2021 £	Total Funds 2020 £
Net cash generated by operating activities	17	<u>232,826</u>	<u>1,096,747</u>
Cash flows from investing activities:			
Interest and dividends		96,316	88,691
Proceeds from sale of investments		843,598	521,044
Purchase of investments		(1,556,564)	(1,025,208)
Net cash used in investing activities		<u>(616,650)</u>	<u>(415,473)</u>
Change in cash and cash equivalents in the year		(383,824)	681,274
Cash and cash equivalent brought forward		1,025,940	344,666
Cash and cash equivalents carried forward		<u>642,116</u>	<u>1,025,940</u>

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2021

### 1. Accounting Policies

#### (a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### (b) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Income arising from investments, subscriptions, donations, bequests, endowments and similar incoming resources are accounted for on an accruals basis. This income is treated as unrestricted unless the donor specifies to the contrary.

Donated services and facilities are recognised in the statement of financial activities at market value or trustees' estimate as the charity would otherwise have to purchase these services and facilities.

#### (c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are recognised in the financial statements as liabilities as soon as they have been approved even though there may be conditions attached to them. This is because there is a valid expectation by the recipients that they will receive those grants. Weekly grants, which are discretionary and subject to continuous review, are paid six months in advance, and are recognised in the financial statements as and when payments are made. Further details are set out in note 7.

#### (d) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2021 continued

### **(e) Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. The bases on which these costs have been allocated are set out in note 10.

### **(f) Costs of raising funds**

The costs of generating funds consist of investment management fees, purchase of Christmas cards as well as a percentage of staffing costs, equipment hire, postage and dispatch costs, leaflets and stationery relating to promotional mailings to potential members.

### **(g) Charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 8.

### **(h) Tangible fixed assets and depreciation**

All additions are written off in full upon acquisition within resources expended in the Statement of Financial Activities because the amounts concerned are not material to the charity.

### **(i) Fixed asset investments**

Investments are stated at market value. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if 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. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

### **(j) Funds structure**

The charity's assets are represented by the unrestricted fund and the restricted and endowment funds. Details of the nature and purpose of these funds are set out in note 15.

### **(k) Leasing**

Rental payable under operating leases are charged against income on a straight line basis over the lease term.

### **(l) Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at amortised cost.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2021 continued

### 2. Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £nil). Expenses paid to the trustees in the year totalled £256 (2020: £733). These expenses were paid to one trustee in respect of travel expenses (2020: 3).

Of the charity's trustees listed on page 10, the following were employees of the BT Group as at 31 December 2021:

Mr M Murphy	Mrs V Lantree
Mr M Rogers	Mr C Selley

In 2021, the BT Group provided the charity with office accommodation, furniture, equipment and utility services and the services of two solicitors free of charge, and in addition met the postage and dispatch costs relating to various mailings. These services have been valued and charged to the relevant cost centres (notes 6, 8 & 9).

The charity received material donations totalling £20,000 (2020 - £1,000,000) from the BT Group as listed in note 3. At 31 December 2021 £nil (2020 - £nil) included in debtors was due from the BT Group.

### 3. Donations and legacies

	2021 £	2020 £
Membership subscriptions	689,478	666,454
Donations: CSiS Charity Fund	40,000	60,000
BT Group plc	20,000	1,000,000
Post Office Fellowship of Remembrance	50,000	-
Other	3,168	2,233
Income tax recoverable under 'Gift Aid' provisions	142,224	133,450
Donated services and facilities	50,000	50,000
	994,870	1,912,137

### 4. Trading activities

	2021 £	2020 £
Sale of Christmas cards	31,389	27,633

### 5. Investment income

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Fixed asset investments	72,850	19,249	92,099	88,199
Deposit interest	4,217	-	4,217	492
	77,067	19,249	96,316	88,691

In 2020 £22,350 of the fixed asset investment income was attributable to restricted income with the balance of £65,849 being added to unrestricted funds. In 2020 deposit interest of £492 was added to unrestricted funds.

## BT Benevolent Fund

### Notes to the financial statements as at 31 December 2021 continued

#### 6. Costs of raising funds

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Investment management fees	18,126	4,789	22,915	16,685
Christmas cards	5,214	-	5,214	4,561
Staff costs	29,550	-	29,550	25,277
Hire of office equipment	2,733	-	2,733	2,760
Donated services (postage and dispatch)	25,000	-	25,000	25,000
	<u>80,623</u>	<u>4,789</u>	<u>85,412</u>	<u>74,283</u>

In 2020 £4,228 of the investment management fees were attributable to restricted expenditure with the balance of £12,457 being added to unrestricted funds. In 2020 all other costs of raising funds were unrestricted.

#### 7. Grants payable

	Unrestricted 2021 £	Restricted 2021 £	Total 2021 £	Total 2020 £
Weekly grants	237,138	-	237,138	270,017
Single grants	239,615	22,212	261,827	316,405
	<u>476,753</u>	<u>22,212</u>	<u>498,965</u>	<u>586,422</u>

In 2020 single grants expenditure of £18,199 and weekly grants expenditure of £nil were paid from restricted funds.

#### 8. Indirect costs of grant giving

	2021 £	2020 £
Staff costs - Pensioner contact scheme	18,971	18,061
Staff costs - grant giving	107,413	107,608
Annual newsletter	7,449	7,990
Travel	-	1,046
Subscriptions	1,692	1,991
Miscellaneous	3,033	1,908
Telephone	496	471
Donated services (Postage and dispatch)	2,750	2,750
Donated services (Office space, furniture, equipment & utilities)	17,250	17,250
	<u>159,054</u>	<u>159,075</u>

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2021 continued

### 9. Governance costs

	2021 £	2020 £
Staff costs	10,413	8,741
Audit fee	8,950	8,500
Travel - Trustees	256	733
Travel - Other	4,001	1,642
Insurances	560	852
Donated services (Solicitors' fees and support costs)	5,000	5,000
	<u>29,180</u>	<u>25,468</u>

The charity's only charitable activity is that of grant giving therefore there is no requirement to allocate governance costs.

### 10. Analysis of staff costs and remuneration of key management personnel

	2021 £	2020 £
Salaries and wages	140,630	134,922
Social security costs	6,783	6,371
Fees	16,747	16,454
Other pension costs	2,187	1,940
Total	<u>166,347</u>	<u>159,687</u>
Allocated as:		
Costs of raising funds (note 6)	29,550	25,277
Indirect costs of grant giving (note 8)	126,384	125,669
Governance (note 9)	10,413	8,741
	<u>166,347</u>	<u>159,687</u>

The average number of employees during the year was 7 (2020: 7) with all employee time involved in providing either support to the governance of the charity or support services to charitable activities. The charity also used the services of two part-time consultants during the year. The above staff costs have been allocated to the cost centre headings (Notes 6, 8 & 9 above) according to the percentage of time spent by each staff member. All other costs incurred are specifically attributable to individual cost centres.

The Trust considers its key management personnel comprise the trustees and the fund manager. The total employment benefits of the key management personnel were £46,820 (2020: £41,335). No employees had employee benefits in excess of £60,000 (2020: none).

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2021 continued

### 11. Auditor's remuneration

The auditor's remuneration (net of VAT) constituted an audit fee of £7,450 (2020: £7,080).

### 12. Fixed assets - investments

#### Movement in fixed asset investments

	Unrestricted 2021 £	Restricted 2021 £	Endowment 2021 £	Total 2021 £	Total 2020 £
Market value 1 January 2021	3,227,806	368,864	568,241	4,164,911	3,672,691
Additions to investments at cost	1,384,344	172,220	-	1,556,564	1,025,208
Disposals at carrying value	(663,626)	(179,972)	-	(843,598)	(521,044)
Net gain/(loss) on revaluation	384,915	101,703	-	486,618	(11,944)
Market value 31 December 2021	4,333,439	462,815	568,241	5,364,495	4,164,911

#### Investments at market value comprised:

Equities	3,492,681	2,667,959
Bonds	641,981	445,134
Multi-Asset funds	192,558	142,985
Property	542,494	353,014
Other	476,239	334,905
Cash	18,542	220,914
	5,364,495	4,164,911

Investments are held primarily within the UK and as at 31 December 2021 investment holdings in excess of 5% of the total portfolio were as follows:

Charity Equity Value Fund	4.1%	5.6%
Charity Equity Income Fund	9.8%	11.4%
Majedie UK Equity Fund	8.0%	9.6%
Schroder Diversified Alternative	5.0%	3.7%
Schroder Property Funds	10.1%	8.5%
Vanguard S&P 500 ETF	5.0%	5.0%
Sterling	0.3%	5.3%

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2021 continued

### 13. Analysis of current assets

<b>Debtors</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Income tax recoverable under 'Gift Aid' provisions	101,500	94,500
Other debtors	3,055	-
Prepayments and accrued income	10,629	9,968
<b>Total</b>	<b>115,184</b>	<b>104,468</b>
<b>Cash at bank and in hand</b>		
Short term deposits	344,896	866,253
Cash at bank and in hand	297,220	159,687
	<b>642,116</b>	<b>1,025,940</b>

All current assets related to unrestricted funds in both 2021 and 2020.

### 14. Creditors falling due within one year

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Grants payable	21,689	31,801
Other creditors and accruals	21,614	21,608
	<b>43,303</b>	<b>53,409</b>

All current liabilities related to unrestricted funds in both 2021 and 2020.

### 15. Restricted and endowment funds

In August 2001 the charity received an endowment of £568,241 from the trustees of the former Kelvin Old People's Home Ltd with conditions attached restricting the type of grant which can be paid out of income arising from the investment of the endowment to cases involving housing adaptations and associated costs enabling recipients to remain in their own or residential homes. The initial endowment value of £568,241 is only expendable after August 2026. In 2021 the overall expenditure charged to the Restricted Fund was limited to the level of the income available.

The Unrestricted fund is utilised to cover the charitable expenditure not falling within the scope of the Endowment fund and all the other costs to enable the charity to continue with its charitable objectives.

## BT Benevolent Fund

### Notes to the financial statements as at 31 December 2021 continued

#### 16. Movement on restricted and endowment funds

	Restricted £	Endowment £	Total £
Balance at 1 January 2020	371,968	568,241	940,209
Income	22,350	-	22,350
Expenditure	(22,427)	-	(22,427)
Loss on Investments	(3,027)	-	(3,027)
Balance at 31 December 2020	368,864	568,241	937,105
Income	19,249	-	19,249
Expenditure	(27,001)	-	(27,001)
Gain on Investments	101,703	-	101,703
Balance at 31 December 2021	462,815	568,241	1,031,056

#### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	2021 £	2020 £
Net movement in funds	836,582	1,171,269
Deduct investment income shown in investing activities	(96,316)	(88,691)
(Deduct gains)/add losses on investments	(486,618)	11,944
(Increase)/decrease in debtors	(10,716)	13,322
Decrease in creditors	(10,106)	(11,097)
Net cash used in operating activities	232,826	1,096,747

#### Analysis of changes in net debt

The net debt is made up entirely by the cash balance outlined in the Statement of cash flows, and all movements in the year were cash flow changes.

#### 18. Operating Leases

As at 31 December 2021 the charity was due to pay the following amounts in respect of non-cancellable operating leases:

	2021 £	2020 £
Amounts due in:		
Less than 1 year	3,572	3,572
2 to 5 years	9,823	13,395
	13,395	16,967

**BT BENEVOLENT FUND**

England & Wales - Charity number 212565

---

# Accounts

---



**BT BENEVOLENT FUND**  
**REPORT and FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2020**  
**CHARITY NO. 212565**

# BT Benevolent Fund

## CONTENTS

	Page
Report of the Trustees	
Chair's Report	3
Objectives and Activities	4
Achievements and Performance	4 - 6
Financial Review	6 - 8
Structure, Governance and Management	8 - 9
Reference and Administrative Information	9 - 10
Independent Auditors' Report to the Trustees	11 - 14
Financial statements	
Statement of financial activities	15
Balance sheet	16
Statement of Cash Flows	17
Notes	18 - 25

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2020

The trustees present their annual report and financial statements for the year ended 31<sup>st</sup> December 2020. The financial statements have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 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 UK and Republic of Ireland published on 16<sup>th</sup> July 2014.

### Chair's Report

2020 was an extraordinary year and another busy one for the fund. The COVID-19 pandemic meant we had to change our working practices to ensure the safety and wellbeing of the team so that we could continue with our primary purpose of helping BT people in need. This was even more critical in what has been an uncertain year for everyone, and it was important that the fund continued to deal with casework with its usual skill and caring efficiency.

In 2020 we awarded grants of over £580,000 and helped 388 individuals, couples and families who were in need. In a continuation of the trend first seen in 2017, cases from current BT employees continue to increase and now account for 50% of our case load. In addition to our single grants, we ended the year paying weekly grants to 165 former BT people on very low incomes and we know from their feedback what a significant difference these payments make.

The largest grant we made in 2020 was £3,620 for bathroom adaptations, in all we made 28 grants of £2,500 or more. It was pleasing that we were able to maintain our additional Christmas payments to our weekly grant recipients, which included a £100 winter fuel payment funded from the donation we received from the Civil Service Insurance Society Charity Fund (CSIS CF). This year however we increased our Christmas bonus payment from £125 to £150 as for many 2020 was a particularly difficult year.

In 2020 our income exceeded £1million for the 7th year in a row. Membership donations, together with Gift Aid, made up almost 40% of this and at a time of high employee demand for our services a special word of thanks is due to BT for their response to the current situation with an extremely generous donation of £1,000,000. We also received a very generous contribution from the CSIS CF. Investment income, Christmas card sales and various one-off donations boosted our funds further. As we have ended 2020 with a surplus and have substantial reserves, it's pleasing to report that we can continue our grant-making activities well into the future.

As is the case for most small charities, recruiting and retaining regular donors remained challenging in 2020. Unfortunately, the total number of people making regular donations decreased slightly to 17,610 over the year but we did see a slight increase in the number of existing BT employees that donate to us and we have initiatives and plans in place for 2021 to try and increase employee donations further.

In terms of staffing, the Fund's Trustee Board has remained unchanged throughout 2020. The Fund's entire Board remains engaged and committed and has worked in support of the Fund's operations and kept future challenges firmly in focus when deciding on strategic issues. My thanks go to them for all their time and effort, as well as to the Secretariat team for their commitment in making sure we help as many of those who come to us as possible. I am grateful to all of them for their professionalism and enthusiasm and to our many donors for their continuing support.



**Mark Murphy, Chair of Trustees**

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2020 continued

### Objectives and Activities for the Public Benefit

The object of the charity, as set out in its constitution, is the relief of financial hardship among BT employees past and present and their dependents and this is the principal activity. The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the charity's aims and objectives, in planning future activities, and setting the grant making policy.

The objects and funding of the charity limit the services we can provide to current and former employees of the BT Group and its predecessors, and their dependent families. It has been calculated that this group amounts to around two million people. The trustees are aware that whilst this is a restricted section of society, it represents a sizeable number of people, any of whom can ask for help at any time. In addition, the range and depth of service we provide means that it is not just the individual who benefits but their wider family, thus extending the range of our support.

All our charitable help is provided free of charge, and people do not need to contribute to the Fund to benefit from our help.

### Grant-making Policy

Grants are made to beneficiaries whose circumstances qualify them for assistance under the Fund's Grant Aid Guidelines, which aim to ensure fairness and consistency. Beneficiaries must be experiencing financial hardship and satisfy criteria regarding income and savings which are regularly reviewed by the trustees. The aim is to help people in need to move to a more stable situation.

The ways in which the Fund aims to reduce poverty and hardship include:

- Payments towards home adaptations and mobility aids for adults and children with disabilities
- Payment of debts relating to security of accommodation, e.g. rent, mortgage or council tax arrears
- Payments to assist with energy bills
- Payments to assist with funeral bills
- Payments for essential home maintenance and heating repairs
- The provision of items such as furniture, bedding, clothes, fuel, heating and domestic appliances
- Providing one-off payments following a crisis or natural disaster
- Providing one-off payments to meet a particular need
- Payment of travelling expenses connected with hospital stays, respite care and convalescence
- The payment of weekly grants to older people on very low incomes
- The payment of weekly grants to assist with shortfalls in residential home fees
- The payment of grants for services such as shopping, gardening and personal care in order to allow people to remain independent in their homes

Equal access to our services is an important issue for the Fund and we therefore write to all BT pensioners aged over 75 on a regular basis reminding them that we are here to help. We also publicise our services within BT at every opportunity.

The normal maximum grant payment is £2,500, and up to £10,000 for home adaptations related to disability.

### Achievements and Performance

In accordance with its constitution, the Fund continued to offer assistance to employees, ex-employees, BT pensioners and their dependants experiencing financial hardship for whatever reason. In 2020 we dealt with 388 single grant cases and our charitable grant expenditure was £586,422 (2019: £840,511).

## BT Benevolent Fund

### Report of the Trustees for the year ended 31<sup>st</sup> December 2020 continued

Our highest area of need in 2020 was once again people in debt, generally with rent, mortgage, council tax and utility bills. Again and again we saw how quickly the impact of ill-health, bereavement, redundancy or relationship breakdown can result in people being unable to make ends meet. Other areas of significant need were for help with funeral bills and re-housing costs, as well as home adaptations relating to disability, and home and heating repairs. The trustees do not set absolute targets for the mainstream work of relieving hardship and have placed no restrictions on charitable activity but seek instead to support the secretariat in dealing with all applications for assistance presented to the charity within the year. The main measures of activity are as follows:-

		2020	2019
Cost of charitable activities:	Grants paid to or on behalf of beneficiaries	586,422	840,511
	Pensioner contact scheme	18,061	33,017
	Indirect costs of grant giving	141,014	131,824
	<b>Total</b>	<b>£745,497</b>	<b>£1,005,352</b>
Cases decided:	Employees	181	248
	Pensioner contact scheme	35	43
	Pensioners and ex-employees	172	243
		<b>388</b>	<b>534</b>
Membership subscriptions:	Total for year	£666,454	£638,191
	Year on year increase	4.4%	4.7%
	Number of members	17,610	17,915
	Average giving rate per member per annum	£37.85	£35.62
Expenditure as % of total incoming resources:	Grants	28.9%	79.4%
	Pensioner contact scheme	0.9%	3.1%
	Indirect costs of grant giving	7.0%	12.5%
	Costs of generating funds	3.7%	6.9%
	Governance costs	1.3%	2.9%

Employee cases are referred to the Fund by the BT Group Employee Assistance Programme with whom we continue to enjoy an excellent working relationship. Case analysis shows how the impact of continued economic pressures, often leading to debt, the impact of a partner being made redundant, of relationship breakdown, or of sudden illness or disability can all destabilise family budgets.

In 2020 the proactive Pensioner Contact scheme continued to be an important part of the Fund's activities. We write to BT pensioners aged over 75 inviting them to let us have some basic financial information should they feel they may be eligible for our assistance. A case secretary then phones them to discuss their needs and financial situation in more detail, with financial hardship then being validated in the same way as for all other cases. This is a vital part of our work and we are extremely grateful to the Civil Service Insurance Society Charity Fund for their major contribution to its costs.

Weekly grants are paid to older people on very low incomes, and all such beneficiaries received a special payment at Christmas of £150 (2019: £125), as well as an additional Winter Fuel payment of

# BT Benevolent Fund

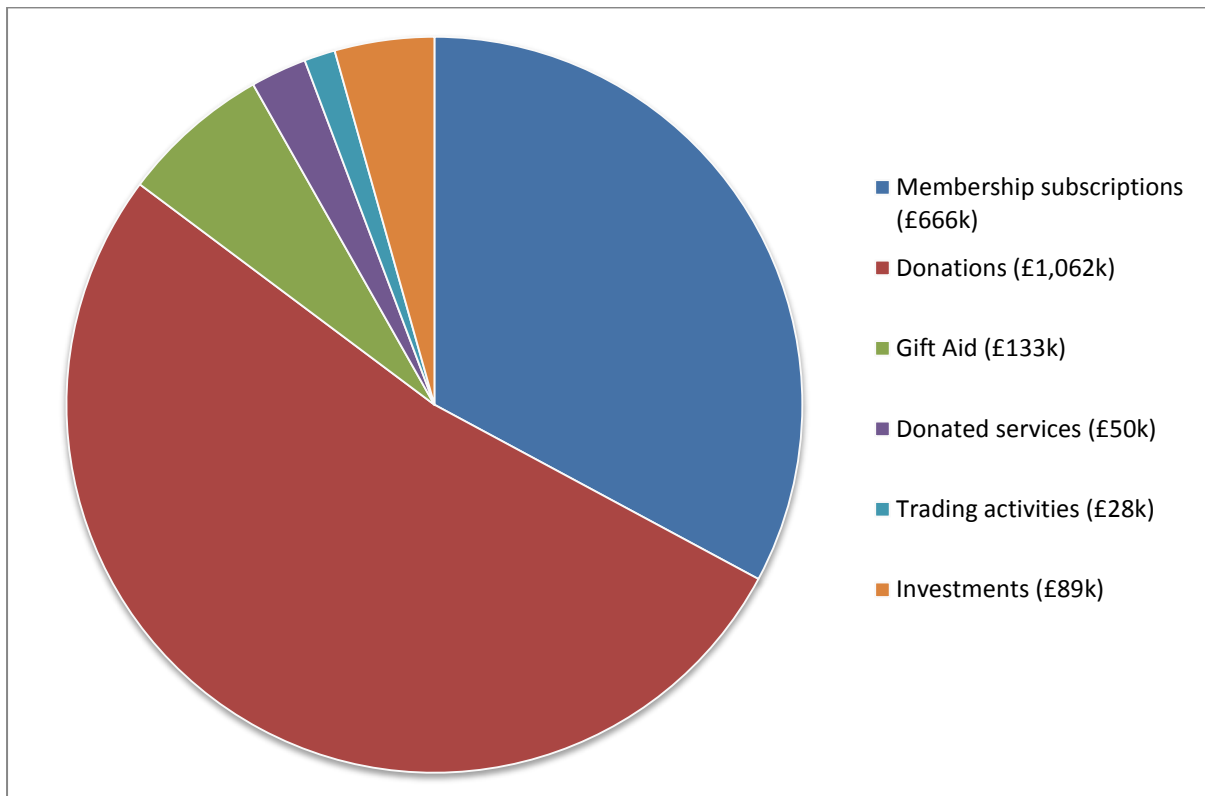
## Report of the Trustees for the year ended 31<sup>st</sup> December 2020 continued

£100 funded by part of our 2020 donation from the Civil Service Insurance Society Charity Fund.

During 2020 the Fund also continued to make payments under the 'Care in the Home' scheme designed to help the elderly pay for specific items of care to enable them to remain in their own homes longer.

### Financial Review

The principal funding source of the charity continues to be donations. Regular donations from individuals which are classified as membership subscriptions accounted for 33% (2019: 60%) of total income. Investment income, gift aid and donations are the other material sources of income. Included in donations are significant receipts from BT Group and the CSIS Charity Fund (see note 3). Total income for the year was £2,028,461 analysed as follows:

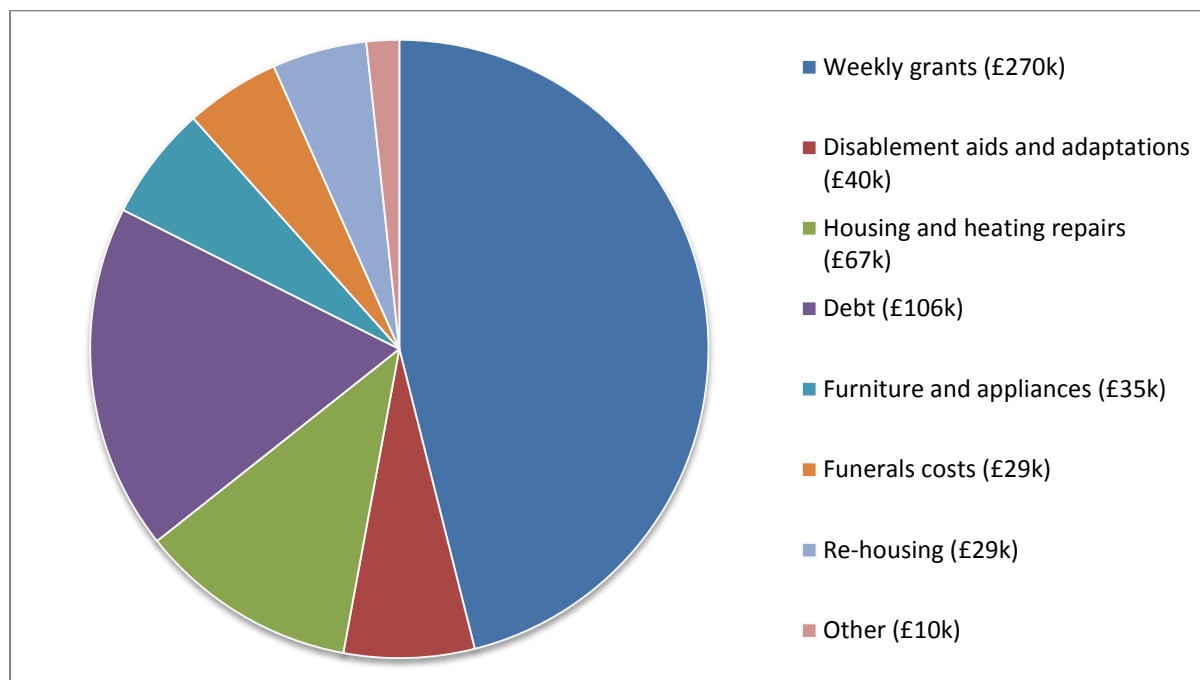


Total expenditure for the year was £845,248. Some £586,442 of this total (69%) was paid out in grants. The indirect costs of paying these grants were £159,075 with fundraising costs (£74,283) and other costs (£25,468) making up the balance.

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2020 continued

Grants paid may be analysed as follows.



The surplus for the year amounted to £1,183,213 (2019: Deficit of £51,284). After movements in the market value of investments there is a total surplus of incoming resources of £1,171,269 (2019: £287,599).

### Collaboration with Other Charities

The Fund has strong working relationships with a number of other charities and organisations helping those in need. These include SSAFA, the Royal British Legion and other military charities, the Rowland Hill Fund, the National Federation of Occupational Pensioners, the Education Support Partnership, the Electrical Industries Charity and the Civil Service Retirement Fellowship. We also regularly liaise with local authority housing departments, Citizens Advice Bureaux, and similar organisations.

### Investment Policy and Performance

Cazenove Capital Management Ltd continues to manage the Fund's investments on a discretionary basis in order to balance income and capital growth and to lessen the level of overall risk. The Investment Sub-committee meets with Cazenove twice-yearly to review our portfolio and the performance of our investments.

The capital position of the charity remains satisfactory, with the total investment portfolio standing at £4,164,911 (2019: £3,672,691). There are no restrictions on the Fund's power to invest.

### Risk Management

The trustees have established regular reporting systems, including the maintenance of a risk register which is reviewed quarterly, in order to assess and monitor the major strategic and operational risks that are faced by the charity. The key risk identified in 2020 concerns the Funds dependency on a gradually decreasing donor base. The fund also receives donations from BT and the CSIS Charity Fund which cannot be relied upon into the future. It should however be noted that the fund has a sound long term financial position secured on a diversified risk averse portfolio of investments and

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2020 continued

that the total contribution received in the last year actually increased, despite the reduction in donor numbers.

In terms of potential future risks, if the structure or ownership of BT plc were to change significantly this could affect the Fund's work.

### Reserves Policy

Unrestricted funds are needed to cover administration and support costs without which the charity could not function, and to provide funds which can be designated to specific projects so they can be undertaken at short notice. The trustees consider it prudent that unrestricted reserves should be sufficient to cover a minimum of one year's administration and support costs. The trustees monitor and review reserve levels routinely and consider the current level of £4,164,911 to be more than adequate to meet the costs of operating the Fund for a considerable period of time in the event of an unforeseen decline in subscription income or corporate support. It should be noted that the current level of reserves are effectively underpinned by fixed asset investments which are held on a long-term basis for the continuing benefit of the charity in the form of both income generation and capital appreciation.

The Fund has a restricted endowment fund (Kelvin Homes endowment) where the income is to be applied to cases involving housing and associated costs (see note 15). The charity's general funds are not subject to any restriction.

### Plans for the Future

The trustees' most recent strategic review in 2018 resulted in agreement that the following priorities remained appropriate to sustain the work of the charity for the foreseeable future at similar activity levels to those currently being experienced.

The main strategic priorities are:

- Maintaining and if possible increasing our charitable work
- Maintaining and growing our income and controlling our costs
- Understanding and reacting to the context we operate in
- Raising our profile in BT
- Safeguarding the future of the Fund

The main focus for 2021 continues to be the increase of the Fund's profile within the BT Group so as to attract more contributing members, and activities aimed at continuing to recruit pensioner members. Other potential sources of fundraising will also continue to be considered.

### Structure, Governance and Management

The charity was formed in 1853 as the Post Office Clerks' Charitable Fund. It became the British Telecommunications Benevolent Fund in 1981 and the BT Benevolent Fund in 1992. The governing document of the charity is a written constitution dated 3 July 1996 as amended 13 June 2005 and 30 July 2014, and the charity delivers its aims and objectives by making financial grants. Membership is available to defined groups of people, principally past and present employees of BT Group, and is dependent on donations. Each member has one vote at general meetings.

Trustees are in the first instance co-opted by the board of trustees and their appointment confirmed at the next Annual General Meeting. The trustees regularly review the composition of the board and the skill sets required to ensure good governance. A process for appointments has been adopted together with appropriate arrangements for induction and training depending on experience and individual requirements. Of the existing board, four are serving senior managers from within BT Group, four are retired former employees or ex-employees and one is a wholly independent trustee with no connection

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2020 continued

with the Group. The BT Group has the right under the constitution to appoint one trustee. Trustees give their time free of charge.

The day-to-day operations of the charity are managed by a secretariat headed by the charity's manager who reports directly to the board of trustees. The treasurer/accountant works with the charity's manager but also reports separately to the board of trustees. The board of trustees monitors performance at its quarterly meetings and takes all the significant decisions associated with strategy.

The charity is legally and fiscally wholly independent of the BT Group but continues to enjoy significant support from the Group in the form of cash donations and donated services and facilities.

Saffery Champness LLP have signified their willingness to continue in office as auditors. A resolution will be proposed at the annual general meeting to re-appoint them for the coming year.

### Key management personnel remuneration

The trustees consider the board of trustees and the fund manager as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 2 to the accounts.

Trustees are required to disclose any relevant interests and to withdraw from any decisions where a conflict of interest arises.

The remuneration of the Fund's secretariat team is reviewed annually. Pay rates are normally increased in accordance with average earnings and are subject to agreement by a minimum of two trustees.

### Post balance sheet event

The first quarter of 2021, following the balance sheet date of these accounts, has seen the Coronavirus global pandemic continue to impact the global markets and economy. However, the outlook is more optimistic as a result of the vaccine rollout. The duration and ongoing severity of the pandemic and its impact is still difficult to quantify at this time, but it is hoped that things will start to return to normal as the year progresses. As at 31 March 2021, investments had recovered significantly following a significant fall in early 2020 and extra investment, as a result of BT's large donation, now sees our portfolio value at £4,164,911. The Fund continues to operate as normal albeit via remote working and the team continues to assist beneficiaries who may increasingly require our help in these uncertain times.

## Reference and Administrative Information

### Trustees

All served throughout 2020 unless otherwise indicated

Kevin Charlesworth  
Mark Murphy  
John Holme  
Robert Jones  
Beth Courtier

Vivien Lantree  
Matt Rogers  
Clive Selley  
Jane Shipway

### Manager

Rob Pearce

### Treasurer

Michael Pearce

# BT Benevolent Fund

## Report of the Trustees for the year ended 31<sup>st</sup> December 2020 continued

### Honorary Solicitors

Steph Sharp, BT Openreach, 81 Newgate Street, London EC1A 7AJ  
Julia Jackson, BT Group, 81 Newgate Street, London EC1A 7AJ

### Principal Office

Room 323, Reading Central TE, 41 Minster Street, Reading RG1 2JB

### Auditors

Saffery Champness LLP, St John's Court, Easton Street, High Wycombe HP11 1JX

### Bankers

Santander UK plc, Bootle, Merseyside GIR 0AA  
Unity Trust Bank plc, Nine Brindleyplace, Birmingham B1 2HB

### Investment Managers

Cazenove Capital Management Ltd, 1 London Wall Place, London EC2Y 5AU

### Trustee's responsibilities in relation to the financial statements

The charity trustees are responsible for preparing a trustees' annual report and financial statements 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 charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures that must be disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and 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 in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

Approved by the trustees on 27<sup>th</sup> April 2021 and signed on their behalf by:



**Mark Murphy, Trustee**

# BT Benevolent Fund

## Independent Auditors' Report to the Trustees of the BT Benevolent Fund

### Opinion

We have audited the financial statements of The BT Benevolent Fund for the year ended 31 December 2020 which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. 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 financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources 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 financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements 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 financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements 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 financial statements 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, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# BT Benevolent Fund

## **Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued**

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 financial statements 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**

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require 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 financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements 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 set out on page 10, the trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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.

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

## BT Benevolent Fund

### Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# BT Benevolent Fund

## Independent Auditors' Report to the Trustees of the BT Benevolent Fund continued

### 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 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 trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Chartered Accountants

Statutory Auditors

St John's Court

High Wycombe

HP11 1JX

27<sup>th</sup> April 2021

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

## BT Benevolent Fund

### Statement of Financial Activities For the year ended 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
<b>Income and endowments</b>						
Donations and legacies	3	1,912,137	-	-	1,912,137	926,067
Trading activities	4	27,633	-	-	27,633	15,749
Investments	5	66,341	22,350	-	88,691	116,462
<b>Total income</b>		<b>2,006,111</b>	<b>22,350</b>	<b>-</b>	<b>2,028,461</b>	<b>1,058,278</b>
<b>Expenditure</b>						
Costs of raising funds	6	70,055	4,228	-	74,283	73,322
Expenditure on charitable activities:						
Grants	7	568,223	18,199	-	586,422	840,511
Indirect costs of grant giving	8	159,075	-	-	159,075	164,841
Other	9	25,468	-	-	25,468	30,888
<b>Total expenditure</b>		<b>822,821</b>	<b>22,427</b>	<b>-</b>	<b>845,248</b>	<b>1,109,562</b>
<b>Net surplus/(expense) for the year</b>		<b>1,183,290</b>	<b>(77)</b>	<b>-</b>	<b>1,183,213</b>	<b>(51,284)</b>
Net (loss)/gain on investments	12	(8,917)	(3,027)	-	(11,944)	338,883
<b>Net movement in funds</b>		<b>1,174,373</b>	<b>(3,104)</b>	<b>-</b>	<b>1,171,269</b>	<b>287,599</b>
<b>Reconciliation of funds</b>						
<b>Total funds brought forward</b>		<b>3,130,432</b>	<b>371,968</b>	<b>568,241</b>	<b>4,070,641</b>	<b>3,783,042</b>
<b>Total funds carried forward</b>		<b>4,304,805</b>	<b>368,864</b>	<b>568,241</b>	<b>5,241,910</b>	<b>4,070,641</b>

## BT Benevolent Fund

### Balance Sheet as at 31 December 2020

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Endowment Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
<b>Fixed assets</b>						
Investments	12	3,227,806	368,864	568,241	4,164,911	3,672,691
<b>Current assets</b>						
Debtors	13	104,468	-	-	104,468	117,790
Cash at bank and in hand	13	1,025,940	-	-	1,025,940	344,666
<b>Total current assets</b>		<b>1,130,408</b>	<b>-</b>	<b>-</b>	<b>1,130,408</b>	<b>462,456</b>
<b>Liabilities</b>						
Creditors falling due within one year	14	53,409	-	-	53,409	64,506
<b>Net current assets</b>		<b>1,076,999</b>	<b>-</b>	<b>-</b>	<b>1,076,999</b>	<b>397,950</b>
<b>Net assets</b>		<b>4,304,805</b>	<b>368,864</b>	<b>568,241</b>	<b>5,241,910</b>	<b>4,070,641</b>
<b>The funds of the charity:</b>						
Unrestricted income funds	15	4,304,805	-	-	4,304,805	3,130,432
Restricted income funds	15	-	368,864	-	368,864	371,968
Endowment	15	-	-	568,241	568,241	568,241
		<b>4,304,805</b>	<b>368,864</b>	<b>568,241</b>	<b>5,241,910</b>	<b>4,070,641</b>

The notes on pages 18 to 25 form part of these accounts.

Approved by the trustees on 27 April 2021 and signed on their behalf by:

M Murphy  
Trustee

## BT Benevolent Fund

### Statement of Cash Flows For the year ended 31 December 2020

	Note	Total Funds 2020 £	Total Funds 2019 £
Net cash generated by/(used in) operating activities	17	<u>1,096,747</u>	<u>(166,684)</u>
Cash flows from investing activities:			
Interest and dividends		88,691	116,462
Proceeds from sale of investments		521,044	712,751
Purchase of investments		(1,025,208)	(546,286)
Net cash (used in)/provided by investing activities		<u>(415,473)</u>	<u>282,927</u>
Change in cash and cash equivalents in the year		681,274	116,243
Cash and cash equivalent brought forward		344,666	228,423
Cash and cash equivalents carried forward		<u>1,025,940</u>	<u>344,666</u>

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2020

### 1. Accounting Policies

#### (a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

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

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

#### (b) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date.

Income arising from investments, subscriptions, donations, bequests, endowments and similar incoming resources are accounted for on an accruals basis. This income is treated as unrestricted unless the donor specifies to the contrary.

Donated services and facilities are recognised in the statement of financial activities at market value or trustees' estimate as the charity would otherwise have to purchase these services and facilities.

#### (c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

Grants payable are recognised in the financial statements as liabilities as soon as they have been approved even though there may be conditions attached to them. This is because there is a valid expectation by the recipients that they will receive those grants. Weekly grants, which are discretionary and subject to continuous review, are paid six months in advance, and are recognised in the financial statements as and when payments are made. Further details are set out in note 7.

#### (d) Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2020 continued

### **(e) Allocation of support and governance costs**

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs. The bases on which these costs have been allocated are set out in note 10.

### **(f) Costs of raising funds**

The costs of generating funds consist of investment management fees, purchase of Christmas cards as well as a percentage of staffing costs, equipment hire, postage and dispatch costs, leaflets and stationery relating to promotional mailings to potential members.

### **(g) Charitable activities**

Costs of charitable activities include grants made, governance costs and an apportionment of support costs as shown in note 8.

### **(h) Tangible fixed assets and depreciation**

All additions are written off in full upon acquisition within resources expended in the Statement of Financial Activities because the amounts concerned are not material to the charity.

### **(i) Fixed asset investments**

Investments are stated at market value. All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if 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. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

### **(j) Funds structure**

The charity's assets are represented by the unrestricted fund and the restricted and endowment funds. Details of the nature and purpose of these funds are set out in note 15.

### **(k) Leasing**

Rental payable under operating leases are charged against income on a straight line basis over the lease term.

### **(l) Financial Instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently carried at amortised cost.

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2020 continued

### 2. Related party transactions and trustees' expenses and remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2019: £nil). Expenses paid to the trustees in the year totalled £733 (2019: £4,491). These expenses were paid to 3 trustees in respect of travel expenses (2019: 3).

Of the charity's trustees listed on page 9, the following were employees of the BT Group as at 31 December 2020:

Mr M Murphy	Mrs V Lantree	Miss B Courtier
Mr M Rogers	Mr C Selley	

In 2020, the BT Group provided the charity with office accommodation, furniture, equipment and utility services and the services of two solicitors free of charge, and in addition met the postage and dispatch costs relating to various mailings. These services have been valued and charged to the relevant cost centres (notes 6, 8 & 9).

The charity received material donations totalling £1,000,000 (2019 - £40,000) from the BT Group as listed in note 3. At 31 December 2020 £nil (2019 - £20,000) included in debtors was due from the BT Group.

### 3. Donations and legacies

	2020 £	2019 £
Membership subscriptions	666,454	638,191
Donations: CSiS Charity Fund	60,000	60,000
BT Group plc	1,000,000	40,000
Other	2,233	8,047
Income tax recoverable under 'Gift Aid' provisions	133,450	120,792
Donated services and facilities	50,000	50,000
Legacies	-	9,037
	1,912,137	926,067

### 4. Trading activities

	2020 £	2019 £
Sale of Christmas cards	27,633	15,749

### 5. Investment income

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Fixed asset investments	65,849	22,350	88,199	115,765
Deposit interest	492	-	492	697
	66,341	22,350	88,691	116,462

In 2019 £28,825 of the fixed asset investment income was attributable to restricted income with the balance of £86,940 being added to unrestricted funds. In 2019 deposit interest of £697 was added to unrestricted funds.

## BT Benevolent Fund

### Notes to the financial statements as at 31 December 2020 continued

#### 6. Costs of raising funds

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Investment management fees	12,457	4,228	16,685	17,406
Christmas cards	4,561	-	4,561	4,510
Staff costs	25,277	-	25,277	23,646
Promotional leaflets	-	-	-	-
Hire of office equipment	2,760	-	2,760	2,760
Donated services (postage and dispatch)	25,000	-	25,000	25,000
	<u>70,055</u>	<u>4,228</u>	<u>74,283</u>	<u>73,322</u>

In 2019 £4,334 of the investment management fees were attributable to restricted expenditure with the balance of £13,072 being added to unrestricted funds. In 2019 all other costs of raising funds were unrestricted.

#### 7. Grants payable

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<b>Total</b>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Weekly grants	270,017	-	270,017	323,593
Single grants	298,206	18,199	316,405	516,918
	<u>568,223</u>	<u>18,199</u>	<u>586,422</u>	<u>840,511</u>

In 2019 single grants expenditure of £29,315 and weekly grants expenditure of £nil were paid from restricted funds.

#### 8. Indirect costs of grant giving

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff costs - Pensioner contact scheme	18,061	33,017
Staff costs - grant giving	107,608	91,840
Annual newsletter	7,990	8,993
Travel	1,046	5,190
Subscriptions	1,991	2,730
Miscellaneous	1,908	2,705
Telephone	471	366
Donated services (Postage and dispatch)	2,750	2,750
Donated services (Office space, furniture, equipment & utilities)	17,250	17,250
	<u>159,075</u>	<u>164,841</u>

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2020 continued

### 9. Governance costs

	2020	2019
	£	£
Staff costs	8,741	6,960
Audit fee	8,500	8,330
Travel - Trustees	733	4,491
Travel - Other	1,642	4,875
Insurances	852	1,232
Donated services (Solicitors' fees and support costs)	5,000	5,000
	25,468	30,888

The charity's only charitable activity is that of grant giving therefore there is no requirement to allocate governance costs.

### 10. Analysis of staff costs and remuneration of key management personnel

	2020	2019
	£	£
Salaries and wages	134,922	131,659
Social security costs	6,371	7,247
Fees	16,454	15,463
Other pension costs	1,940	1,094
Total	159,687	155,463
Allocated as:		
Costs of raising funds (note 6)	25,277	23,646
Indirect costs of grant giving (note 8)	125,669	124,857
Governance (note 9)	8,741	6,960
	159,687	155,463

The average number of employees during the year was 7 (2019: 7) with all employee time involved in providing either support to the governance of the charity or support services to charitable activities. The charity also used the services of two part-time consultants during the year. The above staff costs have been allocated to the cost centre headings (Notes 6, 8 & 9 above) according to the percentage of time spent by each staff member. All other costs incurred are specifically attributable to individual cost centres.

The Trust considers its key management personnel comprise the trustees and the fund manager. The total employment benefits of the key management personnel were £41,335 (2019: £41,454). No employees had employee benefits in excess of £60,000 (2019: none).

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2020 continued

### 11. Auditor's remuneration

The auditor's remuneration (net of VAT) constituted an audit fee of £7,080 (2019: £6,950).

### 12. Fixed assets - investments

#### Movement in fixed asset investments

	Unrestricted 2020 £	Restricted 2020 £	Endowment 2020 £	Total 2020 £	Total 2019 £
Market value 1 January 2020	2,732,482	371,968	568,241	3,672,691	3,500,273
Additions to investments at cost	893,047	132,161	-	1,025,208	546,286
Disposals at carrying value	(388,806)	(132,238)	-	(521,044)	(712,751)
Net loss on revaluation	(8,917)	(3,027)	-	(11,944)	338,883
Market value 31 December 2020	3,227,806	368,864	568,241	4,164,911	3,672,691

#### Investments at market value comprised:

Equities	2,667,959	2,394,300
Bonds	445,134	391,050
Multi-Asset funds	142,985	312,372
Property	353,014	378,217
Other	334,905	132,385
Cash	220,914	64,367
	4,164,911	3,672,691

Investments are held primarily within the UK and as at 31 December 2020 investment holdings in excess of 5% of the total portfolio were as follows:

Charity Equity Value Fund	5.6%	7.5%
Charity Equity Income Fund	11.4%	15.5%
Majedie UK Equity Fund	9.6%	14.5%
Schroder Sterling Corporate Bond Fund	3.8%	5.8%
Schroder Property Funds	8.5%	10.3%
Vanguard S&P 500 ETF	5.0%	5.0%
Sterling	5.3%	1.8%

# BT Benevolent Fund

## Notes to the financial statements as at 31 December 2020 continued

### 13. Analysis of current assets

<b>Debtors</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Income tax recoverable under 'Gift Aid' provisions	94,500	88,500
BT Openreach	-	20,000
Prepayments and accrued income	9,968	9,290
<b>Total</b>	<b>104,468</b>	<b>117,790</b>
<b>Cash at bank and in hand</b>		
Short term deposits	866,253	265,661
Cash at bank and in hand	159,687	79,005
	<b>1,025,940</b>	<b>344,666</b>

All current assets related to unrestricted funds in both 2020 and 2019.

### 14. Creditors falling due within one year

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Grants payable	31,801	45,819
Other creditors and accruals	21,608	18,687
	<b>53,409</b>	<b>64,506</b>

All current liabilities related to unrestricted funds in both 2020 and 2019.

### 15. Restricted and endowment funds

In August 2001 the charity received an endowment of £568,241 from the trustees of the former Kelvin Old People's Home Ltd with conditions attached restricting the type of grant which can be paid out of income arising from the investment of the endowment to cases involving housing adaptations and associated costs enabling recipients to remain in their own or residential homes. The initial endowment value of £568,241 is only expendable after August 2026. In 2020 the overall expenditure charged to the Restricted Fund was limited to the level of the income available.

The Unrestricted fund is utilised to cover the charitable expenditure not falling within the scope of the Endowment fund and all the other costs to enable the charity to continue with its charitable objectives.

## BT Benevolent Fund

### Notes to the financial statements as at 31 December 2020 continued

#### 16. Movement on restricted and endowment funds

	<b>Restricted</b>	<b>Endowment</b>	<b>Total</b>
	£	£	£
Balance at 1 January 2019	291,075	568,241	859,316
Income	28,825	-	28,825
Expenditure	(33,649)	-	(33,649)
Gain on Investments	85,717	-	85,717
Balance at 31 December 2019	371,968	568,241	940,209
Income	22,350	-	22,350
Expenditure	(22,427)	-	(22,427)
Loss on Investments	(3,027)	-	(3,027)
Balance at 31 December 2020	368,864	568,241	937,105

#### 17. Reconciliation of net movement in funds to net cash flow from operating activities

	<b>2020</b>	<b>2019</b>
	£	£
Net movement in funds	1,171,269	287,599
Deduct investment income shown in investing activities	(88,691)	(116,462)
Add losses/deduct gains on investments	11,944	(338,883)
Decrease/(increase) in debtors	13,322	(20,452)
(Decrease)/increase in creditors	(11,097)	21,514
Net cash used in operating activities	1,096,747	(166,684)

#### Analysis of changes in net debt

The net debt is made up entirely by the cash balance outlined in the Statement of cash flows, and all movements in the year were cash flow changes.

#### 18. Operating Leases

As at 31 December 2020 the charity was due to pay the following amounts in respect of non-cancellable operating leases:

	<b>2020</b>	<b>2019</b>
	£	£
Amounts due in:		
Less than 1 year	3,572	2,760
2 to 5 years	13,395	690
	16,967	3,450