



BT BENEVOLENT FUND
REPORT and FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2020
CHARITY NO. 212565

BT Benevolent Fund

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BT Benevolent Fund

Report of the Trustees for the year ended 31st December 2020

The trustees present their annual report and financial statements for the year ended 31st 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 16th 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 31st 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 31st 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
	Total	£745,497	£1,005,352
Cases decided:	Employees	181	248
	Pensioner contact scheme	35	43
	Pensioners and ex-employees	172	243
		388	534
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

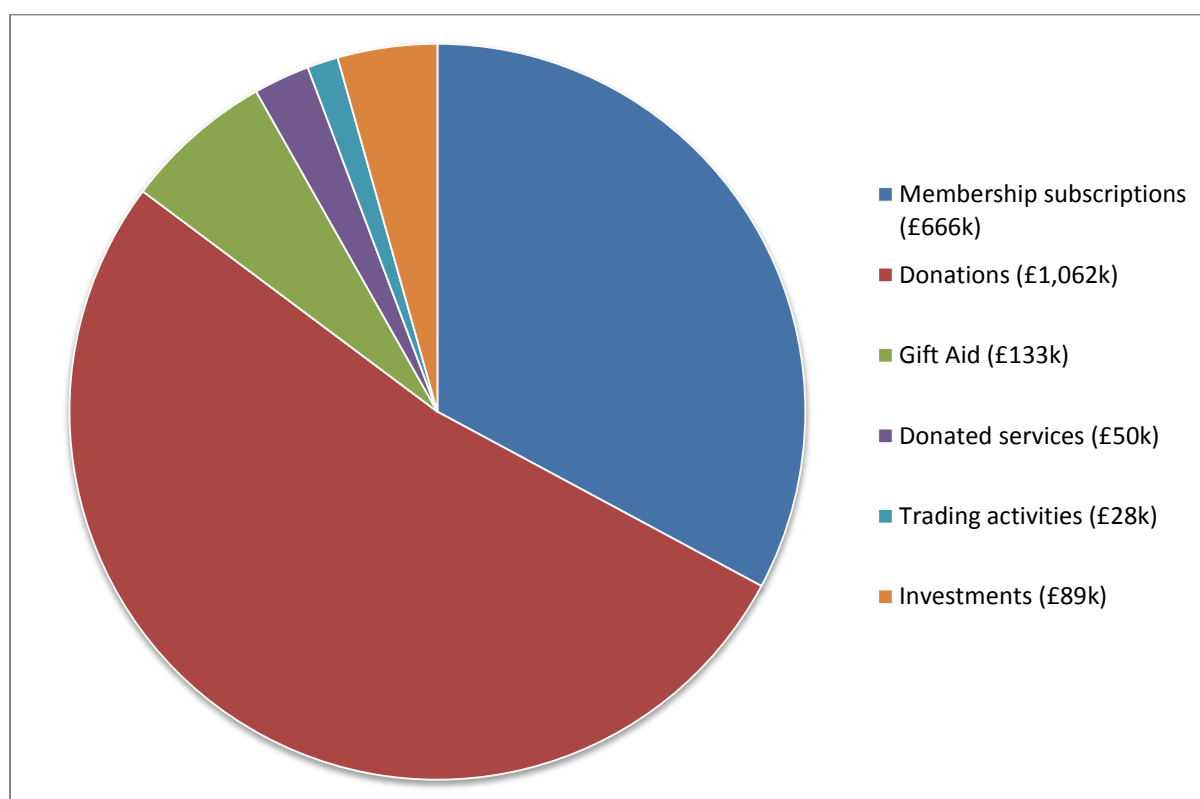
Report of the Trustees for the year ended 31st December 2020 continued

£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:

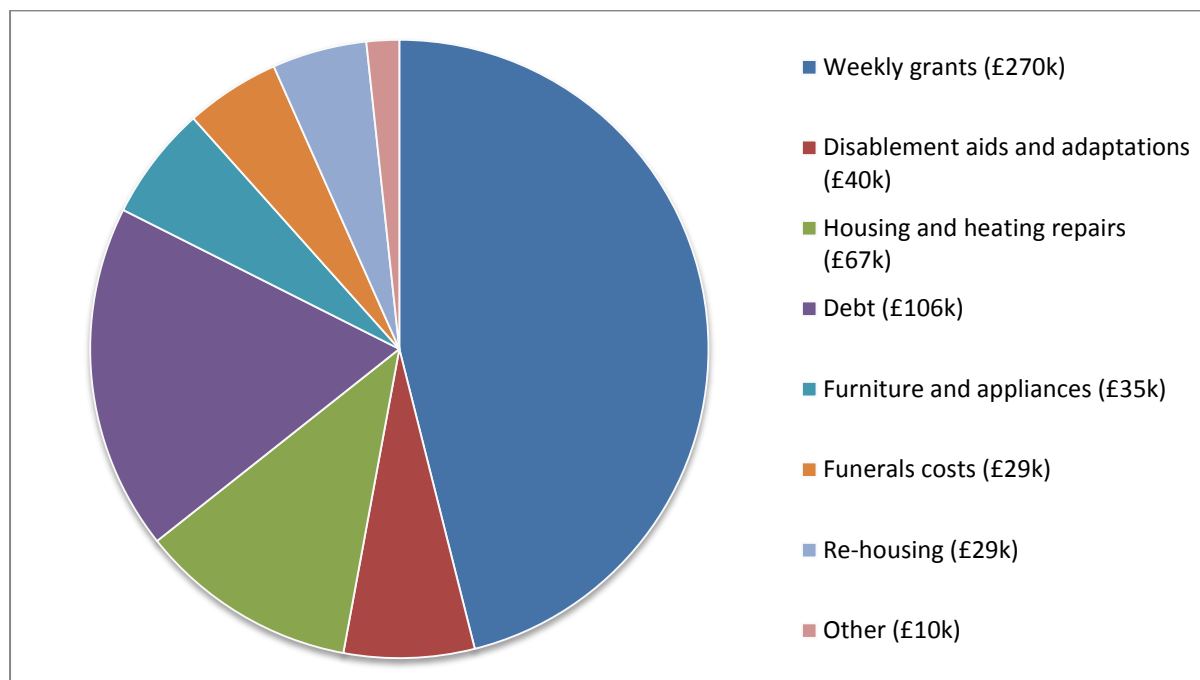


Total expenditure for the year was £845,248. Some £586,442 of this total (69%) was paid out in grants. The indirect costs of paying these grants were £159,075 with fundraising costs (£74,283) and other costs (£25,468) making up the balance.

BT Benevolent Fund

Report of the Trustees for the year ended 31st 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 31st 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 31st 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

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Report of the Trustees for the year ended 31st 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 27th 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.

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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. This description forms part of our auditor's report.

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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

27th 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 £
Income and endowments						
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
Total income		2,006,111	22,350	-	2,028,461	1,058,278
Expenditure						
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
Total expenditure		822,821	22,427	-	845,248	1,109,562
Net surplus/(expense) for the year		1,183,290	(77)	-	1,183,213	(51,284)
Net (loss)/gain on investments	12	(8,917)	(3,027)	-	(11,944)	338,883
Net movement in funds		1,174,373	(3,104)	-	1,171,269	287,599
Reconciliation of funds						
Total funds brought forward		3,130,432	371,968	568,241	4,070,641	3,783,042
Total funds carried forward		4,304,805	368,864	568,241	5,241,910	4,070,641

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 £
Fixed assets						
Investments	12	3,227,806	368,864	568,241	4,164,911	3,672,691
Current assets						
Debtors	13	104,468	-	-	104,468	117,790
Cash at bank and in hand	13	1,025,940	-	-	1,025,940	344,666
Total current assets		1,130,408	-	-	1,130,408	462,456
Liabilities						
Creditors falling due within one year	14	53,409	-	-	53,409	64,506
Net current assets		1,076,999	-	-	1,076,999	397,950
Net assets		4,304,805	368,864	568,241	5,241,910	4,070,641
The funds of the charity:						
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
		4,304,805	368,864	568,241	5,241,910	4,070,641

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

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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
	<u>1,912,137</u>	<u>926,067</u>

4. Trading activities

	2020 £	2019 £
Sale of Christmas cards	<u>27,633</u>	<u>15,749</u>

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
	<u>66,341</u>	<u>22,350</u>	<u>88,691</u>	<u>116,462</u>

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

	Unrestricted	Restricted	Total	Total
	2020	2020	2020	2019
	£	£	£	£
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

	Unrestricted	Restricted	Total	Total
	2020	2020	2020	2019
	£	£	£	£
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

	2020	2019
	£	£
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
	<u>25,468</u>	<u>30,888</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

	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	<u>159,687</u>	<u>155,463</u>
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
	<u>159,687</u>	<u>155,463</u>

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	<u>3,227,806</u>	<u>368,864</u>	<u>568,241</u>	<u>4,164,911</u>	<u>3,672,691</u>

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
	<u>4,164,911</u>	<u>3,672,691</u>

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

Debtors	2020	2019
	£	£
Income tax recoverable under 'Gift Aid' provisions	94,500	88,500
BT Openreach	-	20,000
Prepayments and accrued income	9,968	9,290
Total	<u>104,468</u>	<u>117,790</u>
Cash at bank and in hand		
Short term deposits	866,253	265,661
Cash at bank and in hand	159,687	79,005
	<u>1,025,940</u>	<u>344,666</u>

All current assets related to unrestricted funds in both 2020 and 2019.

14. Creditors falling due within one year

	2020	2019
	£	£
Grants payable	31,801	45,819
Other creditors and accruals	21,608	18,687
	<u>53,409</u>	<u>64,506</u>

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

	Restricted £	Endowment £	Total £
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	<u>371,968</u>	<u>568,241</u>	<u>940,209</u>
Income	22,350	-	22,350
Expenditure	(22,427)	-	(22,427)
Loss on Investments	(3,027)	-	(3,027)
Balance at 31 December 2020	<u>368,864</u>	<u>568,241</u>	<u>937,105</u>

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

	2020 £	2019 £
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	<u>1,096,747</u>	<u>(166,684)</u>

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:

	2020 £	2019 £
Amounts due in:		
Less than 1 year	3,572	2,760
2 to 5 years	13,395	690
	<u>16,967</u>	<u>3,450</u>