

BT  
BENEVOLENT  
FUND



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

# BT Benevolent Fund

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# 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:-

		2023	2022
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
	Total	£877,734	£687,960
Cases decided:	Employees	166	119
	Pensioner contact scheme	3	3
	Pensioners and ex-employees	219	160
		388	282
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.

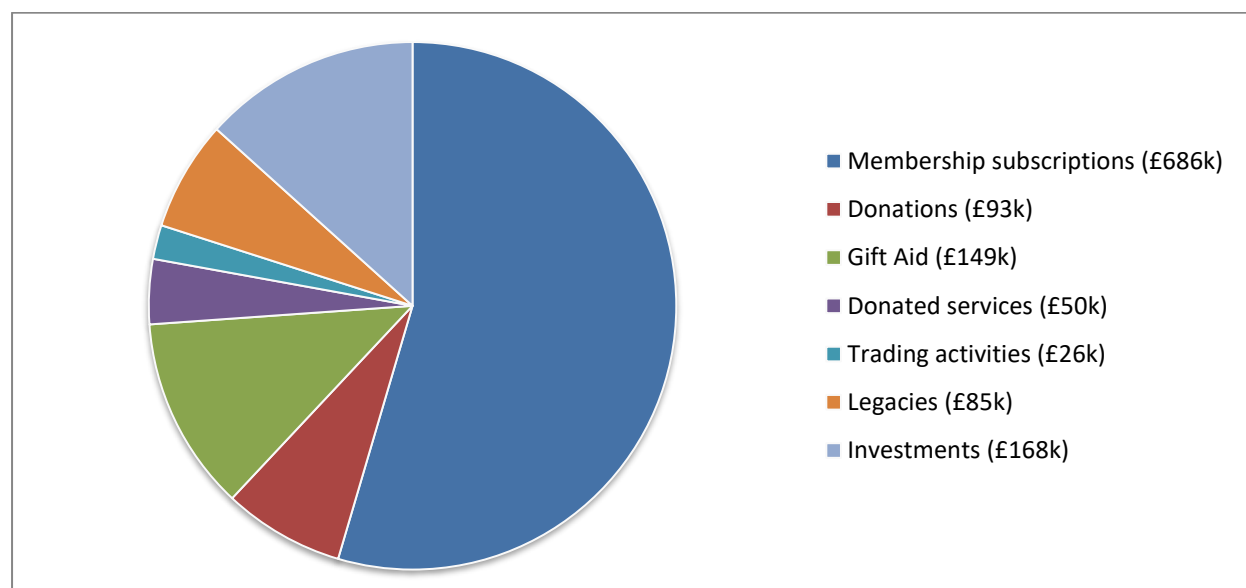
We continue to pay weekly grants to older people on very low incomes, and all such beneficiaries received a special payment at Christmas of £100, as well as an additional winter fuel payment of £200, funded in part by the donation received from the Civil Service Insurance Society Charity Fund. Our weekly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

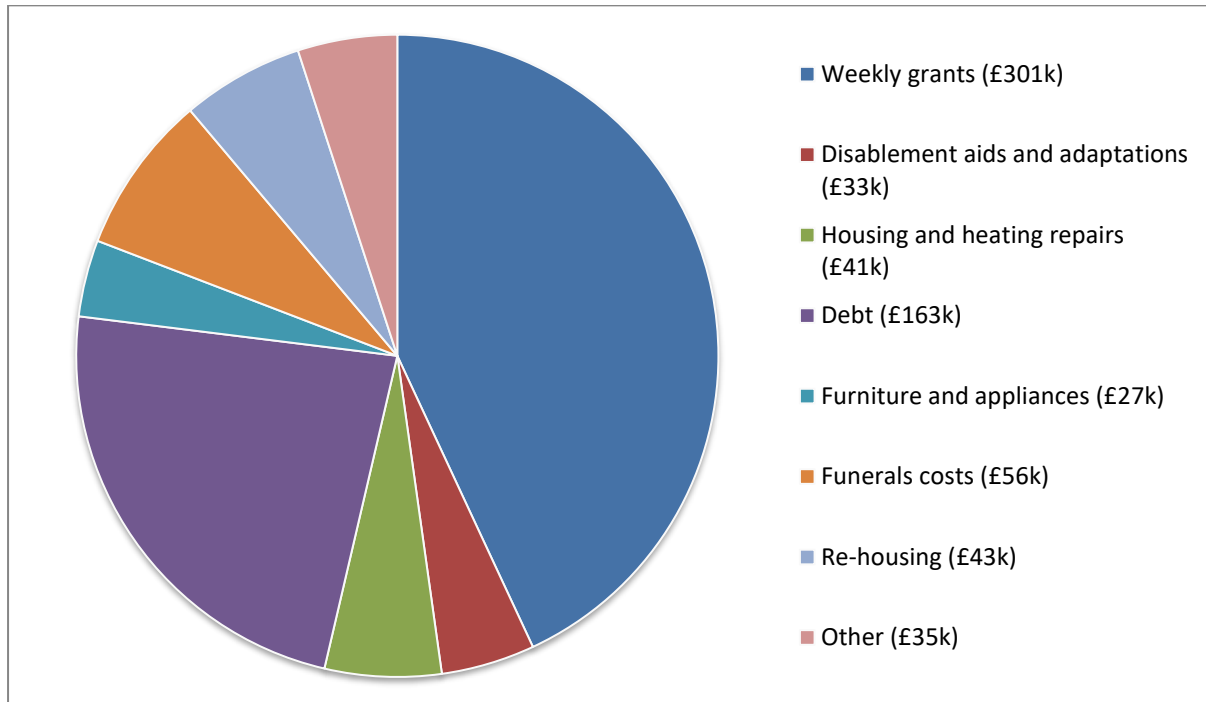


## BT Benevolent Fund

### *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

Mark Murphy

John Holme

Robert Jones

Beth Courtier - resigned 23 October 2023

Vivien Lantree

Matt Rogers

Clive Selley

Jane Shipway

#### **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:

A handwritten signature in grey ink, appearing to read 'Mark Murphy', is positioned above the printed name.

**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	89,533	244,482
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		(207,110)	(97,610)
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		671,411	788,988

# 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 M Rogers

Mr C Selley

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
	<u>32,758</u>	<u>29,666</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

	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	<u>188,102</u>	<u>169,032</u>

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
	<u>188,102</u>	<u>169,032</u>

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	<u>4,828,682</u>	<u>439,048</u>	<u>568,241</u>	<u>5,835,971</u>	<u>5,263,544</u>

#### 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
	<u>5,835,971</u>	<u>5,263,544</u>

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

Debtors	2023 £	2022 £
Income tax recoverable under 'Gift Aid' provisions	108,750	105,000
Prepayments and accrued income	8,756	9,703
Total	<u>117,506</u>	<u>114,703</u>
<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
	<u>671,411</u>	<u>788,988</u>

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

### 14. Creditors falling due within one year

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

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	<u>410,778</u>	<u>568,241</u>	<u>979,019</u>
Income	26,404	-	26,404
Expenditure	(34,399)	-	(34,399)
Loss on Investments	36,265	-	36,265
Balance at 31 December 2023	<u>439,048</u>	<u>568,241</u>	<u>1,007,289</u>

### 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	<u>89,533</u>	<u>244,482</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 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
	<u>6,251</u>	<u>9,823</u>