

Report of the Trustees and
Financial Statements
for the Year Ended 31 March 2021
for
W H Smith Benevolent Fund

MHA Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

W H Smith Benevolent Fund

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for the Year Ended 31 March 2021

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W H Smith Benevolent Fund

Report of the Trustees for the Year Ended 31 March 2021

The trustees present their report with the financial statements of the charity for the year ended 31 March 2021. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

OBJECTIVES AND ACTIVITIES

Objectives and aims

The W H Smith Benevolent Fund was established by Lord Hambleden in 1925 with a gift of £21,000 to commemorate the coming of age of his son, for the benefit of:

- a person or persons are who in financial difficulty or hardship and in need; and
- who are employed or were employed in the business (being WH Smith); and/or
- their spouse, widow, widower, children, descendants or dependants.

('Dependent' on the other person for the necessities of life).

The Benevolent Fund awards cash grants to help alleviate cases of hardship, awards grants for mobility scooters, stairlifts and other mobility aids and provides care breaks and recuperative holidays.

During the last decade the Benevolent Fund has made grants and awards to serving and retired staff members and their families totalling in excess of one million pounds.

The Benevolent Fund co-operates with other charities, in particular SSAFA and NewstrAid, in jointly meeting beneficiaries' needs.

Public Benefit:

The Trustees have paid due regard to the Charity Commission's guidance on public benefit in deciding what activities the charity should undertake. The trustees consider that they have acted in the public benefit. The W H Smith Benevolent Fund's beneficiaries are restricted to a "section of the public" as detailed above. This restriction is reasonable, open in nature and the potential number of beneficiaries is wide.

Under Clause 12 of the Principle Deed (2002), the Trustees have the power to amend or vary the terms of the Principle Deed, by deed, provided they do not prejudice the charitable nature of the Fund.

W H Smith Benevolent Fund

Report of the Trustees for the Year Ended 31 March 2021

ACHIEVEMENT AND PERFORMANCE

GRANTS COMMITTEE AND COMMITTEE OF MANAGEMENT

The Grants Committee met virtually each quarter throughout the year and the Committee of Management held their annual meeting in July 2020 virtually. The annual report was approved for submission to the Trustees. The budget was formally approved. The types of grants were reviewed and values increased as appropriate.

INVESTMENT COMMITTEE

The Investment Committee reviewed the investments and strategy in October 2020 via correspondence.

TRUSTEES MEETING

The Annual Meeting of Trustees was held virtually on the 14th May 2020. The Annual Report and Accounts were approved. The Secretary reported on the year's activities, grants paid and typical cases.

FUND AWARENESS

An awareness poster was produced for distribution to Retail branches and Head Office during the year.

FUND VALUATION

At year end (31st March, 2021) the Fund's net assets were £6.096 million, an increase of 5.3% from the previous year.

INVESTMENT INCOME

Investment income during the year was £154,859 a decrease of 28.8% over the previous year. Investment yield was 3.12%.

INCOME/EXPENDITURE

The Fund's income fell short of expenditure this year by £259,830.

FUND EXPENDITURE

| | | |
|---------------------------|----------------|--------------------|
| | £ | |
| Total Expenditure | 415,189 | |
| BENEFICIARIES | | |
| Grants & Christmas | 348,016 | |
| Recuperative Holidays | 4,130 | |
| Carebreaks | 11,530 | |
| Income Grants | | |
| SIGs | <u>25,480</u> | |
| Total | <u>389,156</u> | 94% of expenditure |
| EXPENSES | | |
| Bank Fees | 852 | |
| Secretary's salary + NI | 17,299 | |
| Admin & Support Costs and | | |
| Salaries | 4,882 | |
| Audit fee | 3,000 | |
| Total | 26,033 | 6% of expenditure |

Total expenses have decreased by 15.8% from last year (2020: £30,904).

The total amount awarded to beneficiaries has increased by 214% year on year.

W H Smith Benevolent Fund

Report of the Trustees for the Year Ended 31 March 2021

ACHIEVEMENTS AND PERFORMANCE - continued **ANALYSIS OF GRANTS AWARDED TO BENEFICIARIES**

| | |
|---|---|
| Major Grants(Range £200 - £10,000) | 48 |
| Emergency/Immediate Grants (Range £50 - £4,000) | 266 |
| Recuperative Holidays (Award up to £2,250) | 2 |
| Carebreaks(Award up to £2,500) | 6 recipients claimed for award(travel restrictions impacted these arrangements) |
| Christmas Cheques (Value £360) | 16 Retired |
| Income Grants (paid quarterly) (Grant S.I.G. £490) | 12 Retired |

Total number of serving and retired employees granted benefits and awards year ending 31 March 2021 was 314 (EM/MG only) , examples of typical grants are:

Financial help towards: Rent, council tax, utility bills, mortgage arrears, funeral expenses, home heating and repairs, fire damage, immediate necessities, Vet fees, Disability aids, Medical treatment, counselling and the provision of home furnishings. Home rental deposits and credit card debt.

All beneficiaries or their family have or were experiencing one or more of the following circumstances:

In receipt of: State benefits, income support, tax credits or on low income. Suffered: a traumatic event, terminal illness, long term sickness, death in the family, redundancy, accident at work, threat of eviction, divorced, separated or a single parent or carer.

FINANCIAL REVIEW

Investment policy and objectives

The investment policy is to invest the Benevolent Fund's assets in UK equities and Fixed interest in order to provide an appropriate balance between risk and return and pursue an index investment strategy as set out below.

| Asset Class % | Benchmark | Range | Performance Reference |
|----------------|-----------|----------|-----------------------|
| UK equities | 60.0% | +/- 1.5% | FTSE All-Share Index |
| Fixed interest | 40.0% | +/- 1.5% | UK Gilts All Stocks |
| Total Fund | 100.0% | | |

The fund will be reviewed on an ongoing basis and rebalanced as required in the event that the asset allocation to any one class moves outside the ranges set out above.

Financial Position and Reserves policy

The Funds reserves available as at the 31st March totalled £6.096 million of which £6.030 million is invested in UK equities and Fixed interest bonds and the balance is on deposit with Lloyds bank.

The Fund retains these investments to provide a sufficient returns income in order to meet the grant expenditure and running costs of the Charity.

The Benevolent fund relies on these investments as the Fund owns no property or land and receives little or no public donations.

The Fund undertakes no fund-raising activities.

The total funds including investments, donations and cash on account year ending 31 March 2021 was £6.096 million an increase year on year of 309,160. The income from the investments, donations and interest this year was £155,359 which was all expended directly to beneficiaries with reserves being used to meet the exceptional expenditure due to Covid-19 related issues. No money was therefore available for reinvestment.

W H Smith Benevolent Fund

Report of the Trustees for the Year Ended 31 March 2021

FUTURE PLANS

As a result of the Covid-19 pandemic there has been a marked increase in activity and substantially more support was awarded in 2020/2021 due to increased demand. The Trustees have agreed to meet the exceptional demand for grants for this year.

The Fund will continue to work closely with the Risk and Occupational Health Department, particularly about Family, Palliative and Recuperative holidays.

As required, a promotional Benevolent Fund staff awareness poster will be sent to all UK branches, Swindon warehouse, Head Office departments, and branches overseas.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust and constitutes an unincorporated charity.

Recruitment and appointment of new trustees

The power of appointing new trustees is vested in the Trustees. New Trustees to Sign 'Trustee Declaration.'

The Trustees may appoint an additional Trustee or Trustees at their discretion.

A Trustee will be automatically removed and discharged from office on the termination of his/her contract with the Company, unless the other Trustees unanimously invite him/her to remain in office as a Trustee for a period of twelve months from the date of the invitation.

At the expiry of the twelve-month period (or any subsequent twelve-month period), the Trustee will be discharged from office, unless the Trustees who remain in the service of the Company decide unanimously to invite the Trustee to remain in office for a further twelve months.

Subject to the Trustees ratifying the appointment every twelve months there will be no limit to the period to which such a Trustee may hold office.

Decision making

Committee of Management:

This Committee meets annually to approve the annual budget and to approve the annual Trustees report. The Committee also reviews and amends as required the grant award values and amends as required the appropriate criteria.

The Committee shall consist of any of the Trustees and serving members of the grants committee.

Grants committee:

This Committee meets quarterly to discuss applications and approve grants and awards. The Committee shall consist of any of the Trustees and any serving or retired employees of the Business.

Each year, those members of the Committee who have completed five or more years' service on the Committee will either be asked by the Trustees to serve on the Committee for an additional year, or resign as a member of the Committee.

Serving and retired staff are invited to become Committee members and are appointed by the Trustees and may serve for a maximum of eight years on the Committee.

Investment committee:

The investment committee meets or engages via correspondence at least annually in order to review the performance of the investment portfolio.

W H Smith Benevolent Fund

Report of the Trustees for the Year Ended 31 March 2021

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The major risks to which the charity is exposed, as identified by the Trustees, are reviewed regularly and systems and procedures have been established to manage those risks.

There are three main areas of risk identified:

Financial:

The financial risk is broadly defined as dependency upon the performance of the Investment Manager and the investment policy.

The Trustees Investment Committee meets at least annually to review both the performance of the Investment Manager and the portfolio and ensures compliance with the Trustee Act 2000 on the investment of charitable funds. The Investment Committee

also receives on request monthly reports from BlackRock Advisors (UK) Ltd.

The Grants committee (a minimum of three members) meets quarterly and authorises Awards to beneficiaries. Cheques in excess of £2500 to be signed by two signatories.

Regulatory:

The Fund Secretary is responsible for ensuring that Charity Commission returns are accurate and made on time, particularly the Annual Report and Accounts.

GDPR:

The Secretary observes legislation and maintains the Funds Privacy Policy. The Trustees require the Fund Secretary to confirm such action.

Strategic

Duty of Care:

The major risk is the legal liability on the Fund in supplying powered vehicles to beneficiaries. The Fund's Secretary ensures that, before any equipment is supplied, beneficiaries are assessed by a qualified individual, such as an occupational therapist and the correct prescription ascertained/tested.

The occupational therapist also assesses the disabled person within the environment where the equipment is to be used and produces a full report and prescription for action.

The Fund's Secretary also ensures that appropriate liability insurance is taken out and recorded. Records are kept and maintained, in order to ensure compliance.

Vicarious Liability:

The Fund employs only one employee (Fund Secretary) and there is little or no face-to-face contact with beneficiaries. Thus the risk is extremely low. Insurance not required.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Charity number

262581

Principal address

c/o WHSmith Retail Holdings Limited
Greenbridge Road
Swindon
SN3 3RX

W H Smith Benevolent Fund

Report of the Trustees for the Year Ended 31 March 2021

Trustees

H E Staunton
R J Moorhead
S B Tiley
W Stroud

COMMITTEE OF MANAGEMENT GRANTS COMMITTEE

Juliette Cavilla
Stephen Tiley
Mark Woodhead
Wendy Stroud

INVESTMENT COMMITTEE

Robert James Moorhead (Chair)
Stephen Tiley
In attendance as required:
Clive Chapman

SECRETARY TO THE FUND

Aimee Butler
Greenbridge Road
Swindon
SN3 3LD

ACCOUNTANT

Clive Chapman
Ampney House
The Avenue
Stanton Fitzwarren
Swindon SN6 7SE

Auditors

MHA Monahans
Statutory Auditors
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Investment manager

BlackRock Advisors (UK)
12 Throgmorton Avenue
London
EC2N 2DL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Report of the Trustees and the 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, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial 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, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

W H Smith Benevolent Fund

Report of the Trustees
for the Year Ended 31 March 2021

STATEMENT OF TRUSTEES' RESPONSIBILITIES - continued

The trustees are responsible for keeping proper accounting records which 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 Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on 22 July 2021 and signed on its behalf by:


H E Staunton - Trustee

Report of the Independent Auditors to the Trustees of
W H Smith Benevolent Fund

Opinion

We have audited the financial statements of W H Smith Benevolent Fund (the 'charity') for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 March 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 Report of the Independent Auditors 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.

In connection with our audit of the financial statements, 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 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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 Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which 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.

Report of the Independent Auditors to the Trustees of
W H Smith Benevolent Fund

Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charity and the grant making activity, we identified that the principal risks of non-compliance with laws and regulations related to Charity Law, and we considered the extent to which non-compliance might have a material effect on the financial statements of the charity. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Statement of Recommended Practice.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to revenue recognition and management override. Audit procedures performed by the audit engagement team included:

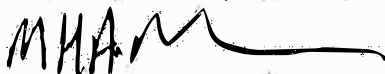
- discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- understanding and review of management's internal controls designed to prevent and detect irregularities, and fraud;
- review of the minutes of the Trustees meetings;
- review of tax compliance;
- designing audit procedures to incorporate unpredictability;
- performing analytical procedures to identify any unusual or unexpected relationships that might indicate risks of material misstatement due to fraud;
- review of the financial statements disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of the Trustees and third-party advisors about actual and potential litigation and claims;
- testing transactions entered into outside of the normal course of the charity's business; and
- identifying and testing journal entries, in particular any journal entries with fraud characteristics such as journals with round numbers.

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 the 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 for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



MHA Monahan
Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
38-42 Newport Street
Swindon
Wiltshire
SN1 3DR

Date:

23rd July 2021

W H Smith Benevolent Fund

Statement of Financial Activities
for the Year Ended 31 March 2021

| | Notes | 2021 Unrestricted funds £ | 2020 Total funds £ |
|--|-------|------------------------------------|-----------------------------|
| INCOME AND ENDOWMENTS FROM | | | |
| Donations and legacies | | 500 | - |
| Investment income | 2 | <u>154,859</u> | <u>217,498</u> |
| Total | | 155,359 | 217,498 |
| EXPENDITURE ON | | | |
| Raising funds | 3 | 852 | 30 |
| Charitable activities | 4 | | |
| Grantmaking | | <u>414,337</u> | <u>212,768</u> |
| Total | | 415,189 | 212,798 |
| Net gains/(losses) on investments | | <u>568,990</u> | <u>(705,617)</u> |
| NET INCOME/(EXPENDITURE) | | 309,160 | (700,917) |
| RECONCILIATION OF FUNDS | | | |
| Total funds brought forward | | <u>5,787,097</u> | <u>6,488,014</u> |
| TOTAL FUNDS CARRIED FORWARD | | <u><u>6,096,257</u></u> | <u><u>5,787,097</u></u> |


The notes form part of these financial statements

W H Smith Benevolent Fund

Balance Sheet
31 March 2021

| | Notes | 2021 Unrestricted funds £ | 2020 Total funds £ |
|--|-------|------------------------------------|-----------------------------|
| FIXED ASSETS | | | |
| Investments | 10 | 6,029,666 | 5,735,676 |
| CURRENT ASSETS | | | |
| Cash at bank | | 72,803 | 57,726 |
| CREDITORS | | | |
| Amounts falling due within one year | | (6,212) | (6,305) |
| NET CURRENT ASSETS | | <u>66,591</u> | <u>51,421</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>6,096,257</u> | <u>5,787,097</u> |
| NET ASSETS | | <u>6,096,257</u> | <u>5,787,097</u> |
| FUNDS | 11 | | |
| Unrestricted funds: | | | |
| General fund | | 66,591 | 51,421 |
| Capital | | <u>6,029,666</u> | <u>5,735,676</u> |
| | | <u>6,096,257</u> | <u>5,787,097</u> |
| TOTAL FUNDS | | <u>6,096,257</u> | <u>5,787,097</u> |

The financial statements were approved by the Board of Trustees and authorised for issue on22 July 2021..... and were signed on its behalf by:


S B Tiley - Trustee

W H Smith Benevolent Fund

Notes to the Financial Statements **for the Year Ended 31 March 2021**

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements are prepared on a going concern basis, under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest pound.

There are no significant areas of judgements or key sources of estimation uncertainty.

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

The charity is an unincorporated trust constituted by a trust deed.

Financial reporting standard 102 - reduced disclosure exemptions

The charity has taken exemption from preparing a cash flow statement under the charities SORP (FRS 102) Update Bulletin 1 issued on 2 February 2016, as the charity constitutes a small charity.

Income

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

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Expenditure

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants payable are payments made to third parties in the furtherance of the charitable objects of the charity. In the case of an unconditional grant offer this is accrued once the recipient has been notified of the grant award. The notification gives the recipient a reasonable expectation that they will receive the grant.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty as to the timing of the grant or the amount of grant payable.

The charity does not make multi-year grants and all grants are unconditional.

Taxation

The charity is exempt from tax on its charitable activities.

W H Smith Benevolent Fund

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

1. ACCOUNTING POLICIES - continued

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

Realised gains and losses

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.

Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial instruments

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

2. INVESTMENT INCOME

| | 2021 | 2020 |
|----------------|----------------|----------------|
| | £ | £ |
| UK investments | <u>154,859</u> | <u>217,498</u> |

W H Smith Benevolent Fund

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

3. RAISING FUNDS

Investment management costs

| | 2021 £ | 2020 £ |
|----------------------|------------|-----------|
| Portfolio management | <u>852</u> | <u>30</u> |

4. CHARITABLE ACTIVITIES COSTS

| | Grant funding of activities (see note 5) £ | Support costs (see note 6) £ | Totals £ |
|-------------|---|---------------------------------------|----------------|
| Grantmaking | <u>389,156</u> | <u>25,181</u> | <u>414,337</u> |

5. GRANTS PAYABLE

| | 2021 £ | 2020 £ |
|-------------|----------------|----------------|
| Grantmaking | <u>389,156</u> | <u>181,864</u> |

The total grants paid to individuals during the year was as follows:

| | 2021 £ | 2020 £ |
|-----------------------|----------------|----------------|
| General Grants | 348,016 | 135,902 |
| Income Support / WNA | 25,480 | 24,327 |
| Recuperative Holidays | 4,130 | 7,763 |
| Carebreak | <u>11,530</u> | <u>13,872</u> |
| | <u>389,156</u> | <u>181,864</u> |

6. SUPPORT COSTS

| | Management £ | Governance costs £ | Totals £ |
|-------------|-----------------|--------------------------|---------------|
| Grantmaking | <u>22,181</u> | <u>3,000</u> | <u>25,181</u> |

Support costs, included in the above, are as follows:

| | 2021 Grantmaking £ | 2020 Total activities £ |
|--------------------------------|--------------------------|----------------------------------|
| Wages | 21,954 | 23,509 |
| Telephone | - | 1,114 |
| Printing, postage & stationery | - | 183 |
| Expenses | 227 | 3,344 |
| Auditors' remuneration | <u>3,000</u> | <u>2,754</u> |
| | <u>25,181</u> | <u>30,904</u> |

W H Smith Benevolent Fund

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2021 nor for the year ended 31 March 2020.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2021 nor for the year ended 31 March 2020.

8. STAFF COSTS

| | 2021 £ | 2020 £ |
|--------------------|---------------|---------------|
| Wages and salaries | <u>21,954</u> | <u>23,509</u> |

Employees consist of a grants administrator (employed by WH Smith and recharged to the Charity), and 1 self employed persons. None of the staff earned more than £60,000.

The key management personnel of the charity comprise the trustees. The total employee benefits of the key management personnel of the charity were nil.

9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted funds £ |
|------------------------------------|----------------------------|
| INCOME AND ENDOWMENTS FROM | |
| Investment income | 217,498 |
| EXPENDITURE ON | |
| Raising funds | 30 |
| Charitable activities | |
| Grantmaking | <u>212,768</u> |
| Total | 212,798 |
| Net gains/(losses) on investments | <u>(705,617)</u> |
| NET INCOME/(EXPENDITURE) | (700,917) |
| RECONCILIATION OF FUNDS | |
| Total funds brought forward | 6,488,014 |
| TOTAL FUNDS CARRIED FORWARD | <u>5,787,097</u> |

W H Smith Benevolent Fund

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

10. FIXED ASSET INVESTMENTS

| | Listed investments £ |
|-------------------------------|----------------------------|
| MARKET VALUE | |
| At 1 April 2020 | 5,735,676 |
| Disposals | (275,000) |
| Realised (losses)/gains | 40,131 |
| Net unrealised (losses)/gains | <u>528,859</u> |
| At 31 March 2021 | <u>6,029,666</u> |
| NET BOOK VALUE | |
| At 31 March 2021 | <u>6,029,666</u> |
| At 31 March 2020 | <u>5,735,676</u> |

There were no investment assets outside the UK.

Cost or valuation at 31 March 2021 is represented by:

| | Listed investments £ |
|-----------------------------|----------------------------|
| Valuation in 2021 | 568,990 |
| Valuation in 2020 and prior | 422,683 |
| Cost | <u>5,037,993</u> |
| | <u>6,029,666</u> |

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets. All investments have been valued by Blackrock Advisors (UK) Limited and are based on the Bid price as at the close of business on the valuation date. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. The charity is reliant on dividend yield in part to finance its work.

Liquidity risk is anticipated to be low as all assets are traded. The charity's investments are traded in markets with good liquidity and high trading volumes. The charity has no investment holdings in markets subject to exchange controls or trading restrictions.

The charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial.

W H Smith Benevolent Fund

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

11. MOVEMENT IN FUNDS

| | At 1.4.20 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.21 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|--------------------|
| Unrestricted funds | | | | |
| General fund | 51,421 | (257,916) | 273,086 | 66,591 |
| Capital | <u>5,735,676</u> | <u>567,076</u> | <u>(273,086)</u> | <u>6,029,666</u> |
| | <u>5,787,097</u> | <u>309,160</u> | <u>-</u> | <u>6,096,257</u> |
| TOTAL FUNDS | <u>5,787,097</u> | <u>309,160</u> | <u>-</u> | <u>6,096,257</u> |

Net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 155,359 | (415,189) | 1,914 | (257,916) |
| Capital | <u>-</u> | <u>-</u> | <u>567,076</u> | <u>567,076</u> |
| | <u>155,359</u> | <u>(415,189)</u> | <u>568,990</u> | <u>309,160</u> |
| TOTAL FUNDS | <u>155,359</u> | <u>(415,189)</u> | <u>568,990</u> | <u>309,160</u> |

Comparatives for movement in funds

| | At 1.4.19 £ | Net movement in funds £ | Transfers between funds £ | At 31.3.20 £ |
|---------------------------|------------------|----------------------------------|------------------------------------|--------------------|
| Unrestricted funds | | | | |
| General fund | 147,402 | 4,700 | (100,681) | 51,421 |
| Capital | <u>6,340,612</u> | <u>(705,617)</u> | <u>100,681</u> | <u>5,735,676</u> |
| | <u>6,488,014</u> | <u>(700,917)</u> | <u>-</u> | <u>5,787,097</u> |
| TOTAL FUNDS | <u>6,488,014</u> | <u>(700,917)</u> | <u>-</u> | <u>5,787,097</u> |

Comparative net movement in funds, included in the above are as follows:

| | Incoming resources £ | Resources expended £ | Gains and losses £ | Movement in funds £ |
|---------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Unrestricted funds | | | | |
| General fund | 217,498 | (212,798) | - | 4,700 |
| Capital | <u>-</u> | <u>-</u> | <u>(705,617)</u> | <u>(705,617)</u> |
| | <u>217,498</u> | <u>(212,798)</u> | <u>(705,617)</u> | <u>(700,917)</u> |
| TOTAL FUNDS | <u>217,498</u> | <u>(212,798)</u> | <u>(705,617)</u> | <u>(700,917)</u> |

The capital fund represents the market value of the investments plus cash held on investment.

Transfers between funds

The transfer between funds is made to reflect the net movement in the investment portfolio.

W H Smith Benevolent Fund

Notes to the Financial Statements - continued
for the Year Ended 31 March 2021

12. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 March 2021.