



**BT BENEVOLENT FUND**  
**REPORT and FINANCIAL STATEMENTS**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2022**  
**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 2022

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

### Chair's Report

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

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

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

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

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

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



**Mark Murphy, Chair of Trustees**

# BT Benevolent Fund

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

### **Fund Mission Statement**

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

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

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

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

### **Grant-making Policy**

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

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

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

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

## BT Benevolent Fund

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

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

#### **Achievements and Performance**

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

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

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

The main measures of activity are as follows:-

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

# BT Benevolent Fund

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

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

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

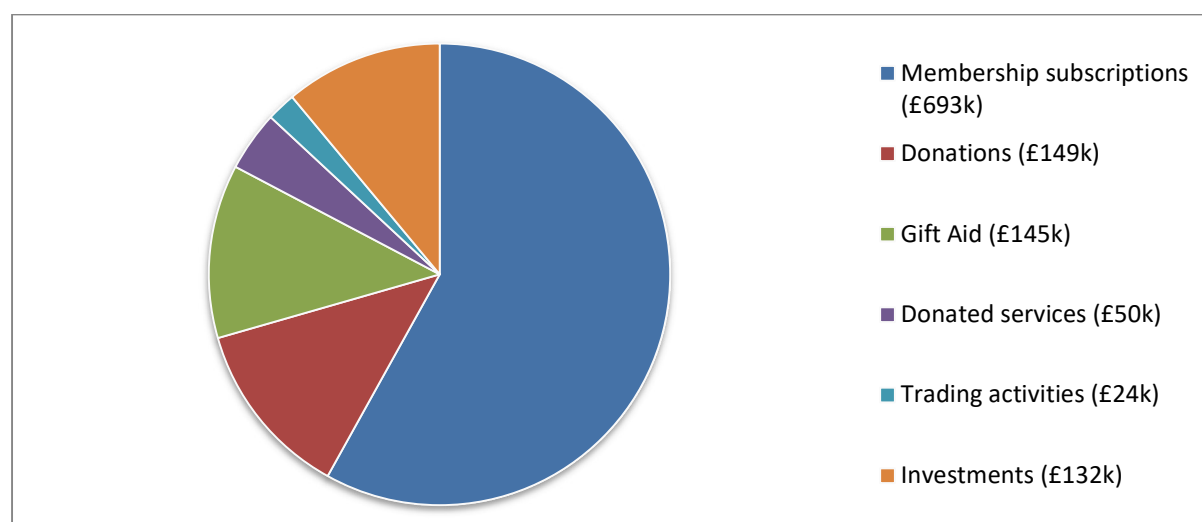
We continue to pay weekly grants to older people on very low incomes, and all such beneficiaries received a special payment at Christmas of £150, as well as an additional winter fuel payment of £100, funded by part of the donation received from the Civil Service Insurance Society Charity Fund. This year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

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

### **Financial Review**

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

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

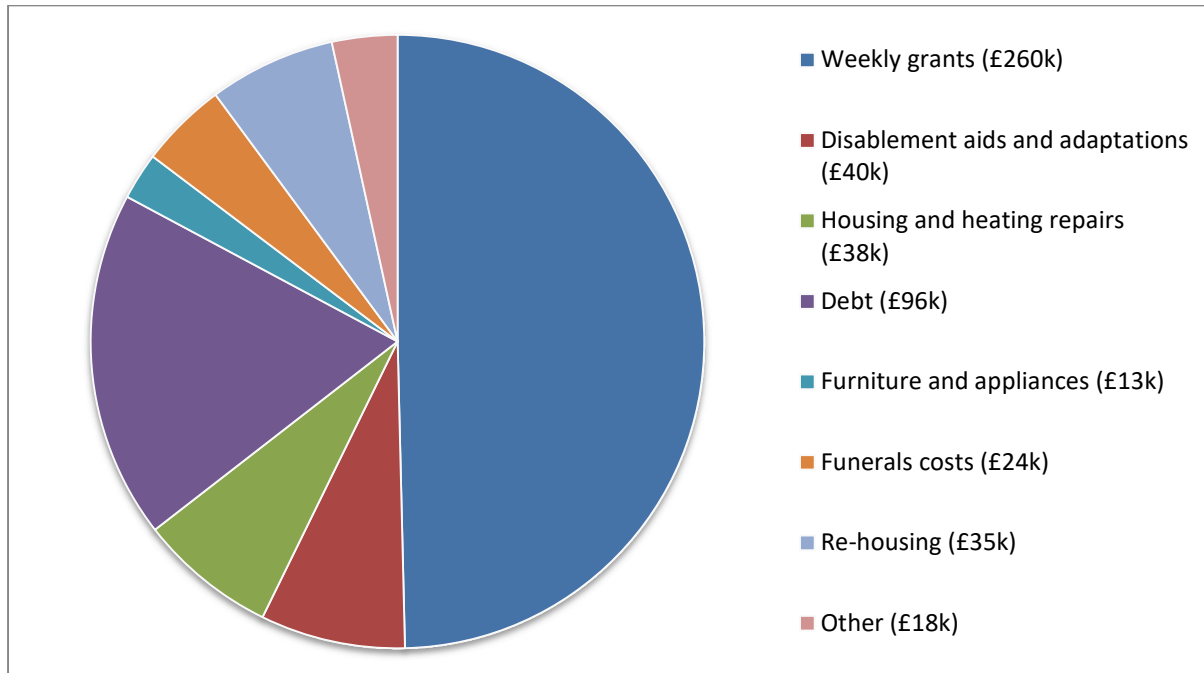


## BT Benevolent Fund

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

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

Grants paid may be analysed as follows.



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

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

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

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

# BT Benevolent Fund

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

### **Collaboration with Other Charities**

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

### **Investment Policy and Performance**

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

### **Risk Management**

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

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

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

### **Reserves Policy**

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

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

### **Securing the future**

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



# BT Benevolent Fund

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

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

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

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

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

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

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

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

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

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

### **Key management personnel remuneration**

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

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

# BT Benevolent Fund

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

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

### **Reference and Administrative Information**

#### **Trustees**

All served throughout 2022 unless otherwise indicated

Kevin Charlesworth  
Mark Murphy  
John Holme  
Robert Jones  
Beth Courtier

Vivien Lantree  
Matt Rogers  
Clive Selley  
Jane Shipway

#### **Manager**

Rob Pearce

#### **Treasurer**

Michael Pearce

#### **Honorary Solicitors**

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

#### **Principal Office**

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

#### **Auditors**

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

#### **Bankers**

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

#### **Investment Managers**

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

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

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

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

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

## BT Benevolent Fund

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charities (Accounts and Reports) Regulations, and the provisions of the governing document. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements.

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

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

**Mark Murphy, Chair of Trustees**

# BT Benevolent Fund

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

### Opinion

We have audited the financial statements of The BT Benevolent Fund for the year ended 31 December 2022 which comprise statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# BT Benevolent Fund

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

## BT Benevolent Fund

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

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

Identifying and assessing risks related to irregularities:

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

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

Audit response to risks identified:

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

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

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

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

# BT Benevolent Fund

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

### Use of our report

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

*Saffery Champness LLP*

Saffery Champness LLP

Chartered Accountants

Statutory Auditors

St John's Court

High Wycombe

HP11 1JX

3<sup>rd</sup> May 2023

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

## BT Benevolent Fund

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

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



## BT Benevolent Fund

### Balance Sheet as at 31 December 2022

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

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

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

M Murphy  
Trustee

## BT Benevolent Fund

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

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

# BT Benevolent Fund

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

### 1. Accounting Policies

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

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

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

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

#### (b) Income recognition

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

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

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

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

#### (c) Expenditure recognition

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

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

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

#### (d) Irrecoverable VAT

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

# BT Benevolent Fund

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

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

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

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

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

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

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

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

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

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

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

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

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

### **(k) Leasing**

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

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

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

# BT Benevolent Fund

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

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

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

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

Mr M Murphy	Mr C Selley
Mr M Rogers	

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

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

### 3. Donations and legacies

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

### 4. Trading activities

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

### 5. Investment income

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

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

## BT Benevolent Fund

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

#### 6. Costs of raising funds

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

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

#### 7. Grants payable

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

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

#### 8. Indirect costs of grant giving

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

# BT Benevolent Fund

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

### 9. Governance costs

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

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

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

	2022	2021
	£	£
Salaries and wages	145,798	140,630
Social security costs	7,065	6,783
Fees	13,800	16,747
Other pension costs	2,369	2,187
Total	<u>169,032</u>	<u>166,347</u>

Allocated as:

Costs of raising funds (note 6)	30,698	29,550
Indirect costs of grant giving (note 8)	129,649	126,384
Governance (note 9)	8,685	10,413
	<u>169,032</u>	<u>166,347</u>

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

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

# BT Benevolent Fund

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

### 11. Auditor's remuneration

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

### 12. Fixed assets - investments

#### Movement in fixed asset investments

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

#### Investments at market value comprised:

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

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

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



# BT Benevolent Fund

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

### 13. Analysis of current assets

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

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

### 14. Creditors falling due within one year

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

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

### 15. Restricted and endowment funds

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

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

## BT Benevolent Fund

Notes to the financial statements as at 31 December 2022 continued

### 16. Movement on restricted and endowment funds

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

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

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

### Analysis of changes in net debt

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

### 18. Operating Leases

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

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