

BT
BENEVOLENT
FUND



BT BENEVOLENT FUND
REPORT and FINANCIAL STATEMENTS
YEAR ENDED 31st DECEMBER 2024
CHARITY NO. 212565

BT Benevolent Fund

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BT Benevolent Fund

Report of the Trustees for the year ended 31st December 2024

The trustees present their annual report and financial statements for the year ended 31st December 2024. These have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the charity's constitution, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Chair's Report

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

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

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

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

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

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

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

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

Jessica Norton, Chair of Trustees

BT Benevolent Fund

Report of the Trustees for the year ended 31st December 2024 continued

Fund Mission Statement

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

Objectives and Activities for the Public Benefit

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

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

Grant-making Policy

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

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

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

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

BT Benevolent Fund

Report of the Trustees for the year ended 31st December 2024 continued

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

Achievements and Performance

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

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

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

The main measures of activity are as follows:-

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

BT Benevolent Fund

Report of the Trustees for the year ended 31st December 2024 continued

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

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

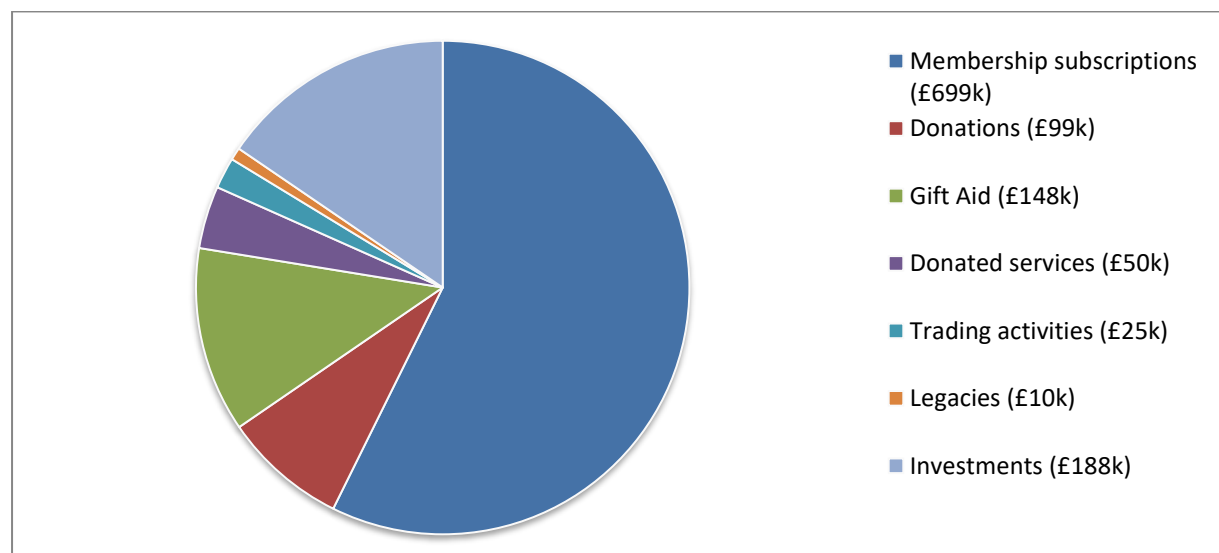
We continue to pay weekly grants ranging from £15pw to £50pw to older people on very low incomes, and all such beneficiaries received a bonus payment at Christmas of £200, as well as an additional winter fuel payment of £200, funded in part by the donation received from the Civil Service Insurance Society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

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

Financial Review

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

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

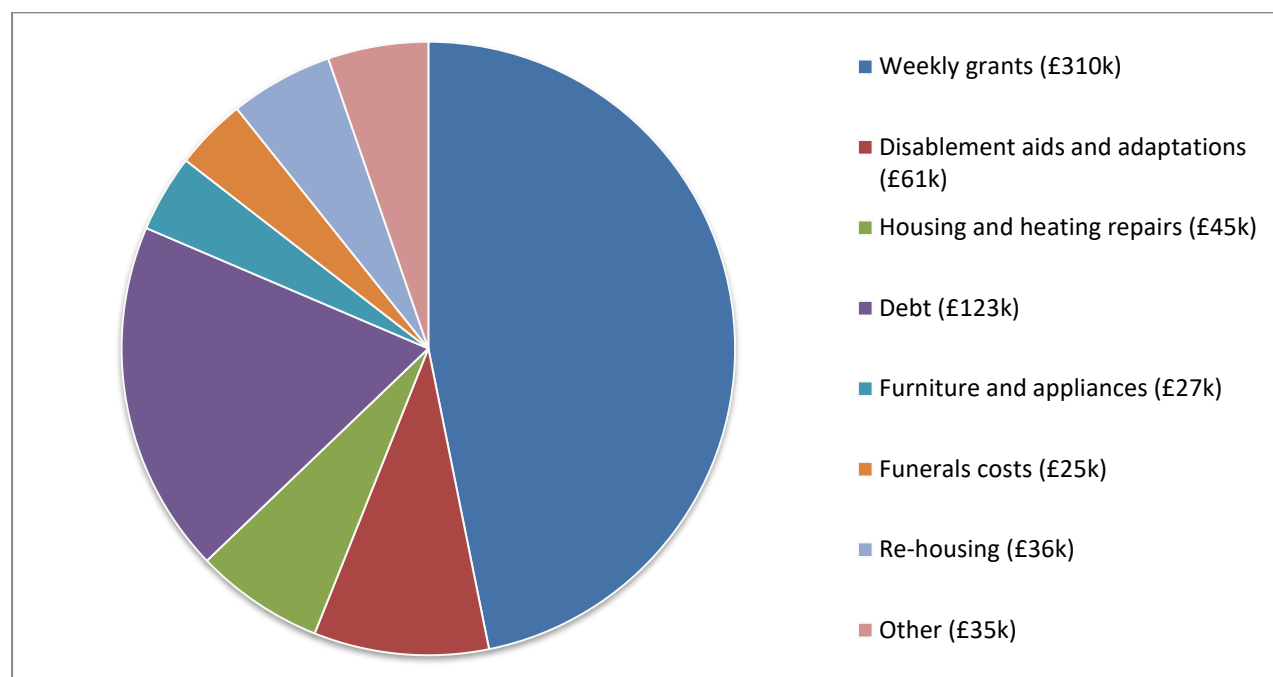


BT Benevolent Fund

Report of the Trustees for the year ended 31st December 2024 continued

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

Grants paid may be analysed as follows.



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

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

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

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

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

BT Benevolent Fund

Report of the Trustees for the year ended 31st December 2024 continued

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

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

Collaboration with Other Charities

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

Investment Policy and Performance

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

Risk Management

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

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

Reserves Policy

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

BT Benevolent Fund

Report of the Trustees for the year ended 31st December 2024 continued

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

Securing the future

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

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

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

Structure, Governance and Management

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

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

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

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

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

BT Benevolent Fund

Report of the Trustees for the year ended 31st December 2024 continued

Key management personnel remuneration

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

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

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

Reference and Administrative Information

Trustees

All served throughout 2024 unless otherwise indicated

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

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

Jessica Norton was appointed as Chair of the Trustee Board on 1st January 2025

General Manager

Rob Pearce

Treasurer

Michael Pearce

Honorary Solicitors

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

Principal Office

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

Auditors

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

Bankers

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

Investment Managers

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

Trustee's responsibilities in relation to the financial statements

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

BT Benevolent Fund

Report of the Trustees for the year ended 31st December 2024 continued

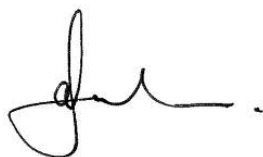
The law applicable to charities in England and Wales requires the charity trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing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

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

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

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

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

A handwritten signature in black ink, appearing to be 'J Norton', with a long horizontal stroke extending to the right.

Jessica Norton, Chair of Trustees

BT Benevolent Fund

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

Opinion

We have audited the financial statements of The BT Benevolent Fund for the year ended 31 December 2024 which comprise of a statement of financial activities, balance sheet, statement of cashflows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

BT Benevolent Fund

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

BT Benevolent Fund

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

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

Identifying and assessing risks related to irregularities:

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

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

Audit response to risks identified:

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

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. 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.

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Saffery LLP
Statutory Auditors

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

Date: 6 May 2025

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

BT Benevolent Fund

Statement of Financial Activities For the year ended 31 December 2024

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

BT Benevolent Fund


Balance Sheet as at 31 December 2024

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

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

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

J Norton
Trustee



BT Benevolent Fund

Statement of Cash Flows For the year ended 31 December 2024

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

BT Benevolent Fund

Notes to the financial statements as at 31 December 2024

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

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

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

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

(b) Income recognition

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

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

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

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

(c) Expenditure recognition

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

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

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

(d) Irrecoverable VAT

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

BT Benevolent Fund

Notes to the financial statements as at 31 December 2024 continued

(e) Allocation of support and governance costs

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

(f) Costs of raising funds

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

(g) Charitable activities

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

(h) Tangible fixed assets and depreciation

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

(i) Fixed asset investments

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

(j) Funds structure

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

(k) Leasing

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

(l) Financial Instruments

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

BT Benevolent Fund

Notes to the financial statements as at 31 December 2024 continued

2. Related party transactions and trustees' expenses and remuneration

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

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

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

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

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

3. Donations and legacies

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

4. Trading activities

	2024 £	2023 £
Sale of Christmas cards	<u>24,862</u>	<u>26,226</u>

5. Investment income

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

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

BT Benevolent Fund

Notes to the financial statements as at 31 December 2024 continued

6. Costs of raising funds

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

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

7. Grants payable

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

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

8. Indirect costs of grant giving

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

BT Benevolent Fund

Notes to the financial statements as at 31 December 2024 continued

9. Governance costs

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

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

Allocated as:

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

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

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

BT Benevolent Fund

Notes to the financial statements as at 31 December 2024 continued

11. Auditor's remuneration

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

12. Fixed assets - investments

Movement in fixed asset investments

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

Investments at market value comprised:

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

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

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

BT Benevolent Fund

Notes to the financial statements as at 31 December 2024 continued

13. Analysis of current assets

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

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

14. Creditors falling due within one year

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

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

15. Restricted and endowment funds

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

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

BT Benevolent Fund

Notes to the financial statements as at 31 December 2024 continued

16. Movement on restricted and endowment funds

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

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

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

Analysis of changes in net debt

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

18. Operating Leases

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

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