



THE BANKERS BENEVOLENT FUND

Bank Workers Charity is the working name of the Bankers Benevolent Fund

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

BANK WORKERS CHARITY

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BANK WORKERS CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 MARCH 2016

President

Sir Roger Gifford

Vice Presidents

Sir Patrick Gillam
H.C.E. Harris
Sir Kit McMahon
Sir Peter Middleton
Sir John Bond

Trustees

Dougie Belmore
Lillian Boyle
Lena Breen - (Appointed June 2015)
Rachel Claringbold
Nathalie De Potter
Gary George
Suzy Hardyman
Paul Haynes
Linda Lawrence
Shirley Marsh
Maggie Pearson
Tony Ramos, Chair
Elliot Rees-Davies
Lloyd Spencer-Witcomb - (Resigned Sept 2016)
Paul Szumilewicz - (Resigned July 2016)

Committees

- ¹ Audit and Risk
- ² Finance and Investment
- ³ Clients and Markets
- ⁴ Remuneration
- ⁵ Nominations

Company registered name

Bankers Benevolent Fund

Company registered number

0019366

Charity registered number

0313080

Key management Personnel

Chief Executive Officer	Fred Payne
Director of Client Services	Sarah Crombie
Director of Marketing	Alisa Hamzic

The Bank Workers Charity is the sole corporate Trustee of The SE Foundation (Charity Number 277665)

Directors of BWC Enterprises Limited

Fred Payne
Maggie Pearson

Company Secretary

Selam Shibru

Registered office & Principal place of business

Pinners Hall
105-108 Old Broad Street
London EC2N 1EX

BANK WORKERS CHARITY

REFERENCE AND ADMINISTRATIVE DETAILS (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

Independent Auditors

MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London EC4V 6BJ

Internal Auditors

BDO LLP
55 Baker Street
London W1U 7EU

Solicitors

Bates Wells & Braithwaite LLP
26 Cannon Street
London EC4M 6YH

Investment Consultants

Third Sector Advisors
Andover Road
Tivoli
Cheltenham GL50 2TL

Investment Managers

UBS AG
1 Finsbury Avenue
London EC2M 2AN

Ruffer LLP
80 Victoria Street
London SW1E 5JL

Investment Managers Praed Trust

Blackrock
Po Box 9036
Chelmsford CM99 2XD

Bankers

Coutts & Co
440 Strand
London WC2R 0QS

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2016

The Trustees (who are also the directors of the Charity for the purposes of the Companies Act) present their Annual Report together with the audited financial statements for the year 1 April 2015 to 31 March 2016. The Trustees confirm that the Annual Report and consolidated financial statements of the charitable company comply with the current statutory requirements, the requirements of the company's governing document and the new provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 is not required.

The Charity and the Group trades under the name Bank Workers Charity (BWC).

OBJECTIVES AND ACTIVITIES

Summary of aims and objectives

We are the only Charity dedicated to supporting all current and former bank employees and their families in the UK. We ensure that our governance arrangements deliver effective strategic direction of our activities. We undertake market research to make sure that our services meet the real needs of our clients. We want to become a long-term and valued strategic partner of banks in the UK focusing on improving wellbeing and relieving financial hardship of their staff, former employees and their families.

The legal objects of the Charity are:

- The prevention and relief of poverty amongst bank employees, their families, children and dependants
- The advancement of health amongst bank employees, their families, children and dependants
- The advancement of education amongst the children of bank employees

We interpret these objects broadly as the relief of financial hardship, ill health and disability, and advancement of wellbeing amongst our clients who comprise two key groups – working families and retirees or former bank workers.

Services and grants

We are helping more bank workers, retirees and their families than ever. We provide a broad range of services which are built around our clients' core needs related to financial, physical, mental and social wellbeing.

We go beyond financial support to deliver a broader, more practical form of support and guidance. To do this, we work with leading charities (further details can be found on Page 6) who provide our clients with expertise and support services. We are also making a contribution to wider society of a much-needed additional capacity funding for service delivery charities through paying the costs of our own clients' services. We are keen to do this as it allows us to develop additional capacity not always available to our community.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

We focus on positively impacting the quality of life of the following groups connected to banking:

- Families, including the children of bank employees, who are suffering financial difficulties due to bereavement, ill health or disability, and those in crisis situations who need help to get back on their feet
- Retirees including elderly former bank employees facing financial hardship, and former bank employees and their dependants on low incomes who are suffering from long-term ill health or disability

In the case of both groups we support their wider wellbeing needs through our range of services aimed at mental and physical wellbeing.

Services and grants policy

Our policy aims to provide support for people in need based on early intervention, rather than picking up the pieces at crisis point. However, we recognise that people in need do not always seek help at an early stage due to lack of awareness, pride and busy lifestyles as well as a variety of other reasons.

We want to improve our clients' ability to become self-sufficient rather than dependant on long-term grant. We have developed services for delivery through our website, optimised for mobile devices and our telephone helpline. Our client advisors and visiting caseworkers are authorised within limits to make grants in appropriate cases and to refer clients to service delivery partners if appropriate.

Grants (and some services) are subject to an application process which takes into consideration various criteria, including length of banking service, income and savings as well as the individual circumstances and situation of the applicant. This is to ensure that our client activities meet our charitable objects. All grants are considered objectively on their individual merits. When we do make a grant, it is made on an entirely discretionary basis and all regular grants are reviewed annually. We seek to ensure that as much alternative support as possible is accessed so that we can direct funding to new cases as they arise.

All grants are reported to the Clients and Markets Sub-Committee, which approves all grants over £10,000. Grants up to £10,000 may be approved jointly for payment by two senior members of staff.

Our approach to determining 'poverty' is based on a comparison of the applicant's income to a figure that is up to 100% of the UK's median household income (after tax and housing costs are taken into account) adjusted to their personal circumstances. The Trustees also take into consideration any savings (excluding the family home) broadly in line with the levels at which Income Support is available from the U.K. Department for Work and Pensions. We are also aware of the limitations of published average data and we flex our assessment, taking into consideration the composition of the household and any particular needs relating to disabilities.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit.

The Trustees describe, above, the objects of the Charity and the range of clients assisted. They believe that these benefits and those who benefit from the Charity are clear, identifiable, and related to the aims of the Charity. The Charity makes every effort to ensure that potential clients in poverty have access to its services. They maintain contacts with social services, other charities and the banks' welfare departments to provide points of contact between the Charity and those needing help.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

The Trustees have identified a potential client population comprising current bank employees, former employees, their families, children and dependents of approximately 1.9 million people. Although there are restrictions placed on the classes of client helped by the Charity, the clients themselves come from a wide range of occupations at all levels within the banking industry and from a number of different banks. In the year to 31 March 2016, £3.2m (2015 - £2.8million) was spent on providing support to 1,347 clients (2015 – 1,097), a 23% increase, with grants and support services provided to 487 service users (2015 - 418), a 17% increase, through our charity partners.

The Trustees believe that the prevention of financial hardship is fundamental to the achievement of the relief of poverty. The gap between financial hardship and poverty is very small. The support provided through specialised services, focused grants and other assistance provided by the Charity, aims to keep clients at risk of financial hardship out of poverty.

The cost of living is often higher for people with ill health and disabilities, putting an additional strain on their financial situation. Early pro-active support to this group provides the best opportunities for them to overcome the challenges they face, making it possible for them to stay in work, return to work and attain a reasonable standard of living. Likewise, in families with limited income, providing support to help their children attain a level of education to their best ability helps to keep them from spiraling into poverty in the next generation. The provision of preventative support to those in need is, therefore, inseparable from the relief of poverty.

During the year, with the Charity Commission's approval, the Trustees changed the objects of the charity from the relief of sickness to the advancement of health amongst bank employees, their families, children and dependants. As a result, the Trustees are able to provide a much wider range of support in terms of mental, physical and social wellbeing, alongside of financial wellbeing throughout the banking community.

ACHIEVEMENTS AND PERFORMANCE

How did we do this year?

We are the only organisation dedicated to and supporting the banking community. Five years ago, we successfully created a radical new vision, planned and delivered a transformation, which:

- Understood stakeholder needs, set out a radical new operational framework
- Improved process, governance and management efficiency, built and mobilised new capability

During the year, we refreshed our strategy, capitalising on our growing position in the banking community, we achieved greater levels of relevant support to our user base. Our range of preventative and high impact solutions genuinely meet the needs of our community and are based on our unique understanding and insight.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

We have had a positive year with increased bank and channel engagement resulting in an increase of current bank workers being supported. We have also seen an increase in our offline clients, interventions and helpline calls. A strategic decision to focus on the quality, rather than quantity, of online interventions through increasing audience relevance and promoting higher impact support items led to a decline in the number of online interventions made.

Understanding the needs of people connected to the banking sector continues to be at the forefront of how we will develop support in the future. We are a learning organisation and have developed trend analysis techniques that help us demonstrate progress towards our strategic goals, rather than narrowly focusing on individual target numbers.

Increasing the number of people we help

We continue to successfully implement our strategy to support more clients through meaningful self-help, online support and one-to-one service provision. As a result, we have continued to move away from the provision of regular long-term grants in favour of finding additional sources of income for clients and helping them develop their financial competency skills.

We provided 42,518 (2015 – 56,024) interventions in total this year. The decline in the number of online interventions is acceptable within the context of our ongoing strategy and through this we are confident that 2016-17 will see increased levels of relevance, impact and numbers.

- Our free phone helpline handled 8,118 calls (2015: 7,712)
- We supported 1,347 individual clients through the helpline with services, detailed casework support and financial grants of whom 862 were new to us
- Through self-service information and interactive tools on our website, we provided 39,846 (2015: 52,024) online interventions in the year

We have a number of established strategic partnerships with charities that support people with specific health needs and situations:

- Leonard Cheshire Disability providing help for disabled people, carers and people living with mental health
- National Autistic Society providing help for families living with autism
- Relate providing help to those experiencing personal or family relationship problems
- StepChange Debt Charity providing financial and debt advice
- Working Families providing support around work-life balance
- Law Express providing legal advice for personal legal queries

We have provided individual bespoke support through other partners and suppliers, selected to meet the specific needs of our clients, and we will continue to grow this further in 2016-17.

In October 2015, we successfully merged funds with the Barclays Spread Eagle Foundation (SEF). In June 2015, we took over the administration of grants for SEF beneficiaries until the merger completed with £820,108 added to our total reserves in October 2015. During the administration period (June to October 2015) we managed 97 Christmas grant payments to Barclays' pensioners.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

Our Line Manager Mental Health Training, which was developed in partnership with Mind, was successfully piloted in four banks, training almost 200 line managers who manage more than 600 people. The training has been well received and there are early signs of demand by banks to scale up the product and offer it across the sector in the coming two to three years. The evaluation of the pilot which has been carried out by the Chartered Institute of Personnel and Development (CIPD), is showing a marked improvement in awareness of mental health in the workplace and confidence amongst line managers on how to support good mental health.

The evaluation found that the positive impact also extended to the line managers' subordinates whose job satisfaction improved, who experienced the workplace as a less stressful environment and who felt it was easier to talk about mental health issues.

The training programme was included at the Davos World Economic Forum as an example of best practice as a workplace intervention supporting good mental health, endorsed by the Global Agenda Council on Mental Health and will be included as a case study on the World Economic Health Forum website.

Improving client insights

We want to make the greatest impact on clients commensurate with effective use of our resources. In order to do this, we seek to learn from customer and market research to help inform the development of new services.

In line with our 2015 strategy refresh we have undertaken significant research: focus groups, one-to-one interviews and in-depth surveys with partners, banking sector representatives, retirees and unions.

Whilst this research has reinforced the findings of previous research it has also generated new learnings and opportunities:

- Stress at work continues to be prevalent amongst banking communities with increased regulatory compliance being cited as a major driver
- Current bank workers identified BWC as their preferred solution provider for personal concerns, over employee assistance programme (EAP), Unions and other service providers
- Awareness of BWC had increased but remains an area for improvement
- Pensioner communities identified a need for 'practical support from people like them' as an area of great interest
- All communities identified the line manager training in the area of mental health as a priority

The introduction of structured research frameworks will allow us to continually test our assumptions thereby improving our support solutions over the coming year.

Our Good Day at Work partnership with Robertson Cooper, Wellbeing Champion membership of Business in the Community and active participation with Business Healthy and City HR, continues to focus on engaging with banks on a wider HR agenda allowing us to highlight the need to foster an environment where positive psychological wellbeing enables high levels of employee engagement and sustainable performance.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

In addition, we have launched a new workplace wellbeing blog www.thewellbeingpulse.com which is helping us establish our place as a thought leader in this field and grow a community of interest within the banks. This constantly evolving library of content will assist with our development of new services targeted at banks seeking to address wellbeing issues affecting staff performance.

Measuring our impact

During 2015-16 we piloted our new Client Satisfaction Survey. After an initial review and improvement, this survey was launched and sent to all clients who have been referred to a service and/or received a grant outcome.

Based on 169 respondents (41% response rate):

- 93% would recommend us to a friend or bank colleague
- 85% strongly agreed that the BWC staff member they dealt with was friendly
- 79% strongly agreed that advice was tailored to their situation
- 91% felt that our partner charity staff were friendly and approachable

We are currently piloting our Client Impact Survey, which will be launched fully in 2016-17. Both surveys provide qualitative and quantitative data to assess customer service and clients' perception of the impact we make.

Over the past 12 months, we have held a number of awareness sessions, webinars and talks in banks. Based on 100 responses:

- 100% of event attendees rated our events as good or excellent
- 98% feel more confident referring a colleague to BWC

We have identified case studies from the people we have supported directly as well as those supported by our partners. We can illustrate the depth and breadth of our impact with our annual impact report which can be accessed on our website; www.bwcharity.org.uk.

Increasing the scope of our services

We will continue to develop the support we provide to current and former bank workers and their families. Our research has identified a need for support in the following areas:

- Mental health
- Support for dementia
- Early intervention money advice

We will continue to undertake research into the needs of our current and prospective clients with a view to developing new products and services.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

We are at an early stage of developing a corporate service proposition aligned with our workplace wellbeing focus. Services will centre on improving the resilience and soft skills of line managers to enable them to better help their teams and signpost to relevant support at an earlier stage. In order to deliver our propositions on mental health line manager training we have also established a trading subsidiary which isn't actively trading, but will be in 2016-17.

Social Investment

While the overall Social Investment market is expanding at 20% per annum, and is now estimated to be worth £1.5 billion (source: Big Society Capital), we have to sift through many investment propositions to identify those that fit with the objectives of the Charity as well as delivering an acceptable level of financial and social return. The progress of the investments and commitments which we have made so far is as follows:

- Greenwich Leisure (£50k in a corporate bond) continues to expand by taking over the management of further leisure facilities
- HeLP, now called Thrive (£62.5k in loan convertible to equity): BWC has agreed to fund £50k for the customisation for the Banking industry of the StressFree app to be included in Public Health England's pilot endorsement procedure for medical apps
- Big Issue Invest SEIF (Social Enterprise Investment Fund) II: a second drawdown against our initial £125k commitment has been invested in a mental health project and support for community finance.
- Bridges Evergreen fund ('patient' capital for social enterprises): final structuring and documentation for this new fund is being drawn up, with the involvement of Big Society Capital.

PLANS FOR THE FUTURE

Our core purpose is the advancement of health and the prevention and relief of financial hardship in a community which numbers almost 1.9 million people. Our mission is to be a leading provider offering preventative and high impact solutions genuinely meeting the wellbeing needs of the banking community.

Banking people are facing challenges which have a big impact on their lives – changes in employment arising through the banks' response to the regulatory environment as well as the technological shift resulting in the digitisation of banking, the changes and cuts in public services and a digital revolution which is changing the face of service provision.

Our Charity is affected by these factors alongside the changing demographics and service preferences of our community. These include the rise of the millennial in the workplace, with a strong sense of community and affinity with social media and "always on" technology, and the ageing population living with increased care responsibilities as well as needs in a world of stretched provision, to name just two.

To meet the challenges of our changing operating environment we will become more responsive to the changing needs of our clients and their employers. As a consequence, we have developed a new vision:

- We want to be the most customer centric organisation we can be; to build a place where people can come to find and discover those things they need to take proactive actions that will support their long-term wellbeing.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

- We will develop more primary interventions using online based resources designed to educate and help people to avoid problems occurring.
- We will improve our range of secondary interventions using our expert partners to support clients which is designed to prevent issues getting worse.
- We will maintain our tertiary interventions through our helpline for the most vulnerable who have limited options available to them.
- We will preserve the core of our charitable purpose through a combination of prudent financial management, a sound approach to risk management and, above all, development of a sustainable and resilient team committed to doing the right thing for people in our community.

To be effective in the future our key areas of focus will be on:

- **Engagement** – Raising awareness in the banking community to attract more people to our growing range of service and support solutions is vital to delivering as much positive impact as our resources allow. We are increasing our focus on engagement as it is the key that unlocks customer research, awareness, advocacy and client acquisition. We will continue to build on our multi-channel engagement approach which has been reviewed by our internal auditors. Over the coming year, we will further engage with the communities that we support, refine and clarify our offer to support our ambition to grow our client base.
- **Products and services** – We will continue to build our wellbeing proposition so that it is fully compatible with client needs and aligned to the workplace wellbeing agenda. We will develop distinct support packages for employees that are of demonstrable value to employers. By linking the benefits we provide both for the individual and employer, we plan to encourage HR leadership in the banks to increase the uptake of all of our services, including our corporate proposition and potentially convert to a payment by results system, rather than corporate donations. We will work with high-quality delivery partners to ensure that we maintain high standards of capability and capacity. Over time we see the potential to achieve greater scale and cost effectiveness through collaboration, through the medium of social investment, with other operators in this field.
- **Business process improvement** – We are responding to the external drivers of social media, digital technologies, and changing financial, regulatory and care needs in our community. We have already researched our market and are optimising our proposition to enable us to reach a wider audience across digital mobile platforms in ways that work better for our clients. We will identify and support distinct communities to increase our brand awareness, profile, penetration, effectiveness and impact. We will continue a step change approach to upgrading our business processes that support our marketing and delivery capabilities. We aim to work towards the provision of personalised wellbeing services delivered through a single digital hub designed to learn from and respond to changing user needs.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Bank Workers Charity (BWC) is the working name of the Bankers Benevolent Fund, a charitable company limited by guarantee, with Company Registration number 0019366. Established in 1883 as the Bank Clerks' Orphanage, the name of the Charity was changed in 1963 to the Bank Clerks' Orphans' Fund. Following a merger with the Bankers Beneficent Society in 1986, the name was changed to the Bankers Benevolent Fund (BBF). The BWC brand was adopted in May 2011 to better reflect who we are and the support we deliver.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

The BWC is a registered Charity, governed by Articles of Association, copies of which may be obtained from the Company Secretary. It is exempt from tax under the provisions of the Corporation Tax Act 2010 on its charitable activities.

Organisation

The Group is governed by a Trustee Board of up to 25 Members, who are the directors of the company for Company Law purposes and Trustees for Charity purposes. Trustees are independent of their banks and act as a channel to facilitate support and operational contacts. Each of the major British banks has at least one Trustee to act as an interface; larger banks provide two Trustees based on the size of the task in communicating with the potential client base. At the date of this report the Charity operates with 13 Trustees of whom 6 are former bankers and 1 non-banker possessing skills or special knowledge that the General Committee wishes to retain.

When Trustee vacancies arise a search process is initiated to identify suitable candidates in line with any skills gap on the General Committee. Applicants are given the opportunity to discuss their appointment with the Chief Executive. The Nominations Committee reviews potential candidates before an appointment is made. The Chair of the General Committee will arrange interviews to arrive at a suitable selection. The General Committee may co-opt additional members in an advisory capacity. Alternatively, they may recruit non-banking Trustees through open advertising where it is considered that special skills would strengthen the capabilities of the General Committee. These Trustees would serve on the same terms as the existing Trustees and are able to confer with more experienced Trustees if necessary.

New Trustees are briefed by the Chief Executive to provide them with insights into the operation of the Charity and an understanding of their legal obligations under Charity and Company Law. They also gain a high level understanding of the operation of the Group by meeting the senior managers during an induction programme. Throughout their tenure they are able to select from a variety of training options depending upon their level of need and experience and the organisation encourages Trustees to provide support to each other.

The Trustees of the Group, together with details of the membership of the Sub-Committees, are shown on page 1.

One fifth of the Trustees retire each year and may be re-elected subject to approval by the General Committee.

The General Committee meets quarterly and has appointed five standing Sub-Committees: Finance and Investment; to monitor investments and financial performance & evaluate potential social investment opportunities, Clients and Markets; to oversee the policies towards grants and to consider new services, Audit and Risk Committee; to monitor the internal and external audit processes and risk management, Remuneration Committee; to review pay and awards and the Nominations Committee; to recommend potential candidates with appropriate skills, experience and personal characteristics to the Board and to maintain succession plans for key positions in the Group.

The Chief Executive is appointed by the Trustees to manage the day-to-day operations of the Group. He is supported by a team of nineteen (19.7 FTE) who deal with the Management and Promotion of the Group, Client Administration & Support and Finance. The team is also responsible for the development of a business plan, annual budget and three year rolling forecasts, which are then approved annually and adopted by the General Committee.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

BWC was appointed as corporate trustee of The SE Foundation ("SEF"), a registered charity no 277665 in order that SEF should continue to hold its permanent endowment fund. This appointment creates a group where SEF is the subsidiary of BWC.

The endowed funds are permanent meaning that the capital of the fund must be maintained and that income generated from the fund can be expended on the charitable objectives, being for those current and former employees of Barclays Bank and their dependents. The arrangement is in line with the plan to maintain the SEF for the purposes of receiving any future legacies left to it and to hold the permanently endowed fund represented by the Praed Trust.

The unrestricted assets of SEF's were transferred to BWC by Deed of Gift and are held on a restricted basis, as a restricted fund, for the current objects of SEF and only applied for SEF's current beneficiaries.

Key management personnel

Key management personnel of the Group consist of the board of Trustees, the Chief Executive, the Director of Marketing and Director of Client Services as noted on page 1. The Trustees are not remunerated and give their time freely.

The Chief Executive's pay is set by the board of Trustees and the remainder of the executive pay is decided by the Remuneration committee, following a recommendation made by the Chief Executive's annual performance review.

Related parties

The Group is independent of the banks. None of the Trustees have registered any conflict of interest with the Group's aims and activities.

Liability of members

The Charity is a company limited by guarantee and does not have share capital. The liability of each Member in the event of the Charity being wound up is limited to 25 pence.

Volunteers

The Group relies on a large number of contacts in the banking sector, other benevolent funds and social care to put it in touch with potential clients. None of these contacts are paid by the Group, although some may be paid by other organisations. Other than these persons, co-opted individuals and the Trustees, the Group does not use any other volunteers.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

Principal risks & uncertainties

The Trustees have put a formal risk management process in place and implemented an annual internal audit programme to assess business processes, controls and risks. In addition to implementing the organisations' Risk Strategy, management ensures that risks are monitored regularly and reported to the Audit and Risk Committee on a quarterly basis. This involves identifying the types of risks the Group faces in the key areas of strategic direction, financial, reputational, legal and statutory, human resources and information communication technology. The Trustees prioritise these in terms of potential impact and likelihood of occurrence, including their attitude to the individual risks.

The Trustees implemented an Active Risk Management strategy using levels of risk management for all operational risks. These are based on, firstly implementing the right policies, procedures & controls; secondly embedding a structured Risk Management and Compliance framework and thirdly, challenging the executive team with Trustee scrutiny through the Audit and Risk Committee and internal and external Audits reviewing and testing the adequacy of the Group's current internal controls. This information is then used to continually develop an up to date risk management strategy, including any new controls considered necessary.

The Group's Trustees have identified the key risk to be that of losses on investments due to volatile stock market conditions which would impact the Group's ability to meet its total return target and thus impact its ability to sufficiently deliver its objects. In the past 12 month, the Trustees and Management have also given considerable focus to Cyber Security related risks in light of several breaches across all different sectors. In order to minimise business risks the Group adopted an Active Risk Management strategy as described previously.

Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Annual Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS102) and applicable law.

Under Company Law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of their net incoming/outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Charity and Group will continue to operate.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company and Group's transactions. These should disclose with reasonable accuracy at any time the financial position of the charitable company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charity's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

So far as each of the Trustees at the date of this report is aware, there is no relevant audit information of which the Charity's auditor is unaware. Each Trustee has taken all the steps that he/she ought to have taken in order to make him/her aware of any relevant audit information and to establish that the Charity's auditor is aware of that information.

FINANCIAL REVIEW

The financial statements for the year ended 31 March 2016 are set out on pages 20 to 42. These were prepared applying the accounting policies set out on pages 24 to 30. Any material changes to the Accounting Policies are reflected on page 24 and which reflect adoption of the new SORP 2015 reporting framework.

Income for the year amounted to £1.9m (2015: £1.3m) the increase primarily resulted from the donation of the Spread Eagle Foundation assets of £820k (see Note 2 for further details).

The movements on reserves for the year are reported in the Consolidated Statement of Financial Activities on page 20. These include a net loss of £1.8m (2015: gains of £4.4m) on the value of investments for the year resulting from unfavourable market returns.

The Group relies substantially on investment income to support its activities. The trustees have adopted a policy of seeking a total return from investments from a combination of capital growth and income.

After paying for investment management fees and drawings, the value of the portfolio has been reduced by 3.6% (2015: increase of 9.4%). These include a net loss of £1.8m (2015: gains of £4.4m) on the value of investments for the year resulting from unfavourable market returns.

We are still focused on the ten year average annual total return target of 6.25%. However, in light of the unsettled investment market and stock market performances over the last year our short term forecast was revised down to 6%.

We are still committed to invest into viable Social Investment propositions which align with our objects and have measurable social benefit.

The actual asset allocation of fixed asset investments at 31 March 2016 was 17% in UK Equities, 28% in Overseas Equities, 5% in Hedge Funds, 5% in Commercial Property, 36% in Corporate and Government bonds or Cash and 9% in Credit & Illiquid Strategies and Precious Metals.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

Our policy of seeking a total return allows us to plan for longer-term service delivery activity by smoothing out the volatility associated with our funds.

During the year, we have made drawings of £2.4m from our investment funds to support our objectives. At year-end, the value of our total reserves were £46.7m.

The Trustees are grateful to those who donated to our cause and people who remember us in their wills. Income from legacies dropped significantly this year to £2k from £52k the previous year.

We are also grateful to the banks that make corporate donations that amounted to £127k (2015: £85k). We are keen to demonstrate to them that we are generating outcomes that are valued by their staff, retirees and the dependants of both groups.

The Group does not actively raise funds from outside the banking community.

Support costs in the year have also risen as a result of the work undertaken in reviewing the next five year strategic plan and the legal costs attributed to the acquisition of the SEF funds. We have also embarked on the first phase of investing into a digital transformation so that our service offering is suited to all groups, accessible to the wider banking communities enabling the delivery of suitable services driven by a technology relevant to the modern age.

Investment Policy

The Group reviews its investment policy and investment managers approximately every three years, using inputs from the market, reference to investment manager performance and taking into account the strategic plan for BWC.

The Finance and Investment Sub-Committee monitors the performance of the Fund Managers at its quarterly meetings supported by an independent Investment Consultant. The minutes of these meetings are circulated to the members of the General Committee.

The investment policy is set to maintain the Group's long term capital and returns from the effects of inflation, and without taking excessive risk, to achieve real gains in capital growth and sustainable income. The Trustees have adopted a total return policy to achieve a minimum 6.25% per annum return averaged over a ten-year cycle. However, in light of the unsettled investment market and stock market performances over the last year our short term forecast was revised down to 6%.

The investment portfolio allocation is left to Fund Managers on a discretionary basis. The Trustees however have decided to put in place an overall limit in respect of two main asset classes, i.e., equities and fixed income including money market instruments. The Trustees have set limits as follows:-

Equities – minimum 30%, maximum 80%; Fixed Income, Property & Money Market instruments – minimum 20%, maximum 70% while hedge funds may be included for their defensive qualities in this section, subject to the Trustees' specific agreement, on a limited basis. The maximum asset holding is not more than 5% of any individual equity or bond without Trustees' consent. The reference currency for the portfolio shall be Sterling.

The Group has also made commitments towards Social Investments and designated £1m towards investments which are viable and have a measurable social and financial impact. These include mixed motive investments and programme related investments.

BANK WORKERS CHARITY

TRUSTEES' ANNUAL REPORT (*continued*) FOR THE YEAR ENDED 31 MARCH 2016

The Group does not knowingly invest in any organisation whose activities directly conflict with its objectives. The investment portfolio is unconstrained, no ethical restrictions apply, but the Trustees reserve the right to exclude from the portfolio any investments in companies whose representation might prove damaging, directly or indirectly to the purposes or reputation of the Group.

Funds and Reserves

The Group's unrestricted funds of £45.9m comprise largely of investments, bank deposits and social investments generating the income which sustains either wholly or in part the Charity and its activities.

At 31 March 2016 the Group has restricted funds of £417,536 (2015: £nil) and endowment funds of £290,912 (2015: £nil). These have arisen from the merger with the Spread Eagle Foundation and the endowment funds are in the wholly owned subsidiary, the SE Foundation. We have excluded the restricted and endowment funds from these as they are reserved for special purposes.

The movements on reserves for the year are reported in the Consolidated Statement of Financial Activities on page 20.

We have adopted a total return strategy based on a relatively risk averse ten year average return. This approach helps to undertake medium term service delivery strategies and to undertake planned investments in market and service development.

The two professional Fund Managers actively manage investment returns to achieve total return targets including long-term preservation of capital values. These targets are set and performances measured periodically. These will be driving the annual business plan, against a three-year rolling planning cycle of income and expenditure. The Trustees project a net average annual income requirement from investments and bank deposits over the next three years of £3.7m after taking account of other sources of income, to meet the cost of ongoing activities and operating costs. Based on a target total return of 6% post fees this level of income requires reserves of £61.6million of total funds. The trustees anticipate that this level will not be reached in the foreseeable future but are considering steps to balance future expenditure with income including mergers that will improve the capital base.

Investment income is the Group's main long-term source of income and is susceptible to market fluctuations. The annual forecast for non-investment income over the next 3 years is £275,000. The Trustees believe that sufficient income will be generated to fund future budgeted expenditure in the medium term, although they will embark on income growth activities when the service set is considered to be sufficiently attractive as a fundraising proposition. In the longer term the Trustees have the ability to reduce discretionary grant making and service spending to a level commensurate with available reserves, although in the short term the Trustees have agreed to meet client demand.

Going Concern

The General Committee considers the Group's finances to be sound and that it is able to fulfil all of its obligations and commitments without delay or shortfall in the realisation of the assets of its funds. Having assessed the Group's financial position and plans for the foreseeable future, the Trustees are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

BANK WORKERS CHARITY

**TRUSTEES' ANNUAL REPORT (*continued*)
FOR THE YEAR ENDED 31 MARCH 2016**

AUDITORS

A resolution to re-appoint MHA MacIntyre Hudson, Statutory Auditor, will be proposed at the annual general meeting of the Charity for the ensuing year.

This report was approved by the Trustees on 10 November 2016 and signed on their behalf by:

.....
Tony Ramos, Chair

BANK WORKERS CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANK WORKERS CHARITY

We have audited the financial statements of the Bankers Benevolent Fund, operating as Bank Workers Charity for the year ended 31 March 2016 set out on pages 20 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Charity's affairs as at 31 March 2016 and of the Group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

BANK WORKERS CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BANK WORKERS CHARITY

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent Charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or

- the trustees were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Sally Knight FCA (Senior statutory auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants & Statutory Auditor

New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ
28 November 2016

BANK WORKERS CHARITY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME:						
Donations and subscriptions	2	232,191	529,196	290,912	1,052,299	200,166
Investments	4	845,933	9,851	-	855,784	1,055,113
TOTAL INCOME		1,078,124	539,047	290,912	1,908,083	1,255,279
EXPENDITURE ON:						
Raising funds	5	427,319	-	-	427,319	417,896
Charitable activities	7	3,038,714	109,546	-	3,148,260	2,814,580
TOTAL EXPENDITURE		3,466,033	109,546	-	3,575,579	3,232,476
NET (EXPENDITURE) / INCOME BEFORE INVESTMENT GAINS/(LOSSES)						
Net (losses)/gains on investments	13	(1,772,967)	(2,114)	(464)	(1,775,545)	4,380,136
NET (EXPENDITURE) / INCOME AND MOVEMENT IN FUNDS		(4,160,876)	427,387	290,448	(3,443,041)	2,402,939
RECONCILIATION OF FUNDS:						
Total funds brought forward		50,102,914	-	-	50,102,914	47,699,975
TOTAL FUNDS CARRIED FORWARD		45,942,038	427,387	290,448	46,659,873	50,102,914

All activities relate to continuing operations.

The Consolidated Statement of Financial Activities includes all gains and losses recognised during the year.

The notes on pages 24 to 42 form part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Investments	13		47,264,300		50,060,915
CURRENT ASSETS					
Debtors	14	7,378		56,602	
Cash at bank and in hand		166,332		632,805	
		173,710		689,407	
CREDITORS: amounts falling due within one year	15	(778,137)		(647,408)	
NET CURRENT (LIABILITIES)/ASSETS			(604,427)		41,999
NET ASSETS			46,659,873		50,102,914
GROUP FUNDS					
Endowment funds	16		290,448		-
Restricted funds	16		427,387		-
Unrestricted funds	16		45,942,038		50,102,914
TOTAL FUNDS			46,659,873		50,102,914

The financial statements were approved and authorised for issue by the Trustees on 10 November 2016 and signed on their behalf, by:

.....
Tony Ramos, Chair

The notes on pages 24 to 42 form part of these consolidated financial statements.

BANK WORKERS CHARITY
REGISTERED NUMBER: 0019366

CHARITY BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Investments	13		46,973,852		50,060,915
CURRENT ASSETS					
Debtors	14	7,378		56,602	
Cash at bank		166,332		632,805	
			<u>173,710</u>	<u>689,407</u>	
CREDITORS: amounts falling due within one year	15	(778,137)		<u>(647,408)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(604,427)</u>		<u>41,999</u>
NET ASSETS			<u>46,369,425</u>		<u>50,102,914</u>
CHARITY FUNDS					
Restricted funds	16		417,536		-
Unrestricted funds	16		45,951,889		50,102,914
TOTAL FUNDS			<u>46,369,425</u>		<u>50,102,914</u>

The financial statements were approved and authorised for issue by the Trustees on 10 November 2016 and signed on their behalf, by:

.....
Tony Ramos, Chair

The notes on pages 24 to 42 form part of these financial statements.

BANK WORKERS CHARITY

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Cash flow from operating activities			
Net cash outflow from operating activities	18	<u>(2,333,476)</u>	<u>(3,066,023)</u>
Cash flow from investing activities:			
Dividends and interest from investments		845,933	1,055,113
Cash movement on investments		1,204,436	(477,949)
Investment management fees paid		344,872	313,423
Receipts from sale of investments		12,524,591	38,175,646
Payments to acquire investments		<u>(13,052,829)</u>	<u>(36,554,574)</u>
Net cash inflow from investing activities		<u>1,867,003</u>	<u>2,511,659</u>
Net decrease in cash and cash equivalents	19	(466,473)	(554,364)
Cash and cash equivalents at 1 April		<u>632,805</u>	<u>1,187,169</u>
Cash and cash equivalents at 31 March	19	<u><u>166,332</u></u>	<u><u>632,805</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 General information and basis of preparation

The Bankers Benevolent Fund is a registered charitable company limited by guarantee (Charity Number 0313080, Company Registration Number 0019366) with the Charity Commission and Registrar of Companies in England and Wales. In the event of the Group being wound up, the liability in respect of the guarantee is limited to 25p per member of the Group. The address of the registered office is given in the Charity information on page 1 of these financial statements. The nature of the Group's operations and principal activities are the advancement of education and the relief of poverty and sickness amongst the children of special categories of employees and the relief of poverty and sickness amongst bank employees, their families, children and dependants.

The Group constitutes a public benefit entity as defined by Financial Reporting Standard (FRS) 102. The consolidated financial statements have been prepared in accordance with; Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities; the FRS 102 applicable in the UK and Republic of Ireland issued on 16 July 2014, the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

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

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Group adopted FRS 102 and the Charities SORP for its 2016 financial statements and concluded that no material transitional adjustments or restatements of comparative items were required. The transition date was 1 April 2014. No separate SOFA has been presented for the Parent Charity alone as permitted by section 408 of the Companies Act 2006.

An explanation of how transition to the revised reporting framework has affected the reported financial position and performance is given in Note 1.2.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.2 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required.

They concluded that no material transitional adjustments or restatements of comparative items were required, and that the policies applied under the Group's previous accounting framework are not materially different to FRS 102. However, in accordance with the SORP, governance costs are now included with the Statement of Financial Activities as a separate component of support costs (Note 8). This has no impact on the net performance or financial position of the Group.

Furthermore in accordance with the new SORP an adjustment has been made to previously reported net expenditure in the comparative period to reflect where gains and losses on investment are reported in the Statement of Financial Activities as follows:

Net expenditure previously stated:	£(1,977,197)
Net gains on investments:	<u>£4,380,136</u>
Net income as restated:	<u>£2,402,939</u>

1.3 Basis of consolidation

The financial statements consolidate the accounts of Bank Workers Charity and all of its subsidiary undertakings ('subsidiaries') on a line by line basis.

The Charity has taken advantage of the exemption contained within 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The income and expenditure account for the year dealt with in the accounts of the Charity was a £3,733,489 deficit (2015 - £2,402,939 surplus).

BANK WORKERS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.4 Funds

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the Group. They comprise the funds of the SE Foundation as at 31 March 2016 of which BWC is the sole corporate Trustee. Income arising on the endowment funds can be used in accordance with the objects of the fund, those being "for the relief of necessitous dependents of deceased clerks who have been in the service of Barclays Bank Limited or any successor of the said Bank" and is included as restricted income. Any capital gains or losses arising on the investments form part of the fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.5 Income

All incoming resources are included in the Consolidated Statement of Financial Activities when the Group is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Individual subscriptions and corporate donations are included within income when these are received. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Group and it is probable that they will be fulfilled.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102). Further detail is given in the Trustees' Annual Report.

For legacies, entitlement is the earlier of the Group being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the Group however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend income is recognised as the Group's right to receive payment is established.

Other income includes the conversion of endowment funds into income which arises when capital funds are released to an income fund from expendable endowments or when a Charity has authority to adopt a total return approach to its permanent endowment fund. It also includes other income such as gains on disposals of tangible fixed assets.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.6 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds includes costs incurred seeking voluntary contributions and investment management costs;
- Expenditure on charitable activities includes all costs incurred on furthering the objects of the Charity; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Group.

1.7 Support cost allocation

Support costs are those that assist the work of the Group but do not directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management. Where support costs cannot be directly attributed to particular headings they have been allocated raising funds and expenditure on charitable activities on a basis consistent with use of the resources as follows;

- Staff costs - Estimate of how staff spend time
- Premises and utilities - Pro rata to staff cost allocation
- Services and other operating expenses - Actual and estimated usage
- Professional fees - Actual cost
- Depreciation - Pro rata to staff cost allocation

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities

The analysis of these costs is included in Note 8.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

As at 31 March 2015 and 2016 the Group did not hold any fixed assets.

1.9 Investments

The Group has equity investments in listed and unlisted entities. The majority of fixed asset investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at fair value using the closing quoted market price or the share of the Net Asset Value of the fund (if unlisted). All gains and losses are taken to the Consolidated Statement of Financial Activities as they arise.

The Charity does have a material holding of complex financial instruments (e.g. forward contracts), such financial instruments are measured in accordance with the accounting policy 1.17.

Social investments include mixed motive investments and programme related investments which are those held to further charitable purposes.

1.10 Leases

Rentals under operating leases are charged to the Consolidated Statement of Financial Activities on a straight line basis over the lease term.

1.11 Debtors and creditors receivable / payable within one year

Debtors are recognised when the Group is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Creditors are recognised when the Group has a present legal or constructive obligation resulting from a past event and the settlement is expected to result in an outflow of economic benefits.

1.12 Provisions

Provisions are recognised when the Group has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

1.13 Loan grants

Where payments for property alterations are made as repayable interest free loans but the date on which repayment is due to be made, under the terms of the loan, is unknown at the balance sheet date the loan is treated as a grant in the year of payment, where made either in full or as installments. These payments are charged to the Consolidated Statement of Financial Activities in the year they are made and no debtor is carried forward.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

1.14 Employee benefits

When employees have rendered service to the Group, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Group operates a non-contributory pension arrangement providing a contribution of 10% of salary into a qualifying company workplace pension plan. Contributions are expensed to the Consolidated Statement of Financial Activities as they become payable.

1.15 Taxation

BWC is a registered Charity and is exempt from tax under the provisions of the Corporation Tax Act 2010 on its charitable activities.

1.16 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Group to be able to continue as a going concern

1.17 Financial instruments

As detailed in Note 1.9, the Group does not have a material holding of non basic financial instruments.

Non basic financial instruments comprise a small number of forward foreign exchange contracts within the financial investments portfolio. These are initially valued at zero as the start and end foreign exchange rate are the same. As the foreign exchange rate changes there is a 'mark to market' profit or loss on the contract which is taken through unrealised gains and losses in the Consolidated Statement of Financial Activities.

Due to the way the contracts are structured, the fair value at the balance sheet date is the same as the mark to market value at that date, hence the basis of valuation.

1.18 Judgements and key sources of estimation uncertainty

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

- Basis of valuation of financial investments
- Allocation of support costs

BANK WORKERS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. INCOME FROM DONATIONS AND SUBSCRIPTIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Individual subscriptions and donations	103,177	-	-	103,177	62,482
Corporate donations (Note 3)	127,000	-	-	127,000	85,250
SE Foundation donation	-	529,196	290,912	820,108	-
Legacies	2,014	-	-	2,014	52,434
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total donations and legacies	232,191	529,196	290,912	1,052,299	200,166
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

In 2015 all income from donations, subscriptions and legacies was unrestricted.

On 23 October 2015 the unrestricted funds of The SE Foundation (SEF) (Charity number 277665) were donated to the BWC. BWC also became the corporate Trustee of the remaining endowed funds held within the SEF.

Under the terms of the Deed of Donation, the unrestricted funds of The SE Foundation are restricted in the funds of the Bank Workers Charity.

The funds received were as follows:

Fixed Asset Investments (at Market Value)	£763,177
Cash at bank (at face value)	<u>£56,931</u>
Total	<u>£820,108</u>

3. CORPORATE DONATIONS

	2016 £	2015 £
Barclays Plc	60,000	-
Lloyds Banking Group Plc	60,000	60,000
Clydesdale & Yorkshire Bank	2,000	2,000
Standard Chartered Bank Plc	5,000	-
Santander	-	20,000
Metro Bank	-	3,250
	<hr/>	<hr/>
	127,000	85,250
	<hr/> <hr/>	<hr/> <hr/>

In 2015 all income from corporate donations was unrestricted.

BANK WORKERS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. INCOME FROM INVESTMENTS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Dividends and interest on equities	845,358	9,851	855,209	1,051,434
Bank interest received	575	-	575	3,679
	<u>845,933</u>	<u>9,851</u>	<u>855,784</u>	<u>1,055,113</u>

In 2015 all income from investments was unrestricted.

5. EXPENDITURE ON RAISING FUNDS

	2016 £	2015 £
Investment management costs (Note 6)	343,734	357,626
Staff costs	47,659	49,048
Direct costs	12,830	7,518
Support costs	23,096	3,704
	<u>427,319</u>	<u>417,896</u>

In 2015 all expenditure on raising funds was unrestricted.

6. INVESTMENT MANAGEMENT COSTS

	Total funds 2016 £	Total funds 2015 £
Investment manager fees	338,105	351,997
Consultancy fees	5,629	5,629
	<u>343,734</u>	<u>357,626</u>

In 2015 all investment management costs were unrestricted.

BANK WORKERS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

7. EXPENDITURE ON CHARITABLE ACTIVITIES

	Activities undertaken directly 2016 £	Support costs 2016 £	Total 2016 £	Total 2015 £
Cash grants	719,537	502,761	1,222,298	1,261,831
Service provision and casework	273,377	297,084	570,461	714,881
Operating costs for client support	1,012,711	342,790	1,355,501	837,868
	<u>2,005,625</u>	<u>1,142,635</u>	<u>3,148,260</u>	<u>2,814,580</u>

In 2015 all expenditure on charitable activities was unrestricted.

Support costs of £1,142,635 (2015: £1,013,646) are analysed in Note 8.

All cash grants are paid to individuals.

8. SUPPORT COSTS

	Fundraising expenses £	Cash grants £	Service provision and casework £	Operating costs for client support £	Total 2016 £	Total 2015 £
Other employment costs	-	12,207	7,213	8,323	27,743	27,834
Premises and utilities	1,584	19,055	11,260	12,991	44,890	47,011
Business overheads	-	15,538	9,181	10,594	35,313	41,007
ICT costs	-	6,548	3,869	4,464	14,881	16,440
Marketing costs	4,735	48,839	28,860	33,300	115,734	84,170
Professional fees	-	12,088	7,142	8,241	27,471	41,013
Governance costs	16,777	61,381	36,268	41,849	156,275	84,136
Merger and strategy costs	-	59,632	35,238	40,659	135,529	-
Staff costs	15,727	267,473	158,053	182,369	623,622	691,925
	<u>38,823</u>	<u>502,761</u>	<u>297,084</u>	<u>342,790</u>	<u>1,181,458</u>	<u>1,033,536</u>

In 2015, of the total expenditure on support costs, £1,013,646 related to support charitable costs and £19,890 related to fundraising support costs.

BANK WORKERS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

9. GOVERNANCE COSTS

	2016 £	2015 £
Auditors' remuneration - Audit of the financial statements	15,600	13,050
Auditors' remuneration - Other services	16,152	-
Internal audit	22,520	20,640
Legal and Professional Fees	57,370	38,811
Legal review of Governing Articles	20,934	-
Rent and recharges	3,320	1,528
Professional fees for Trading Company set up	4,800	-
Trustees' out of pocket expenses	2,294	2,743
Trustees' meeting and training	13,285	7,364
	<u>156,275</u>	<u>84,136</u>

10. NET INCOME/(EXPENDITURE) FOR THE YEAR

Net income/(expenditure) is stated after charging/(crediting):

This is stated after charging/(crediting):

	2016 £	2015 £
Operating lease rentals:		
- Property	60,000	60,000
Net losses/(gains) on investments	1,775,545	(4,380,136)
Auditors' remuneration - Audit of the financial statements	15,600	13,050
Auditors' remuneration - Other services	16,152	-
Internal audit	22,520	20,640
	<u>1,839,817</u>	<u>(4,282,446)</u>

11. KEY MANAGEMENT PERSONNEL REMUNERATION AND TRUSTEES' EXPENSES

The Trustees neither received nor waived any remuneration during the year (2015: £nil).

The total amount of employee benefits received by key management personnel is £272,698 (2015: £266,106). The Charity considers its key management personnel comprise:

- Trustees
- Chief Executive
- Director of Client Services
- Director of Marketing

Seven Trustees (2015: Five) were reimbursed for their travelling and other out of pocket expenses (where they were not claimable from another source) totalling £2,294 (2015: £2,743).

BANK WORKERS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

12. STAFF COSTS AND EMPLOYEE BENEFITS

The total staff costs and employee benefits was as follows:

	2016	2015
	£	£
Wages and salaries	904,468	827,808
Social security costs	97,932	91,316
Defined contribution pension costs	75,231	73,451
	<u>1,077,631</u>	<u>992,575</u>

The average number of persons employed by the Group during the year was as follows:

	2016	2015
	No.	No.
Average weekly number of employees	<u>20</u>	<u>16</u>

The number of employees who received total employee benefits (excluding employer pension costs) of more than £60,000 is as follows:

	2016	2015
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £120,001 - £130,000	1	1

BANK WORKERS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. FIXED ASSET INVESTMENTS

Group	Listed investments £	Social investments £	Total £
Valuation			
At 1 April 2015	50,010,915	50,000	50,060,915
Additions at cost	12,962,288	90,541	13,052,829
Disposals at carrying value	(12,976,792)	-	(12,976,792)
Unrealised losses	(1,323,344)	-	(1,323,344)
Investment management costs	(344,872)	-	(344,872)
Cash transferred	(1,204,436)	-	(1,204,436)
	<hr/>	<hr/>	<hr/>
At 31 March 2016	47,123,759	140,541	47,264,300
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Group investments at valuation comprise:

	2016 £	2015 £
Listed investments	47,123,759	50,010,915
Other fixed asset investments	140,541	50,000
	<hr/>	<hr/>
	47,264,300	50,060,915
	<hr/> <hr/>	<hr/> <hr/>

Included within listed investments above are unlisted investments of £2,806,141 (2015: £3,022,960).

Valuation

The fair value of the listed investments is determined by reference to the closing quoted market price at the balance sheet date. Unlisted investments are shares held in illiquid unit trusts, the fair value of these investments is determined by reference to the Group's share of the Net Asset Values (NAV) of the fund.

The Consolidated Statement of Financial Activities includes total losses on investments of £1,775,545 (2015: gains £4,380,136) comprising of unrealised losses of £1,323,344 (2015: gains £3,917,418) and realised losses of £452,201 (2015: gains £462,718).

Material restrictions

It is the policy of BWC to consider social investments that fit with the objectives of the Group as well as delivering an acceptable level of financial and social return. Details are set out in the Trustees' Annual Report.

BANK WORKERS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. FIXED ASSET INVESTMENTS (continued)

Charity	Listed investments £	Social investments £	Total £
Valuation			
At 1 April 2015	50,010,915	50,000	50,060,915
Additions at cost	12,671,376	90,541	12,761,917
Disposals at carrying value	(12,976,792)	-	(12,976,792)
Unrealised losses	(1,322,880)	-	(1,322,880)
Investment management costs	(344,872)	-	(344,872)
Cash transferred	(1,204,436)	-	(1,204,436)
	<hr/>	<hr/>	<hr/>
At 31 March 2016	46,833,311	140,541	46,973,852
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Charity investments at valuation comprise:

	2016 £	2015 £
Listed investments	46,833,311	50,010,915
Other fixed asset investments	140,541	50,000
	<hr/>	<hr/>
	46,973,852	50,060,915
	<hr/> <hr/>	<hr/> <hr/>

Included within listed investments above are unlisted investments of £2,801,141 (2015: £3,022,960).

The Charity is also the sole corporate Trustee of the SE Foundation (Charity number 277665), as explained in Note 2.

BANK WORKERS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

14. DEBTORS

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Other debtors	4,287	12,046	4,287	12,046
Prepayments and accrued income	3,091	44,556	3,091	44,556
	7,378	56,602	7,378	56,602

**15. CREDITORS:
Amounts falling due within one year**

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	135,026	100,486	135,026	100,486
Other taxation and social security	38,528	33,336	38,528	33,336
Pension contributions payable	10,486	4,981	10,486	4,981
Grants payable	218,363	230,254	218,363	230,254
Other creditors	224,017	194,280	224,017	194,280
Accruals	151,717	84,071	151,717	84,071
	778,137	647,408	778,137	647,408

BANK WORKERS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

16. FUND RECONCILIATION

	Balance at 1 April 2015 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 March 2016 £
Unrestricted funds					
Designated funds	<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>
General funds	<u>49,102,914</u>	<u>1,078,124</u>	<u>(3,466,033)</u>	<u>(1,772,967)</u>	<u>44,942,038</u>
Total Unrestricted funds	<u>50,102,914</u>	<u>1,078,124</u>	<u>(3,466,033)</u>	<u>(1,772,967)</u>	<u>45,942,038</u>
Endowment funds					
Endowment funds	<u>-</u>	<u>290,912</u>	<u>-</u>	<u>(464)</u>	<u>290,448</u>
Restricted funds					
Restricted funds	<u>-</u>	<u>539,047</u>	<u>(109,546)</u>	<u>(2,114)</u>	<u>427,387</u>
Total of funds	<u>50,102,914</u>	<u>1,908,083</u>	<u>(3,575,579)</u>	<u>(1,775,545)</u>	<u>46,659,873</u>

Designated funds are earmarked for Social Investment purposes. A sum of £140,541 has already been invested while a further £541,000 has been committed to viable social investment propositions as summarised in the Trustees' Annual Report. The remainder is available for further social investment opportunities meeting out social investment criteria. Currently there is an active investment opportunity under consideration.

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Endowment funds are held by The SE Foundation, of which Bank Workers Charity is the sole corporate Trustee. The funds are permanently endowed and the income generated is restricted to former and current employees of Barclays Bank.

Restricted funds arose from the donation to Bank Workers Charity of the SE Foundation's unrestricted funds in October 2015 (see Note 2). The use of these funds is restricted to former and current employees of Barclays Bank.

BANK WORKERS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

17. GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Endowment funds 2016 £	Total funds 2016 £	Total funds 2015 £
Fixed asset investments	46,546,465	427,387	290,448	47,264,300	50,060,915
Current assets	173,710	-	-	173,710	689,407
Creditors due within one year	(778,137)	-	-	(778,137)	(647,408)
	<u>45,942,038</u>	<u>427,387</u>	<u>290,448</u>	<u>46,659,873</u>	<u>50,102,914</u>

18. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net (expenditure)/income for the year	(3,443,041)	2,402,939
Adjustment for:		
Losses / (gains) on investments	1,775,545	(4,380,136)
Dividends, interest and rents from investments	(845,933)	(1,055,113)
Decrease in debtors	49,224	79,358
Increase/(decrease) in creditors	130,729	(113,071)
Net cash used in operating activities	<u>(2,333,476)</u>	<u>(3,066,023)</u>

19. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank	166,332	632,805
	<u>166,332</u>	<u>632,805</u>

20. PENSIONS AND OTHER POST-RETIREMENT BENEFITS

The Group contributes into a stakeholder scheme or a qualifying workplace pension plan. The amount recognised as an expense in the year was £75,231 (2015: £73,451). Contributions totaling £10,486 (2015: £4,981) were payable to the fund at the balance sheet date and are included within Creditors: Amounts falling due within one year.

21. LOAN GRANTS

At 31 March 2016 loan grants totalling £292,275 (2015: 292,275) have been made which are repayable only on the death of the beneficiary, or beneficiaries (who are husband and wife) or if they move from the property concerned. No repayments were received in the year.

BANK WORKERS CHARITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

22. LEASES

At 31 March 2016 the total of the Group's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Group and Charity		
Amounts payable:		
Within 1 year	<u>35,497</u>	<u>35,497</u>

23. FINANCIAL INSTRUMENTS

At the balance sheet date the Group held the following;

Financial assets

Measured at fair value through net income/expenditure:

	2016 £	2015 £
Fixed asset investments	<u>47,264,300</u>	<u>50,060,915</u>

Debt instruments measured at amortised cost:

	2016 £	2015 £
Other debtors	4,287	12,046
Accrued income	3,091	44,556
	<u>7,378</u>	<u>56,602</u>

Cash at bank and in hand of £166,332 (2015: £632,805) is held at face value.

Financial liabilities

Measured at amortised cost:

	2016 £	2015 £
Trade creditors	135,026	100,486
Other creditors	234,503	199,261
Accruals	151,717	84,071
Grants payable	218,363	230,254
	<u>739,609</u>	<u>614,072</u>

BANK WORKERS CHARITY

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

24. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year (2015: £NIL).

25. PRINCIPAL SUBSIDIARIES

As detailed in Note 2, the unrestricted funds of The SE Foundation (Charity number 277665) were donated to Bank Workers Charity on 23 October 2015, and Bank Workers Charity also became the sole corporate Trustee of the remaining permanent endowment fund in The SE Foundation.

BWC Enterprises Limited is a wholly owned trading subsidiary of the Bank Workers Charity and was registered on 15 August 2015 in England & Wales under company number 09734550 with £100 ordinary shares of £1 each. It is currently dormant and is exempt from preparing individual accounts by virtue of s394A of the Companies Act 2006.