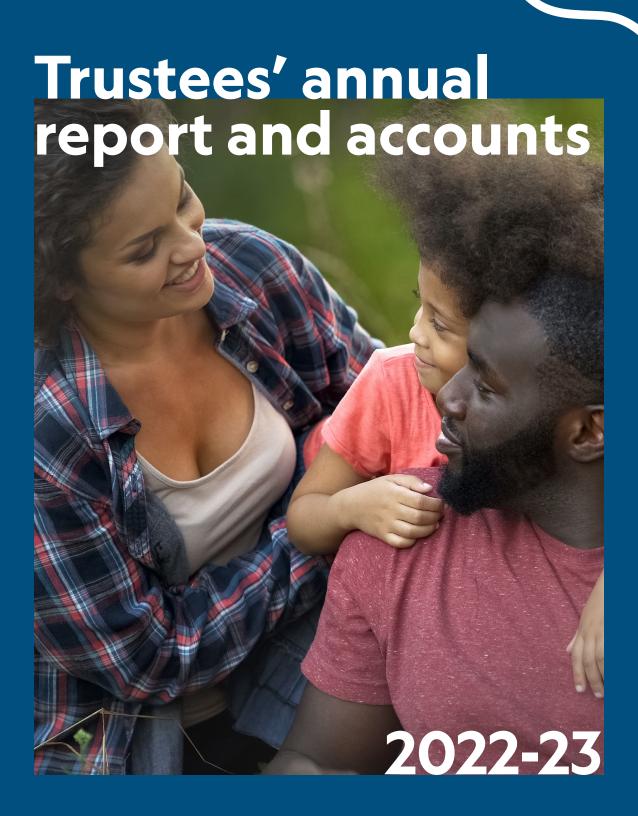
Bank Workers Charity



Supporting the banking community past and present

# Statement from the Chair

It's with pleasure I present the Bank Workers Charity's 2022-23 trustee report. As expected, 2022-23 proved to be yet another challenging year for our community and our charity.

Against that background, we supported 4,763 clients (2021-22: 3,754) and provided nearly £1.5 million in cash grants (2021-22: £0.9m). That's an increase of 27% in the number of clients we supported last year and an increase of 72% in the value of grants we awarded.

The health and wellbeing of our current and former bank workers and their dependants are at the heart of our organisation, and we're proud we've been there to support so many people in times of need.

Cash grants are just one of our areas of support, and many clients benefit from our ability to provide valued, personalised, practical support, such as counselling or assessments, alongside grants. We enhanced our mental health support offering, signing a partnership with PAM Wellbeing, offering an app and a 24-hour support line, in addition to a range of therapies. PAM Wellbeing are just one of our partners, and over the year, we made 1,724 referrals to partners including Relate and StepChange Debt Charity.

Working in partnership with the banks is key to us reaching their staff and former colleagues, and this year we reached over 20,000 delegates via 280 sessions held online or in person. We also launched two new staff support funds with TSB and Santander, while HSBC pledged to renew their commitment to the HSBC Support Fund with a further donation (which was received in 2023-24). We're grateful to these organisations, and those who've supported us in the past, for their valued contributions to our work.

Last year was also the first year of our revised 2022-25 strategy. Supporting the banking community is the essence of our existence, and our strategy sets out to ensure our services and approach meet their needs. You can read more about our 2022-25 strategy later in this report.

Finally, I'd like to thank my fellow Trustees, our Chief Executive Officer (CEO), staff and service partners for their unwavering efforts, commitment and dedication. Whilst last year was a challenging year for us and our community, we're under no illusion the coming year will be any less demanding and we're passionate about continuing to meet the needs of our community.

#### **Tony Ramos**

Chair

# **Contents**

Our year in numbers	4
About the Bank Workers Charity	5
The needs of the banking community we exist to support	6
Public benefit	8
Top three presenting issues	10
Our strategy for 2022-2025	11
Our impact	13
Client impact and satisfaction	17
Looking ahead: Priorities for 2023-24	18
Social investments	20
Financial summary	22
Policies	25
Reserves and funds	28
Structure, management and governance	30
Reference and administrative details	35
Independent auditor's report	37
Consolidated statement of financial activities	43
Consolidated balance sheet	44
Charity balance sheet	45
Consolidated statement of cash flows	46
Notes to the financial statements	47

# Our year in numbers

In 2022-23 we achieved...

**27 %** 

growth in clients supported 4,763; **up 27%** from 2021-22

**3,564** 

new clients; **an increase** from 2,769 in 2021-22

£1.48m

paid out to 1,481 clients, **compared to** £860,192 to 1,082 clients in 2021-22

92 1

of clients felt **less stressed** after they received support from us, an increase from 89% as 2021-22

£454k

of **extra financial support**. Secured through helping clients access benefits claims and external grants

280+

awareness and support presentations to nearly **20,000 delegates** 

# **About the Bank Workers Charity**

### We exist to support the health and wellbeing of the banking community.

The Bank Workers Charity is the working name of the Bankers Benevolent Fund, a company limited by guarantee in England & Wales (No. 00019366) and a Charity registered in England & Wales (No. 313080).

#### **Our objectives**

- 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.

#### The people we support

- Current bank employees.
- Former bank workers.
- Retired bank workers.
- Dependants (partners and dependant children).

### Case study

# Supporting Peter to regain his independence

Jane's\* husband, Peter\*, had always been fit, healthy and independent. But when he suffered a stroke which left him with long-term disabilities, both of their lives changed dramatically. Jane stepped up to look after Peter, but it soon became apparent that his needs went far beyond the assistance she alone could provide.

When Jane got in touch, we talked through her situation, and together we realised that Peter needed to regain some independence. We referred them to our partner, the OT Practice, who following an assessment, recommended a wet room to be built. We contributed to funding the room and Peter is now able to look after himself, giving him back his privacy and independence.

We continued to support Jane as she adjusted to her new role as a carer by arranging and paying for a series of counselling sessions and by linking her up with local support groups. Jane realised that after everything they'd been through, she and Peter needed some time together, so we funded a respite break so they could take time away from caring to enjoy being a couple again.



Disability support; Grant, Family support, Partner referral; Signposting

<sup>\*</sup> Name has been changed to protect the client's identity

# The needs of the banking community we exist to support

The needs of the community we serve reflect those of society across the UK generally.



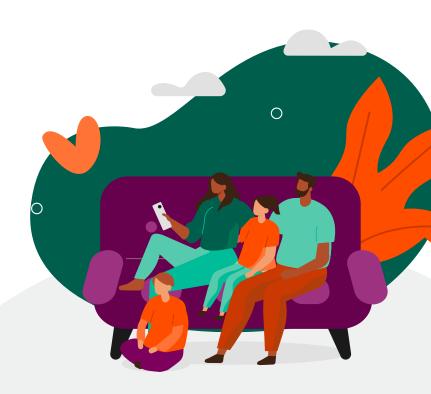
#### The wider challenges our community faces are changing

- An ageing population with increasing frailty and multiple health conditions, leading to greater complexity in their care.
- Longer lives meaning a rise in caring responsibilities amongst spouses, partners and family members. Currently, 3 in 5 people will be carers at some point in their lives.
- Challenges in our social wellbeing including loneliness, particularly amongst the 16-24 age group, who now experience the highest levels of loneliness of any age demographic.
- Covid-19 had a huge impact on mental health, with Centre for Mental Health anticipating 500,000 additional people experiencing mental health problems by the pandemic's end. Children and young people were the most affected with 1 in 6 believed to be experiencing mental health problems in 2021. The problem is exacerbated by the crisis in the availability of children's mental health provision.
- The expected surge in mental health problems during and after the Covid pandemic has left an already overstretched NHS unable to cope with the demand. The mental health of children and young people in particular, has been profoundly affected, and significant increases are evident in everything from anxiety and depression to eating disorders and self-harm. The NHS has been unable to help a quarter of a million children, with waiting lists in some NHS trusts of up to 3 years. Many trusts have increased the threshold of how ill under 18's must be before they can be accepted for treatment.
- The cost-of-living crisis continues to be the single biggest factor affecting wellbeing in the UK, with knock on effects for mental health, physical health and social wellbeing. All economic indicators point to it being a long time before households get some respite, for whilst energy prices are likely to stabilise in the short-term because of a range of factors, from geo-political instability to climate change, the price of food and other life essentials seems set to continue at historically high levels.



- The acute shortage of affordable housing is affecting the financial wellbeing and mental health of many UK adults. High private sector rents leave many households with no option but to pay more in rent than they would for a mortgage, with 40% of tenants in some areas needing help to pay their housing costs.
- The cost-of-living crisis is placing a major strain on personal relationships, with the charity Relate seeing many more people when their relationships are already at crisis point.

The hybrid working model persists in the banking sector. Hybrid working remains the dominant operating model in the banking sector and all the signs are that this will continue for the immediate future. But there are big differences in approach, with Virgin Money taking the most flexible position, allowing staff who are not dependent on a specific location, to work from anywhere. Even within individual banks there are big differences around the frequency employees are expected to be in the office, mostly determined by the types of roles involved. Tuesday to Thursday sees the largest number of employees in the office, and our webinar delivery is overwhelmingly scheduled within those days.



# **Public benefit**

Charities have a duty under Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. As Trustees, we aim and work to fulfil our objects in line with the requirements for demonstrating public benefit and that the beneficiaries we aim to assist are clear, identifiable, and related to these objects.

We make every effort to ensure that all potential beneficiaries in need of support have access to our services. We maintain links with other charities, the banks' wellbeing networks and bank pensioner associations to provide points of contact to those who need our help.

#### Our charitable activities

We support the health and wellbeing of our community through the provision of cash grants to individual clients and a broad range of services delivered by our own teams and our partner organisations.

#### **Services and Grants Policy**

We aim to direct our financial assistance, products and services towards those people who have the greatest unmet need, and where their circumstances make it difficult for them to help themselves. We listen carefully to those who make contact with us to assess how, and if, we can provide them with support. We assess eligibility for grants by applying criteria that we review annually, to ensure robust stewardship of the Bank Workers Charity's resources. We regularly review our data, survey our clients and listen to our frontline staff, our Client Advisers and Visiting Caseworkers to identify trends in demand. This helps us to assess the ongoing impact of the services we provide through our service partners, to make surebthey're still relevant and to identify the need for new services.

Our policy aims to provide support for people in need based on early intervention, rather than picking up the pieces at crisis point. We recognise that people in need don't always seek help at an early stage due to lack of awareness, pride, chaotic lifestyles, and a variety of other reasons. We want to improve our clients' ability to become self-sufficient and not dependent on long-term grant support.

We've developed services for delivery through our website and helpline. In addition, our Client Advisers have the ability to make grants in appropriate cases and refer clients to service delivery partners. 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. All grants are considered objectively on their individual merits. When we do make a grant, it's made on an entirely discretionary basis and all regular grants are reviewed annually. We're seeking to ensure that as much alternative support is provided so that we can redirect funding to new cases as they arise.

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. We also take into consideration any savings (excluding the family home) broadly in line with the levels at which support is available from the Department of Work and Pensions. We're 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.



# **Presenting issues**

In the year 2022-23, the most prevalent reasons people contacted us related to issues concerning financial hardship, mental health and social wellbeing support - a similar picture to that in 2021-22.



# Social wellbeing

Cases presenting with social wellbeing challenges in 2022-23

13%

A decrease from 17% in 2021-22



# Financial hardship

Cases presenting with financial hardship in 2021-22

60%

An <u>increase</u> from 50% in 2021-22



# Mental health

Cases presenting with mental health challenges in 2022-23

24 %

A decrease from 35% in 2021-22

\*A client may present with more than one issue, for example, they may have a financial and mental health problem at the same time. This list is not exhaustive.

# Our strategy for 2022-25

Our organisational strategy has five goals which guide all our work. Each goal contains specific and measurable objectives, highlighting our ambitious plans for change.



### Building the wellbeing of the banking community

We'll continue to provide a range of high-quality services to meet the changing needs of the banking community. We'll do this by combining the expert support of our team, with financial support, digital tools and carefully chosen partners.

We'll work alongside the community to co-produce our services, and will develop a culture of continuous improvement, optimisation and innovation to ensure we stay relevant and create the best value possible for our resources.

We'll see year-on-year growth in the number of clients we support, increasing the difference we make to the lives of the banking community. We aim to support 5,000 clients a year by 2025, almost twice as many clients as we supported in 2019-20.



### Deepening our connection with the banking community

We'll increase our direct engagement with the banking community, using segmented communications and content that responds to their needs, feels relevant to their lives and enhances their wellbeing. By 2025 we aim to be in regular communication with 40,000 people across the banking community, helping to respond to their needs and enhance their wellbeing.

We'll develop our role as thought leaders in the wellbeing space, using our expertise and knowledge to work directly with banks to improve their wellbeing practices. By the end of the strategy, we aim to reach 20,000 people each year through our programme of awareness and wellbeing workshops.



# Equality, diversity and inclusion (EDI) in everything we do

We'll ensure that equality, diversity and inclusion is a common thread that runs through all our work:

- We'll be a welcoming, inclusive workplace for all
- The diversity of our community will be represented at every level of our organisation and be able to fully participate in our work
- Our services will reach our full community and respond to the diversity of needs within it
- We'll visibly represent and celebrate the diversity of our community in our work

We'll work with our staff and our community to develop an equality, diversity and inclusion strategy, clarifying our ambition and setting out a plan to make it happen.



### Strengthening our organisation

We'll ensure that our organisational governance reflects best practice in our sector, and that we have the operating model our organisation and our clients need for the future.

We'll develop our organisational approach to Environment, Social and Governance (ESG).

We'll strive to be a leader in staff wellbeing, demonstrating our expertise through our actions, and will develop an organisational culture in which everyone is empowered to fully contribute to our success.



### **Building our financial sustainability**

We'll take an open-ended approach to our reserves because we know that our needs and opportunities will change over time, and the current needs of the banking community must be balanced against those of tomorrow.

We'll seek to maximise returns on our investments while taking a balanced approach to risk in order to achieve our charitable goals.

As part of our ESG strategy we'll create a socially responsible investment policy, ensuring that we leverage the full power of our assets to achieve our charitable aims. We'll clarify our approach to social investment, and ensure it sits alongside a socially responsible approach to our wider portfolio. We'll also diversify our income to rely less on our investments and explore new ways for the banking community to support our work.

We'll always consider value for money and look to maximise efficiency by making good use of internal and external resources.



# **Our impact**

2022-23 was an exceptional year for the Bank Workers Charity. Record numbers of people sought our help as the impact of the cost-of-living crisis began to be felt throughout the banking community.

We were able to respond positively with our highest ever level of grant giving – both in terms of the number of grants awarded (1,481) (2021-22: 1,082) and the overall grant spend (£1.5m) (2021-22: £0.9m).

Such was the emphasis on financial support that we reviewed our processes and increased our staff team to meet demand and maintain a high quality, responsive service.

Beyond grant giving, we continued to offer our full range of support, which included newly in-sourced benefits advice, and referrals to specialist service providers. Mental health and relationship support services continued to be in high demand throughout the year. During the year we retendered our mental health service contract and this enabled us to enhance our client offer with the introduction of in-the-moment support and a much improved digital offering, in addition to our existing counselling service.

All clients are surveyed, and the results provide useful insights into both the impact of our support and our service quality. All three key measures were within target.



This year also saw the Bank Workers Charity develop stronger relationships with banks, most visibly with HSBC, Santander and TSB with whom we offer dedicated staff support funds. Beyond the obvious benefit of providing greater awareness within the banks of our grant giving role, closer ties to banks have given us greater access to staff for awareness and support sessions.

### Hosted webinar programme

Building on the success of sessions delivered within banks themselves over the past eight years, in June 2022 we launched our hosted programme of wellbeing webinars.

Covering current and emerging wellbeing themes, the sessions are designed to give delegates the tools, knowledge and support they need to improve their wellbeing. In addition, the webinars help gain a clear understanding of the various types of support we offer while highlighting the importance of seeking intervention at an early stage with a Q&A session.

Promoted to existing contacts within the banks and across our social channels, last year, over 4,700 individuals registered for 20 events. Topics ranged from *The importance of financial wellbeing*, to *Building your resilience*, and *Children and young people's mental health*.

Feedback to date has been excellent with over 96% of delegates telling us they would recommend this webinar to friends and colleagues.

I found it very informative I was able to listen while attending to my husband and also managed to ask a question. I gained so much more knowledge about Dementia and help for carers I was not aware of. **Thank you.** 

Really informative, speaker went at a good pace and gave us some background, context, scenarios and examples to bring the Bank Workers Charity's support to life and there was time for Q&A, I feel very grateful to know I have the Bank Workers Charity's support even after my current banking career ends - excellent session.

### Wellbeing events and journal articles

We spoke at four sector wellbeing events in 2022-23, all focusing on the cost-of-living crisis.

One of them was a panel event organised by the Chartered Banker Institute, exploring the impact of the cost-of-living crisis on mental health and explaining what steps the banking sector was taking to support financial wellbeing. Later in the year, the President of the Chartered Banker Institute interviewed our head of wellbeing in a 20 minute podcast around the impact of the cost-of-living crisis. We also contributed to two panel events organised by City Mental Health Alliance. The first was on the growing importance of financial wellbeing and the second was about breaking through the stigma that surrounds money problems. Finally, we joined a panel event at CIPD's "Developing Line Managers" Conference on "Supporting staff through difficult times". We also wrote a well-received piece for the online journal HRZone, that focused on the needs of carers, which had as its centrepiece, a case study focusing on our collaboration with HSBC's Ability Employee Resource Group (ERG), to produce a toolkit for carers.

# Wellbeing collaboration with banks

Our collaboration with Vanquis on menopause led to the creation of a guide for their staff and the delivery of a training course for line managers on understanding menopause.

Our collaboration with HSBC's Ability ERG was concluded in August resulting in the creation of a toolkit for carers, to help them plan for the needs of their dependants when the carers were no longer there to administer to them. It was launched by the bank's CEO at an event at their Birmingham HQ. The success of this initiative has led us to initiate contact with ERG's across the sector, to promote collaboration.

Following a series of presentations, future wellbeing projects with bank ERG's are presently being discussed.

#### Wellbeing webinars

The delivery of wellbeing themed webinars remains a major priority and we delivered 157 sessions via UK banks, the most in any year to date.

Additionally, we hosted 12 wellbeing webinars ourselves, which were open to everyone within our community. In 2022-23 we presented to nearly 14,000 people. These hosted webinars have been a great success and represent a significant new channel for extending the charity's reach. The pattern that emerged last year, of banks suggesting new webinar themes, strengthened this year and we now also have a pool of bank wellbeing leads with whom we can test out the appetite for potential new webinars. The conversations we're having are also broadening the kinds of support events we're delivering. And whilst webinars remain the most requested delivery channel, podcasts, because they deliver a shorter, punchier and more accessible intervention, and live panel events are now becoming increasingly popular.

# **Case study**

# Helping Jackie and her family get their lives back on track

Jackie\* lives with her two young daughters and works part time at a bank. She separated from her partner in 2020 following an incident of domestic abuse for which he was arrested.

Subsequently she found out her partner had taken out loans in her name without her knowledge, and when her landlord increased her rent, she found herself under excessive stress.

When Jackie contacted us, we were able to help in several ways. Firstly, we provided a grant to help Jackie cover her day to day costs. Then we referred her to Law Express so she could get professional advice about what options were available to her. We also sought to ensure that Jackie was claiming the maximum amount of Universal Credit she was entitled to and advised her to contact the charity Surviving Economic Abuse for further advice and support.

Finally, Jackie's youngest daughter was struggling with anxiety and the eldest was struggling with personality changes and difficulty with her temper. We were able to refer the family to our specialist partner, Relate, for counselling sessions to help them come to terms with what they were facing.



Partner referral; Grant, Income maximisation, Family support, Signposting

# Case study

# Helping Nick manage his mental wellbeing

Nick\* has worked in the banking sector for most of his career. He suffers with high levels of stress and depression, particularly since taking on the responsibility of caring for his elderly mother, Louise\*.

With Louise's care needs becoming more complex, Nick reduced the hours he worked at the bank to look after her.

The change was detrimental to his monthly income, which dropped significantly and left him unable to afford various expenses including his gym membership. Far from being just a small luxury, going to the gym was a real support for Nick, helping him manage his mental wellbeing.

After Nick reached out to us, we provided a grant to go towards his gym membership. In the face of the stress of caring for his mother and adjusting to a loss in income, it was hoped that this would allow Nick to look after his mental health.



<sup>\*</sup> Name has been changed to protect the client's identity

# Client impact and satisfaction

We survey all our clients to determine the impact of, and their satisfaction with our services. 2022-23 continued to see a high level of satisfaction.

Of nearly 940 surveys sent, more than 180 people responded:

96%

say service was prompt

Decrease from 97% in 2021-22

**95** %

say staff were friendly

Decrease from 99% in 2021-22

90%

would recommend our services

Decrease from 91% in 2021-22

We asked over 1,039 clients how our support had helped them and nearly 14% of people responded:

Did you feel less stress as a result?

**92**%



Say they agree An increase from 89% last year

Do you feel more confident about situations than you have done in the past?

**92**%



Say they agree An increase from 88% last year

# **Looking ahead: Priorities for 2023-24**



### Building the wellbeing of the banking community

We expect that the cost-of-living crisis will continue and will continue to drive unprecedented demand for our services. We expect to see further growth in the number of clients we support and in the financial support we provide, building on the already record breaking year in 2022-23.

Our partnerships with banks through the establishment of support funds will be a valuable element of our support and we hope to continue and build on this approach in 2023-24.



# Deepening our connection with the banking community

We plan to relaunch our website in the coming year, ensuring that we've the digital platform we need to deepen our engagement with the banking community.

We'll also launch a new Bank Wellbeing Pulse offer, which will provide periodic analysis and commentary on the state of wellbeing in the UK banking sector. Our aim is to establish this product as an authoritative source of insight for the sector, reinforcing the Bank Workers Charity's reputation as an expert in the field.

We anticipate a reduction in the number of sessions in 2023-24, as the team rebalance work in favour of the development of our new Bank Wellbeing Pulse offer. However, we expect reach to rebound in 2024-25 onwards, matching the ambition set out in the strategy of reaching 20,000 a year in total through our wellbeing in the workplace and support in the workplace sessions.

Our revised marketing approach now places much greater emphasis on data capture and developing direct dialogue with our community via email newsletters, while maintaining social media channels to engage the wider community. Through this new, more focused approach, we intend to grow the number of people who we contact directly.



# Equality, diversity and inclusion (EDI) in everything we do

We're in the process of developing an EDI strategy, which will clarify our ambition in this area and set out a plan for how we integrate EDI approach across all of our work. However, we've already begun to incorporate EDI considerations within key projects and we plan to continue to make progress in this way, through adjusting existing activity or re-prioritising work to give EDI a greater focus.



### Strengthening our organisation

We've continued with hybrid working since our office reopened after the pandemic, with most staff working a mix of from home and in the office. During 2023-24 we intend to review our operating model and premises needs, to ensure we've the right model for our organisation, our community and for our team.

During 2022-23 we completed a governance review, which included a number of recommendations for how we can further strengthen our organisational governance. In 2023-24 we'll establish a working group to assess how best to add organisational value from the recommendations.



### **Building our financial sustainability**

The combination of exceptional client demand and reduced investment performance has created a financial challenge for the organisation, and we're actively exploring ways to diversify and increase our income base.

Over the long-term we plan to build on the success of our new support fund model to develop a sustained programme of unrestricted corporate donations. We hope to achieve this by continuing to demonstrate to senior bank leaders the value we're adding to banks through our wider programme of support to the industry, while highlighting the unsustainability of the current level of support we offer. We're also developing a draft individual giving strategy, which will quantify the cost and opportunity of a more active income generation strategy for the Bank Workers Charity.

We'll also be reviewing our investment approach to ensure we generate the maximum net returns, whilst also implementing our recently agreed investment policy, which extends our plans around socially responsible investing.



# Social investments

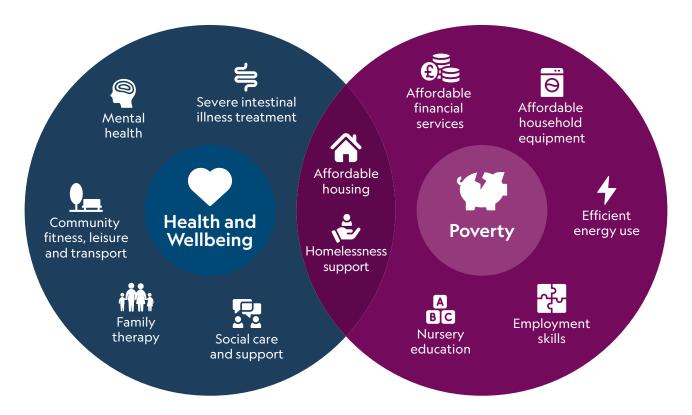
Since 2013, the Trustees have designated funds from the Bank Workers Charity's principal unrestricted investment portfolio, specifically for the purpose of social investment. This means that we can further our charitable objects by increasing our overall social impact, whilst planning to achieve an eventual financial return.

Our policy is to develop and maintain a portfolio of different types of investments, balanced between effective financial returns and social impact. Under the Charity Commission CC14 guidance to investors on social investment, these are categorised as mixed motive investments.

As part of a wider review of our investment strategy, we intend to review our approach to social investment during 2023-24.

At 31 March 2023, the amount set aside for social investments remained at £3m. Of this, £2.8m was invested or committed to specific social investment and £2.5m had been drawn down against these commitments. In the year, we wrote off £50k as Mind for You ceased trading, and applied a provision for net impairment of £16K against Big Issue Invest's Social Enterprise Investment Fund II. The social investment portfolio comprises a mix of direct loan and equity investments and investments in funds managed by other organisations. In all instances, investments are made where the purpose of such investments aligns with the Charity's objects; namely, the prevention and relief of sickness and poverty and the advancement of health among current, former and retired bank workers and their families.

Organisations in which we've made social investments help over two million people annually through the provision of affordable housing, health and social care support, community facilities and low-cost financial services. Our main areas of impact are shown below.



#### **Direct Investments**



**EnteroBiotix** develops products based on human microbiota, which are quicker and more cost-effective in treating severe intestinal diseases and infections.



**Thrive** helps people suffering from common mental health problems by developing apps that provide easy access to effective prevention, early detection and the right intervention according to their needs.



**Great Western Credit Union** (formerly Bristol Credit Union) is one of the largest credit unions in the UK and helps many people who would otherwise lack access to traditional banking services, to save and borrow at fair rates.



**Library of Things** provides household equipment items to borrow which are costly for households to purchase and are only used occasionally; e.g. sewing machines, steam cleaners and hedge trimmers.



**MindforYou** provides specialist holidays for dementia sufferers and their carers. Small groups are supported by experienced staff in dementia friendly holiday properties, increasing wellbeing for the people living with dementia and relieving stress for their carers.



**Charity Bank** is an ethical bank for impact led organisations, social enterprises and charities across all sectors.



**BelleVie** is a home care provider which offers a unique approach; tailored support packages at a fixed monthly fee from small local teams of skilled Wellbeing Support Workers, who are themselves well looked after and provide quality person centred support.

# **Managed Funds Investments**



The Bridges Evergreen fund provides long-term capital for mission-led businesses. Current investments include high quality training for the disadvantaged; care for highly vulnerable children; affordable and decent housing; and energy efficiency services for vulnerable households.



**Big Issue Invest Social Enterprise Investment Fund II** holds investments in organisations providing low-cost financial services including credit and advice; care for the elderly and those with disabilities; affordable housing; dental services for those on a low income; community transport; nursery education; and hospice care.



The British Gymnastics Facilities Investment Fund provides low-cost loans and experienced support to help grassroots gymnastics clubs upgrade and develop their facilities.



The Bridges Social Outcomes Fund II provides outcome-focused family therapy, children and homelessness services, via contracts with local authorities.



The Fair By Design fund invests in start-up companies that aim to redress the injustice of the 'poverty premium', as people with low incomes often have to pay more for goods and services than others do.

# **Financial Summary**

Investment returns in the year ended 31 March 2023 delivered a 5.5% decrease in net assets year on year from £92.4m at 1 April 2022 to £87.3m at 31 March 2023.

#### **Income**

Total income for the year at £1.8m, a decrease of £0.3m reported in the prior year, this was a result of challenging market conditions due to volatility caused by the war in Ukraine and rampant inflation.

The Bank Workers Charity relies substantially on investment returns to support its activities. Total investment dividend income decreased by £303k in 2022-23 to £1.3m.

During 2022-23, we received new funds from both Santander (£125k) and TSB (£100k) designed to support current and former employees of those banks.

We're grateful to those who donate to our cause and people who remember us in their wills. This year we saw a legacy income of £270k (2021-22: £241k), and corporate donations from banks of £30k (2021-22: £30k).

We don't actively raise funds from outside the banking community and haven't employed any external agency to fundraise on our behalf. However, we do accept donations which are mainly directed through the principal online donation platforms (e.g. Charities Aid Foundation) or through payroll giving. As in the previous year, no complaints were received in 2022-23.

## **Expenditure**

Overall, expenditure at £5.4m was 4% above the 2021-22 financial year and this reflects the increase in demand for our services driven significantly by the cost-of-living crisis.

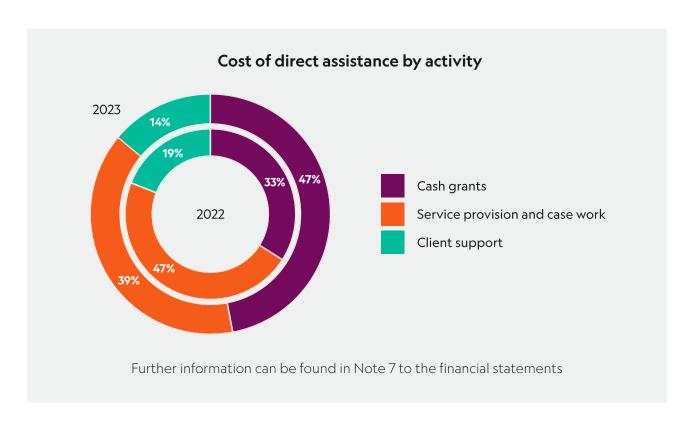
#### **Direct Activities**

The overall cost of activities undertaken directly by the Bank Workers Charity increased by £0.6m during 2022-23 to £3.1m (2021-22: £2.6m) of which £1.5m (2021-22: £0.9m) was given through cash grants.

The increase in costs reflects the increased demand due to the cost-of-living crisis in the numbers of bank workers seeking our support - up 27% on 2021-22, with 4,763 clients in 2022-23 (2021-22: 3,754).

The increase in demand from clients was principally among new clients to the charity seeking financial support and an increase in people using our digital provision including My Possible Self and the Law Express app.

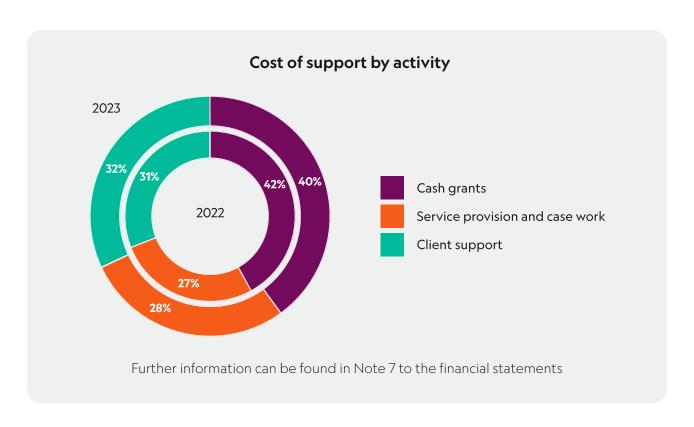
There was continuing high demand for relationship and mental health support, which the Bank Workers Charity fulfilled through service partnerships with Relate, Kooth, Vita and PAM Wellbeing.



### **Support Costs**

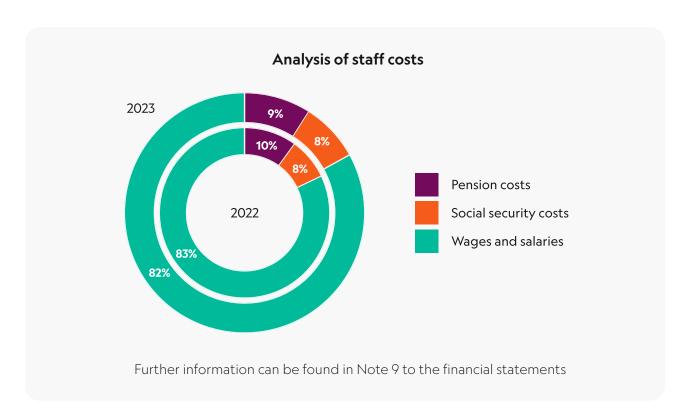
The total costs of supporting our activities decreased from £1.9m to £1.7m in 2022-23.

(2021-22 support costs included £300k of project costs, of which £261k was a one off investment in new ICT systems.)



#### **Staff Costs**

The average number of staff was 34 in 2022-23 (2021-22: 33). We've achieved and delivered our activities to increased numbers of new and returning clients and support interventions, through easy to access online services such as the "My Possible Self" mental health app and in the number of online awareness and support sessions to current bank workers.



#### **Investment Portfolio and Total Return**

The Bank Workers Charity relies substantially on investment returns to support its activities. We've maintained a total return investment strategy seeking a return from a combination of capital growth and income. This allows us to plan for longer-term service delivery activity by smoothing out the volatility associated with investment returns (see investment policy below on page 27).

During 2022-23 financial year, global stock markets were negatively impacted by geopolitical events and inflationary threats to the global economy resulting in net investment losses of £1.5m (2021-22: £5.9m gain)

During the financial year, we made a cash drawdown of £3.6m (2021-22: £4.4m) from our credit facility which allowed us to deliver our charitable objectives and support the banking community. The Bank Workers Charity have a leveraging facility in place with UBS at a fixed rate of 1.5% over the Sterling Overnight Index Average (SONIA), which has a twofold objective; firstly, to use the facility for additional liquidity and secondly, to optimise market opportunities.

At 31 March 2023, the value of our total reserves was £87.3m (2021-22: £92.4m).

# **Policies**

#### Risk management

Management of risk is a necessary and key component of the Bank Workers Charity's business and ultimately the responsibility of the Trustees and then delegated to the Management team in each business area. Understanding the risks to organisational strategy, day-to-day operations and projects, means that we can better meet our objectives and the needs of the banking community.

Trustees, the Management team and staff actively monitor all risks and determine how they can be mitigated, managed or accepted. The Management team monitors risks regularly and reports to the Audit and Risk Committee on a quarterly basis. Strategic and high-level risks are discussed in detail at the Audit and Risk Committee and appropriate mitigations evaluated in line with the risk management policy and risk appetite agreed by the Trustees. These are subsequently presented to the Board on a quarterly basis. This involves identifying the types of high-level strategic risks the Bank Workers Charity faces in the key areas of:

- Cyber security
- Financial
- Strategic direction
- Reputation
- HR, legal and statutory

We prioritise risks on the basis of potential impact and the likelihood of occurrence, including our appetite towards individual risks. We implement an active risk management strategy into the day-to-day running of the Bank Workers Charity, based on having the right policies, procedures and controls; embedding a structured risk management and compliance framework; challenge to Senior Management via the Audit and Risk Committee; and internal and external audits of our internal controls.

We use this information to identify and assess risks and implement any new controls. Strategic risks are reviewed internally on a regular basis and presented quarterly to the Audit and Risk Committee and the Board.

In some cases, it's necessary to take on additional risk to achieve our objectives. We take a 'managed risk' approach to new projects and activities and, before proceeding, create a separate risk register to help us assess their potential impact on the Bank Workers Charity.

This formal risk management process is enhanced by the annual internal audit programme, conducted by our independent internal audit partner. This audit assesses business processes, controls and operational risks implemented by the Senior Management team. Our internal audit partner also provides independent support and advice for the Audit and Risk Committee.

The Audit and Risk Committee reviews a strategic risk register grouped under the headings of Governance, Operational, Financial and Compliance with Law and Regulation in line with the Charity Commission guidance. Such a format will be replicated for operational activities and overseen by the Management Team, where risk analysis of the Bank Workers Charity's three operational teams is undertaken at a departmental level.

### **Principal risks**

As in previous years, we continued to assess our principal risks. Demand from our community continues to grow, driven by the ongoing cost-of-living crisis which is severely affecting so many people in the UK. This exceptional growth in demand creates an increased risk of us being unable to sustain our high standards for service quality, which was mitigated by increasing the number of front-line client support staff and streamlining our processes. We also significantly increased our grants budget to allow us to respond to the acute financial need our community was experiencing. The financial support we received from banks establishing staff support funds was a crucial enabler of this.

We note that our current levels of expenditure and service reach are not sustainable indefinitely, so we're actively monitoring the situation and exploring additional sources of income for the organisation, and if an easing in the cost-of-living crisis might enable us to reduce the scale of our financial support.

In addition, cybersecurity was and remains a significant risk to all businesses and the charity sector in particular. As trustees we endeavour to ensure the integrity of our systems and internal controls are robust and able to withstand continual threats from cyber-attacks. In order to safely maintain and protect the data the Bank Workers Charity controls and processes, we also work with industry experts and continue to ensure compliance with Cyber Essential Plus accreditation.

Geo-political events in Europe and Asia have resulted in economic slowdown and stock market volatility. This means there's a risk to achieving our target investment return. As an organisation, we monitor market and liquidity risks continually and assess the short and long term impact on activities and plan for the future with professional support provided by our fund managers and an independent investment adviser.

This risk to investment returns also applied to the subsidiary before the transfer of its endowment funds to the parent charity.

# Staff, operations and service provision

The Bank Workers Charity staff moved to hybrid working for 2022-23, reoccupying the office. Bank and casework visits were resumed during the year with some of our support still delivered remotely.

# **Technology Transformation**

Our investment in new technology in 2021-22, and in particular the switch to Salesforce as our client database and adoption of the HubSpot marketing suite, paid dividends during 2022-23.

Client processing speed was increased by 19%, helping us to meet high demand, and our new marketing capability enabled us to manage the Bank Workers Charity Week of hosted webinars and develop a more robust client engagement programme.

#### **Investment policy**

As Trustees, we reserve the right to exclude from the portfolio any investments in companies whose representation might damage, directly or indirectly, the purposes or reputation of the Charity and the group. Each of our fund managers adopt different ESG approaches, and no specific ethical restrictions apply.

The Board delivered on its commitment to better understand ethical and ESG investing to ensure that the Bank Workers Charity investment policy aligns with the Charity's values by approving a revised investment policy in November. The policy strengthened the Bank Workers Charity's intention to reduce and in time eliminate their direct exposure to tobacco, alcohol, gambling, payday lenders, pornography and weapons. We'll be working with our investment managers to align their investment approach to this new policy during 2023-24.

We formally review our investment policy and principles, and investment fund managers every three to five years, by assessing market benchmarks and investment manager performance criteria against the Bank Workers Charity's strategic plan.

The Finance and Investment Committee (FIC), supported by an independent investment adviser, monitors the performance of the investment managers against agreed performance benchmarks at its quarterly meetings. The papers and decisions of the FIC are also made available to all Trustees.

The investment policy is set to maintain the group's long-term capital and returns, allowing for the effects of inflation and, without taking excessive risk, to achieve real gains in capital growth and sustainable income.

The FIC periodically explores the options available for further diversification of assets and reviews the strategic asset allocation of the group's investments. This enables the Charity to achieve the objective of delivering the required levels of income and capital growth from investments without making significant changes to the asset allocation. Our investment strategy is CPI plus 4% investment return target over a rolling five-year cycle on funds under management with UBS and Cazenove Capital. This was primarily to preserve the capital value of our investments from a rising inflation with minor adjustments applied to the strategic asset allocations and risk profile. We transferred our Ruffer managed segregated portfolio into a unitised Charities Asset Trust fund in April 2022.

The investment managers actively manage our investment portfolios and work to optimise the returns to achieve the total return targets, including the long-term preservation of capital values. These targets are set, and performance measured at least once a year and are used to drive our annual business plan including a three year strategy and planning cycle of income and expenditure.

Investment managers may allocate the investment portfolio on a discretionary basis. However, we've put overall limits in place, mainly in respect of the two main asset classes: equities and fixed income, including money market instruments.

The maximum asset holding is not more than 5% of any individual equity or fixed income without our consent. The reference currency for all investment portfolios is Sterling.

# **Reserves and funds**

As Trustees, we regularly monitor and review the consolidated reserves to ensure they are sufficient to enable the Bank Workers Charity and its subsidiaries (the SE Foundation, the BWC Charity and BWC Enterprises Limited, collectively referred to as the "group") to operate effectively in the short and medium term. The Finance and Investment Committee reviews the reserves policy and recommends it for Trustee Board approval.

Global stock markets were impacted by the war in Ukraine and inflationary pressure on both sides of the Atlantic during 2022-23. We've recognised the need to review our financial position and the need to protect the value of our reserves from rising inflation and have switched from a 10-year average 6.25% total return strategy to a CPI+4% model return strategy over a rolling five-year cycle.

The reserves policy and a description of the types of reserves we hold is explained below.

#### **Unrestricted funds**

The group's free reserves i.e., unrestricted funds of £36.2m (2021-22: £40.6m), largely comprise of investments, including £2.2m of social investments. These investments generate a significant income, which sustains the Charity, either wholly or in part, and may be used to help deal effectively with sudden short-term increases in planned expenditure. As Trustees, we consider our unrestricted reserves as being sufficient to maintain short and medium-term expenditure. We periodically review our asset allocation, investment strategy and fund manager performance to ensure alignment with our risk appetite and aim to achieve our return target net of fees which supports the ability to fulfil our commitments.

# **Permanently Endowed Funds**

Following the Charity Commission's approval to transfer the Bank Workers Charity's endowment funds to its income funds The BWC Charity, of which the Bank Workers Charity is the sole Corporate Trustee, granted £2.8m to the Bank Workers Charity during the financial year Therefore the group no longer has any permanently endowed funds.

#### **Restricted funds**

We hold restricted funds of £51.1m (2021-22: £48.6m), which can only be spent in accordance with the specific wishes of donors. The cost of raising and administering these restricted funds is charged against the specific funds.

The restricted funds largely comprise of the donation received in June 2017 from the RBS People Charity. At 31 March 2023, this amounted to £49.9m (2021-22: £47.6m). It is held by the Bank Workers Charity as a restricted fund for the relief of financial need, hardship or distress of people within the beneficial class, that's restricted to employees and former employees, and their dependants of the NatWest Group (formerly Royal Bank of Scotland Group of companies).

In addition, the restricted reserves include two smaller funds comprising the SE Foundation (SEF) and the Barclays Overseas Benevolent Fund (BOBF). At 31 March 2023, SEF amounted to £723k (2022-22: £448k) and BOBF was £310k (2021-22: £410k).

The SEF funds are held as a restricted fund for the objects of SEF, which are reserved for the relief of persons in conditions of need, hardship or distress, who are Barclays employees, retired employees and their dependants.

The BOBF funds are held as a restricted fund for the benefit of current and former employees of Barclays and their families, who were either employed outside of the UK or are now residents outside the UK.

The BOBF Trust Deed states that payments to beneficiaries should be for the relief of poverty. At 31 March 2023, there were eight beneficiaries (2021-22: eight) receiving quarterly payments from this fund and this will continue for the remainder of their lives. The annual cost of these payments was £44k (2021-22: £41k)

These arrangements are in place to maintain the group's subsidiaries i.e. SEF and the BWC Charity, for the purposes of receiving any future legacies.

The HSBC Support Fund was established in May 2021 under a deed of donation where HSBC transferred £250k to the Bank Workers Charity to support current and former employees of HSBC and their immediate dependants and applied exclusively for their benefit. The Beneficial Class constitute those persons employed by HSBC or any related entity, persons who were at any time in HSBC Bank Employment; and the dependants, spouses, widows/widowers and cohabitees of current and former HSBC persons. During 2022-23 additional staff support funds were created and provided by TSB £100k and Santander £125k.

We continue to maintain these levels of reserves by periodically reviewing the performance of the funds and investment managers, strategic asset allocation and diversification of portfolios to protect our capital from market downturns and inflation so that we continue to maintain our commitment to provide help and support to the banking community.

Investment income is the group's main source of income and is susceptible to market fluctuations. The Trustees believe that sufficient income will be generated to fund future budgeted expenditure in the short and medium term, although they will embark on income growth activities when there is a sufficiently attractive fundraising opportunity.

Trustees also have the power 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 the existing financial commitments and service-related demand arising from our banking community, particularly the cost-of-living and energy price increases which followed the Covid-19 pandemic. The movements on reserves for the year are reported in the consolidated statement of financial activities.

# Structure, management and governance

### **Governing document**

Both the group and the Charity operate under the name Bank Workers Charity. The Bank Workers Charity is the working name of the Bankers Benevolent Fund, a charitable company limited by guarantee (company registration no. 0019366). The Bank Workers Charity is a registered charity, governed by articles of association – copies of which may be obtained from the Company Secretary. It's exempt from tax on its charitable activities under the provisions of the Corporation Tax Act 2010.

The Bank Workers Charity is the Corporate Trustee of the SE Foundation (SEF) (registered charity no. 277665) and is Sole Corporate Trustee of the BWC Charity (CIO registered charity no. 1154235).

#### **Governance structure**

The Bank Workers Charity is governed by a Board of Trustees (shown on page 31), who are the directors of the company for company law purposes and Trustees for charity purposes.

We aim to have representation from each of the major British banks. As Trustees, they act in an independent capacity from their banks but are an interface to facilitate support and maintain operational contacts. At the time of reporting, we have nine Trustees; one Trustee is currently employed in banking, seven are former bank workers and there is one non-banker.

At present, one-fifth of the Trustees retire each year and may be re-elected subject to the Board's approval. The Board meets quarterly and, during 2022-23, the sub-committees with delegated responsibilities in specific areas were:

- Finance and Investment: to monitor the investment portfolio, evaluate potential social investment opportunities and oversee the financial sustainability of the Charity, including the review of business plans, budgets and management accounts.
- Audit and Risk: to monitor internal and external audit processes, legislative and regulatory compliance and risk management.
- People: responsibilities include the development and implementation of a robust system for the recruitment and appointment of Board members. The committee, working with the Executive, also oversaw the implementation of a new Total Reward system for staff,

The Board of Trustees are committed to supporting the Bank Workers Charity and, in particular, the Executive team, not only through their high attendance levels at the various subcommittee and Board Meetings but also on a more frequent and regular ad-hoc basis, including representation on some of the internal project Boards.

### **Trustee Board and Sub-Committee Meetings Attendance Record 2022-23**

		Subcommittee Meetings		
Trustees	Main board	Audit and Risk	Finance and Investment	People
Lillian Boyle**	4/4	-	-	5/5
Lena Breen	4/4	4/4	-	-
Rachel Claringbold	3/4	3/4	-	-
Marco Evans	4/4	-	4/4	-
Michael Field	4/4	-	4/4	-
Beverly Horler	4/4	-	4/4	5/5
Suzanne Hughes	4/4	-	-	5/5
Duncan Stewart	4/4	4/4	-	-
Tony Ramos*	3/4	-	-	1/1^

<sup>\*</sup> Chair

Sharon Midwinter was appointed on the 24 April 2023.

# **Trustee appointments**

When Trustee vacancies arise, we initiate a search process through our bank network and external advertising to identify suitable candidates in line with any skills gaps identified on the Board. The Board may also co-opt additional non-Trustee members in an advisory capacity.

New Trustees serve on the same terms as existing Trustees and can confer with more experienced Trustees if necessary. They're also provided with an induction programme, which is organised to help new Trustees understand the governance and reporting framework, and their individual and Board responsibilities. All Trustees are encouraged and supported to gain further knowledge and experience from independent and external programmes. There's also an opportunity for new Trustees to engage with current Trustees, members of the Senior Management team and other members of staff. This enables new Trustees to familiarise themselves with the front-line service delivery team, financial position, internal controls, policies and future plans.

<sup>\*\*</sup> Deputy Chair

<sup>^</sup> The chair attended a special people committee meeting that reviewed the new Total Reward scheme for staff.

#### **Charity Governance Code**

We recognise that strong governance is crucial in ensuring that we have effective strategic direction, and to maximise the impact and outcomes of our activities. The Charity Governance Code sets out recommended best practice for good governance.

We review our own governance in line with its seven principles in an effort to continuously improve what we offer the banking community. This ranges from the structure of the terms of reference of each Committee and the Board, a checklist for areas of governance that might need reviewing and the design of development sessions for Trustees.

During this year we commissioned an independent, external review of our governance practice, using the Charity Governance Code as a framework. This review produced several recommendations, and the Trustees and Executive team are in the process of considering how to add value from the recommendations.

The Charity Governance Code recommends that if Trustees have served for more than nine years, their reappointment is subject to a particularly rigorous review and explained in the Trustees' Annual Report. Three Trustees have currently served for more than nine years – Tony Ramos, Lillian Boyle and Rachel Claringbold. Their appointment was considered necessary by Trustees to ensure organisational stability during a period of transition within the Executive team and the subsequent Covid-19 crisis. Trustee recruitment and Board renewal will be considered as part of the implementation of the wider governance review.

#### Key management personnel

During 2022-23, our key management personnel comprised the Board of Trustees and the Executive team comprising Ed Holloway (Chief Executive Officer), Simon Ashmore (Director of Operations and Marketing) and Eddie Confoy (Interim Director of Finance and Support).

The Executive team manages the day-to-day operations of the Bank Workers Charity, supported by a team of 31 staff (2021-22: 30) who deal with our client delivery, management and promotion, client administration, support and finance. The team is also responsible for developing a business plan, and the annual budget and forecasts which are approved annually and adopted by the Board.

The Board sets the Chief Executive Officer's pay, and the People Committee sets the pay for other members of the Executive team, using a benchmarking exercise and considering individual performance. Trustees are not paid and give their time freely. In 2022-23, we completed a review of our pay and benefits ('Total Reward') and Trustees approved a new pay structure for staff outside of the Executive team, considering market rates for pay in similar organisations, our organisational values and organisational affordability. Our new approach aims to enable us to recruit and retain a motivated and high-performing team, whilst considering the best use of the charity's resources. Alongside a simplified pay structure which aims to align our pay to the median in the sector, we implemented an improved benefits package for all staff with a particular focus on promoting wellbeing. These changes will be implemented during the 2023-24 financial year.

### **Related parties**

Following the Charity Commission's approval to transfer the Bank Workers Charity's endowment funds to its income funds The BWC Charity, of which the Bank Workers Charity is the sole Corporate Trustee, granted £2.8m to the Bank Workers Charity during the financial year. There were no other related party transactions other than Trustees' expenses and key management personnel remuneration (note 9). The Bank Workers Charity operates independently of the banks.

### **Liability of members**

The Bank Workers Charity is a company limited by guarantee and does not have share capital. In the event of being wound up, the liability of each member is limited to 25 pence.

#### **Volunteers**

Other than Trustees and co-opted individuals, the Charity does not use volunteers.

### Trustees' responsibilities

The Trustees (who are also directors of the Bank Workers Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and group of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period.

Since the company qualifies as small under section 383, we're not required to produce the strategic report required of medium and large companies under the Companies Act 2006.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities as per the Statement of Recommended Practice revised 2019 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They're also responsible for safeguarding the assets of the charitable company and hence for taking

reasonable steps for the prevention and detection of fraud and other irregularities.

#### In so far as the Trustees are aware:

- There's no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

This report was approved by the Trustees on 2/8/2023 and signed on their behalf by:

cb. Lamos 20/9/23

Tony Ramos, Chair

# Reference and administrative details

#### **President**

Vacant.

#### **Vice Presidents**

Sir Patrick Gillam Sir Kit McMahon Sir Peter Middleton Sir John Bond

#### **Trustees**

Lillian Boyle
Lena Breen
Beverley Horler
Kim Carroll - retired 11 May 2022
Suzanne Hughes
Rachel Claringbold
Duncan Stewart
Marco Evans
Tony Ramos, Chair
Sharon Midwinter - appointed 24 April 2023

#### **Key Management Personnel**

Chief Executive Officer Ed Holloway
Interim Director of Finance and Support Eddie Confoy
Director of Operations and Marketing Simon Ashmore

#### **Bankers Benevolent Fund**

Company Registration No.

Directors

Company Secretary

Charity Registration No.

O019366

Trustees listed as above

Selam Shibru

O313080

#### The BWC Charity

Corporate Trustee Bank Workers Charity CIO Registered Charity No. 1154235

#### **SE Foundation**

Corporate Trustee Bank Workers Charity Registered Charity No. 277665

#### **BWC Enterprise Limited**

Company Registration No. 09734550

Directors Tony Ramos

Company Secretary Selam Shibru

#### Registered office and principal place of business (all entities)

Salisbury House Finsbury Circus London EC2M 5QQ

#### **Advisers**

#### **External auditors**

Moore Kingston Smith 6<sup>th</sup> Floor 9 Appold Street London EC2A 2AP

#### **Internal auditors**

BDO LLP (until 31 March 2023) 55 Baker Street London W1U 7EU

Sayer Vincent LLP (appointed 8 February 2023 with effect from 1 April 2023) 108-114 Golden Lane London EC1Y 0TL

#### **Solicitors**

Bates Wells LLP 10 Queen Street Place London EC4R 1BE

#### **Investment advisers**

Paul Mitchell Investment Reviews Limited 29 West Common Drive Lindfield, West Sussex RH16 2AW

#### **Investment managers**

UBS AG 5 Broadgate London EC2M 2AN

Ruffer LLP 80 Victoria Street 2 London Wall Place London SW1E 5JL

Cazenove Capital 1 London Wall Place London EC2Y 5AU

#### **Bankers**

Coutts & Co 440 Strand London WC2R OQS

# Independent Auditor's Report to the Members and Trustees of Bank Workers Charity

# **Opinion**

We've audited the financial statements of The Bankers Benevolent Fund, operating as the Bank Workers Charity (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement 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 FRS 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 group's and the parent charitable company's affairs as at 31 March 2023 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 and 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're independent of the charitable company 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've 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've performed, we've not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent charitable company'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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we don't express any form of assurance 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're required to determine whether there's a material misstatement in the financial statements themselves. If, based on the work we've performed, we conclude that there's a material misstatement of this other information, we're required to report that fact.

We've nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Trustees' annual report have been prepared in accordance with applicable legal requirements.

# Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we've not identified material misstatements in the Trustees' annual report.

We've nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit haven't been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we've not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report and from preparing a strategic report.

# **Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 33, the Trustees (who are also the directors of the charitable company 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, 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 group and parent charitable company'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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's Responsibilities for the audit of the financial statements

We've been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it's 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether
  due to fraud or error, design and perform audit procedures responsive to those risks, and
  obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
  The risk of not detecting a material misstatement resulting from fraud is higher than for
  one resulting from error, as fraud may involve collusion, forgery, intentional omissions,
  misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent

charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we're required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We're responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

#### Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We're less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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.

### **Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's Trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and Trustees those matters which 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 don't accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's Trustees, as a body, for our audit work, for this report, or for the opinion we've formed.

# Moore Kingston Smith Lil

### Shivani Kothari (Senior Statutory Auditor)

for and on behalf of Moore Kingston Smith LLP, Statutory Auditor 6<sup>th</sup> Floor 9 Appold Street London EC2A 2AP

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

0187 September 2023

# **Annual accounts**

2022-23



# Consolidated statement of financial activities (incorporating income and expenditure account)

For the year ended 31 March 2023

	Note	Unrestricted Funds 2023 £	Restricted Funds 2023 £	Endowment Funds 2023 £	Total Funds 2023 £	Total Funds 2022 £
Income from:						
Donations, legacies and subscriptions	3	165,110	420,705	-	585,815	594,390
Investments	4	585,455	671,430	-	1,256,885	1,560,149
Total Income		750,565	1,092,135	-	1,842,700	2,154,539
Expenditure on:						
Raising funds	5	298,550	234,904	22,273	555,727	658,446
Charitable activities	7	4,166,572	660,218	-	4,826,790	4,490,729
Total Expenditure		4,465,122	895,122	22,273	5,382,517	5,149,175
Net (losses)/gains on investments	12	(612,864)	(676,490)	(240,762)	(1,530,116)	5,879,148
Net (expenditure)/income		(4,327,421)	(479,477)	(263,035)	(5,069,933)	2,884,511
Transfers between funds		-	2,931,376	(2,931,376)	-	-
Net movement in funds		(4,327,421)	2,451,899	(3,194,411)	(5,069,933)	2,884,511
<b>Reconciliation of funds:</b> Total funds brought forward	15	40,566,569	48,642,916	3,194,411	92,403,896	89,519,384
Total funds carried forward	•	36,239,148	51,094,815	<u>-</u>	87,333,963	92,403,896

All income and expenditure derived from continuing activities. The consolidated Statement of Financial Activities includes all gains and losses in the year.

### **Consolidated balance sheet**

as at 31 March 2023

		2023	2023	2022	2022
		£	£	£	£
	Note				
Fixed assets					
Tangible assets	11		í. <del>≡</del> 1		5,979
Investments	12		89,945,774	:-	92,190,845
			89,945,774		92,196,824
Current assets					
Debtors	13	244,938		268,678	
Cash at bank and in hand	18	673,984		746,237	
		918,922		1,014,915	
Creditors: amounts falling due within one year	14	(3,530,733)		(807,843)	
Net current assets (liabilities)		,	(2,611,811)	-	207,072
Total assets less current liabilities			87,333,963		92,403,896
Creditors: amounts falling due after more than one year	14				*:
Total net assets		e e	87,333,963	=	92,403,896
Group funds					
Endowme <b>nt fun</b> ds	15		-		3,194,411
Restricted funds	15		51,094,815		48,642,916
Unrestricted funds	15		36,239,148		40,566,569
Total funds			87,333,963	=	92,403,896

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements. The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 218,23... and signed on their behalf by:

Tony Ramos, Chair

# **Charity balance sheet**

as at 31 March 2023

		2023	2023	2022	2022
		£	£	£	£
	Note				
Fixed assets					
Tangible assets	11		-		5,979
Investments	12		89,914,991		88,860,131
			89,914,991		88,866,110
Current assets					
Debtors	13	244,938		268,678	
Cash at bank and in hand		655,047		573,031	
		899,985		841,709	
Creditors: amounts falling due within one year	14	(3,523,444)		(800,943)	
Net current assets (liabilities)			(2,623,459)		40,766
Total assets less current liabilities			87,291,532		88,906,876
Creditors: amounts falling due after more than one year	14				
Total net assets			87,291,532	-	88,906,876
Group funds					
Restricted funds			51,052,384		48,340,307
Unrestricted funds			36,239,148		40,566,569
Total funds			87,291,532		88,906,876

The Charity's Income and Expenditure account for the year dealt with in the accounts of the Charity was £1,615,344 deficit (2022: £2,742,640 surplus).

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements. The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

Tony Ramos, Chair

# **Consolidated statement of cash flows**

# for the year ended 31 March 2023

		2023 £	2022 £
	Note	-	_
Cash flows from operating activities			
Net cash used in operating activities	17	(4,721,453)	(4,609,386)
Cash flows from investing activities			
Investment income	4	1,256,885	1,560,149
Cash movement on investments		1,965,575	<i>394,237</i>
Purchase of tangible fixed assets	11	-	(1,826)
Proceeds from sale of investments	12	43,100,404	28,372,638
Purchase of investments	12	(44,351,025)	(19,523,751)
Net cash used in investing activities	_	1,971,839	10,801,447
Cash inflows/(outflows) from new borrowings	19	2,677,361	(5,809,156)
Net cash provided by financing activities	_	2,677,361	(5,809,156)
Change in cash and cash equivalents in the year		(72,253)	382,905
Cash and cash equivalents at the beginning of the year		746,237	363,332
Cash and cash equivalents at the end of the year	18	673,984	746,237

### for the year ended 31 March 2023

### 1. General information

The Bankers Benevolent Fund ("Group") is a charitable company limited by guarantee and is registered with the Charity Commission (Charity Registration Number 313080) and Registrar of Companies (Company Registration Number 00019366) in England and Wales.

The address of the registered office is given in the Group information on page 36 of these financial statements.

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 nature of the Group's operations and principal activities 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; and the advancement of education amongst the children of bank employees.

### 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Bank Workers Charity meets the definition of a public benefit entity under FRS 102.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The Consolidated Statement of Financial Activities (SOFA) and Consolidated Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertakings. The results of the subsidiary undertakings are consolidated on a line by line basis.

The financial statements are prepared in sterling which is the functional and presentational 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.

#### 2.2 Basis of consolidation

The subsidiaries of the Charity are the SE Foundation (SEF) (Charity Registration Number: 277665), The BWC Charity (CIO Registration Number: 1154235) and BWC Enterprises Limited, a wholly owned trading subsidiary.

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

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

### 2.3 Going concern

The Group have assessed the use of going concern and have considered possible events or conditions that might cast significant doubt on the ability of the Group to continue as a going concern including the ongoing impact of the cost of living crisis and the unstable geo-political and economic environment on the Charity's services and finances.

It's been noted by the trustees that although the current high level of support being offered is unsustainable in the longer term it can be manged in the short to medium term. Additionally, although the charity relies substantially on investment returns to support its activities and these decreased in the reporting year due to increased volatility in the geo political and economic environment the Trustees are confident that the investment strategy in place will ensure a return to positive returns soon.

The Group have made this assessment for a period of at least one year from the date of the approval of these financial statements. The Trustees have concluded that there's a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing these financial statements.

#### 2.4 Income

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

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Group has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Group, can be reliably measured.

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'll be fulfilled.

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

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends and interest. Where it's not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It's 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.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Group; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

### 2.5 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it's probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Support cost allocation is discussed further in Policy 2.6.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and investment manager costs.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

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.

Both legal and constructive obligations are recognised, including multi-year commitments which are disclosed as long-term liabilities where appropriate.

### 2.6 Support cost allocation

Support costs are those that assist the work of the Group but don't directly represent charitable activities and include office costs, governance costs, administrative and payroll costs. They're incurred directly in support of expenditure on the objects of the Group and include project management. Where support costs cannot be directly attributed to particular headings they've been allocated to 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 the course of management of investment activities including an allocation of support costs, and don't include the costs of disseminating information in support of the charitable activities.

The analysis of these costs is included in Note 7.

#### 2.7 Taxation

The Charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

### 2.8 Tangible fixed assets and depreciation

Tangible fixed assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

- Leasehold improvements 3 years
- Fixtures and fittings 3 years
- Computer equipment 3 years

#### 2.9 Investments

The Group has equity investments in listed and unlisted entities. Social investments include mixed motive investments which are those held to further charitable purposes and are held at cost less impairment. Fixed asset investments are a form of basic financial instruments 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 SOFA as they arise.

The Consolidated SOFA includes the net gains and losses arising on revaluations and disposals throughout the year, as investments are revalued to fair value continuously.

The Group does not have holdings of complex financial instruments.

### 2.10 Impairments

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss terms unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

### 2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### 2.12 Cash at bank and in hand

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

### 2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated SOFA as a finance cost.

### 2.14 Financial instruments

The financial assets and financial liabilities of the Group are as follows:

Fixed asset investments - are a form of basic financial instrument as explained in accounting policy 2.9.

Debtors - trade and other debtors (including accrued income) are basic financial instruments and are debt instruments measured at amortised cost as detailed in Note 13. Prepayments are not financial instruments.

Cash at bank - is classified as a basic financial instrument and is measured at cost.

Liabilities - trade creditors, accruals and other creditors will be classified as financial instruments and are measured at amortised cost as detailed in Note 14. Taxation and social security are not included in the financial instruments disclosure. Deferred income is not deemed to be a financial liability, as in the cash settlement has already taken place and there is simply an obligation to deliver charitable services rather than cash or another financial instrument.

### 2.15 Operating leases

Rentals paid under operating leases are charged to the Consolidated SOFA on a straight line basis over the lease term.

### 2.16 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 SOFA as they become payable.

In addition, the Group offers an additional pension benefit whereby it'll match employee contributions up to a maximum of 3% to encourage employees to save into their long-term pension plan.

### 2.17 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 SOFA in the year they are made and no debtor is recognised as these represent contingent assets.

### 2.18 Fund accounting

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 haven't 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.

During the year the Charity Commission granted approval for the endowment funds to be transferred into their respective income funds. This was done as the Trustees deemed it a more effective way to deliver on the charity's objectives.

Before they were transfered mid-year the endowments were treated as below:

The Group is the sole corporate trustee of The BWC Charity. The BWC Charity endowed funds were permanent in the same way as SEF - the capital of the fund must be maintained, and income generated from it can only be spent on The BWC Charity's charitable objectives. These are the relief of financial need, hardship or distress of people within the beneficial class, restricted to employees and former employees, and their dependants of the Royal Bank of Scotland Group of companies; any former constituent banks of the Royal Bank of Scotland plc (RBS) or National Westminster Bank plc (NatWest) and any persons who were employed by a company at the time that such a company was part of the group of companies of which NatWest or RBS was a member even though that company may have since ceased to be part of that group, and their dependants.

The permanent endowment fund of The BWC Charity represented the accumulated funds of The BWC Charity Friendly Help Fund.

The restricted fund of The BWC Charity represented income generated from the endowment fund as well as funds restricted to the maintenance of care homes. As the care homes are now closed, the object of the fund is obsolete. The Group has thus decided to consolidate the restricted fund and widen its object to those of the permanent endowment fund.

Investment income, gains and losses are allocated to the appropriate fund.

### 2.19 Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had a material impact on amounts recognised in the financial statements.

- Basis of valuation of financial investments (accounting policy 2.9)
- Calculation of the impairment on fixed asset investments (accounting policy 2.10)
- Allocation of support costs (accounting policy 2.6).

for the year ended 31 March 2023

# 3. Income from donations, legacies and subscriptions

	Unrestricted	Restricted	Total
	funds	funds	funds
	2023	2023	2023
	£	£	£
Individual subscriptions and donations	38,546	-	38,546
Other donations*	-	225,000	225,000
Corporate donations	30,000	-	30,000
Legacies**	96,564	173,393	269,957
SEF donations	-	6,907	6,907
The BWC Charity donations	-	15,405	15,405
Total 2023	165,110	420,705	585,815

<sup>\*</sup>In 2023, the Group received non refundable and restricted donations from TSB (£100k) and Santander (£125k) under a deed of donation to provide staff support, which are adminstrated separately as the TSB Hardship and Santander Support Funds. Refer to Note 15 for further information.

<sup>\*\*</sup>The increases in legacies relates to an increase from four legacies in the prior year to five legacies in the current year.

	Unrestricted	Restricted	Total
	funds	funds	funds
	2022	2022	2022
	£	£	£
Individual subscriptions and donations	47,605	-	47,605
Other donations***	-	250,000	250,000
Corporate donations	30,000	-	30,000
Legacies	1,649	239,367	241,017
SEF donations	-	8,478	8,478
The BWC Charity donations	-	17,291	17,291
Total 2022	79,254	515,136	594,390

<sup>\*\*\*</sup>In 2022, the Group received a £250,000 donation from HSBC for a support fund which is held as a restricted fund, (a further £250k was received in April 2023).

As noted in Accounting Policy 2.4, subscriptions and donations are recognised on a received basis.

for the year ended 31 March 2023

# 4. Income from investments

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £
Dividends and interest on equities	559,837	671,430	1,231,267
Social investment income	21,847	-	21,847
Bank interest received	3,771	-	3,771
Total 2023	585,455	671,430	1,256,885
	Unrestricted	Restricted	Total
	funds	funds	funds
	2022	2022	2022
	£	£	£
Dividends and interest on equities	720,856	809,113	1,529,969
Social investment income	29,998	-	29,998
Bank interest received	171	11	181
Total 2022	751,025	809,124	1,560,149

# 5. Expenditure on raising funds

	2023 £	2022 £
Investment manager and consultancy costs (Note 6)	467,647	564,930
Support staff costs	47,090	44,019
Direct costs	16,268	17,608
Support costs - premises and utilities	24,722	31,889
Total	555,727	658,446

for the year ended 31 March 2023

# 6. Investment manager costs

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment Funds 2023 £	Total funds 2023 £
Investment manager fees payable Consultancy fees	204,470 6,000	234,904	22,273 -	461,647 6,000
Total 2023	210,470	234,904	22,273	467,647
	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment Funds 2022 £	Total funds 2022 £
Investment manager fees payable Consultancy fees	299,525 5,400	247,985 -	12,019 -	559,530 5,400
Total 2022	304,925	247,985	12,019	564,930

Investment manage fees are charged as a percentage of the investments portfolio.

for the year ended 31 March 2023

# 7. Analysis of expenditure on charitable activities by type

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £
Cash grants	1,476,140	673,307	2,149,447
Service provision and casework	1,220,821	475,982	1,696,803
Operating costs for client support	427,988	552,552	980,540
Total 2023	3,124,949	1,701,841	4,826,790
	Activities undertaken	Support	Total
	directly	costs	funds
	2022	2022	2022
	£	£	£
Cash grants	860,192	799,540	1,659,732
Service provision and casework	1,219,998	519,607	1,739,605
Operating costs for client support	488,833	602,560	1,091,392
Total 2022	2,569,024	1,921,707	4,490,729

In 2022, support costs include £300k of project costs of which £261k was investment in new ICT systems.

Under FRS 102 these were not considered to meet Capitalisation criteria.

# for the year ended 31 March 2023

# 7. Analysis of expenditure on charitable activities by type (continued)

			Operating	
	Cash	Service provision	costs for client	Total
	Grants	and casework	support	funds
	2023	2023	2023	2023
	£	£	£	£
Support staff costs	378,091	247,380	288,780	914,251
Depreciation	2,631	1,555	1,794	5,980
Other employment costs	39,577	23,386	26,985	89,948
Premises and utilities	64,058	79,312	91,513	234,883
Business overheads	20,713	12,192	14,067	46,972
ICT costs	42,840	15,002	17,311	75,153
Marketing costs	58,331	64,541	74,470	197,342
Professional fees	13,123	7,755	8,948	29,826
Governance costs - Note 8	53,943	24,859	28,684	107,486
Total 2023	673,307	475,982	552,552	1,701,841
			Operating	
	Cash	Service provision	costs for client	Total
	Grants	and casework	support	funds
	2022	2022	2022	2022
	£	£	£	£
Support staff costs	340,684	222,905	260,209	823,798
Depreciation	2,975	1,758	2,028	6,761
Other employment costs	48,745	28,803	33,236	110,784
Premises and utilities	59,929	74,199	85,614	219,742
Business overheads	33,502	19,719	22,752	<i>75,974</i>
ICT costs	171,937	60,211	69,475	301,623
Marketing costs	68,502	75,794	87,455	231,751
Professional fees	18,863	11,147	12,862	42,872
Governance costs - Note 8	54,403	25,071	28,929	108,403
Total 2022	799,540	519,607	602,560	1,921,707

# for the year ended 31 March 2023

# 8. Governance costs

	2023	2022
	£	£
Andiana de la companya del companya de la companya del companya de la companya de	74.250	25 520
Auditors' remuneration - Audit of the financial statements	31,258	25,520
Auditors' remuneration - Independent examination of the financial statements (The BWC Charity)	4,290	3,900
Internal audit	26,395	21,504
Legal and professional fees	41,404	57,479
Trustees' out of pocket expenses	714	-
Trustee meetings and training	3,425	-
Total	107,486	108,403

### for the year ended 31 March 2023

### 9. Staff costs

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Wages and salaries	1,563,666	1,544,545	1,563,666	1,544,545
Social security costs	162,370	142,171	162,370	142,171
Pension costs	188,457	176,182	188,457	176,182
Total	1,914,493	1,862,898	1,914,493	1,862,898

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

	Group	Group
	2023	2022
	No.	No.
Average number of employees	34	33

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group	Group
	2023	2022
	No.	No.
In the band £60,001 - £70,000	5	4
In the band £70,001 - £80,000	0	0
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0

The total amount of employee benefits, including employers national insurance and pension contributions, received by Key Management Personnel is £335,168 (2022: £325,771). In 2022, the Group's Key Management Personnel comprise:

- Trustees
- Chief Executive Officer
- Director of Finance and Support
- Director of Operations and Marketing

for the year ended 31 March 2023

# 10. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022: nil).

During the year ended 31 March 2023, £714 of expenses were reimbursed or paid directly to four Trustees (2022: nil).

Trustee expenses are reimbursed for their travelling and other out of pocket expenses (where they were not claimable from another source).

# 11. Tangible fixed assets

Group and Charity	Leasehold improvements £	Fixtures and fittings	Computer equipment £	Total £
Cost or valuation				
At 1 April 2022	113,541	77,038	12,839	203,418
(Disposals) / Additions	-	-	-	-
At 31 March 2023	113,541	77,038	12,839	203,418
Depreciation				
At 1 April 2022	113,541	74,268	9,630	197,439
Charge for the year	-	2,770	3,209	5,979
At 31 March 2023	113,541	77,038	12,839	203,418
Net book value				
At 31 March 2023				-
At 31 March 2022		2,770	3,210	5,979

for the year ended 31 March 2023

### 12. Fixed asset investments

Group	Listed and unlisted investments £	Social investments £	Total £
Cost or valuation			
At 1 April 2022	90,109,952	2,080,893	92,190,845
Additions at cost	44,146,453	204,572	44,351,025
Disposals at carrying value	(43,100,404)	-	(43,100,404)
Revaluations	(1,464,116)	-	(1,464,116)
Investment manager fees paid	(470,631)	-	(470,631)
Other cash movements	(1,494,945)		(1,494,945)
At 31 March 2023	87,726,309	2,285,465	90,011,774
Impairment			
Charge for the year	-	(66,000)	(66,000)
At 31 March 2023	87,726,309	2,219,465	89,945,774
Net book value			
At 31 March 2023	87,726,309	2,219,465	89,945,774
At 31 March 2022	90,109,952	2,080,893	92,190,845

Included within investments above are unlisted investments of £4,047,848 (2022: £5,843,949).

#### **Material restrictions**

It's our policy to consider social investments that fit with the objectives of the Group as well as delivering an acceptable level of financial and social return. Further details are set out on pages 20-21.

The Group develops and maintains a portfolio of different types of social investments, balanced between effective financial returns and social impact. Currently, these are categorised as mixed motive investments.

for the year ended 31 March 2023

### 12. Fixed asset investments (continued)

### Analysis of fair value hierarchy

		2023	2022
		£	£
Level 1	Listed Investments	72,935,904	67,579,435
Level 2	SI/Property/alternatives	17,009,870	24,611,409
Level 3		-	-
		89,945,774	92,190,845

The fair value of the listed investments is determined by reference to the closing quoted market price at the balance sheet date. Market Value of material investments over 5% of the Portfolio - Nil

Investments are held 46.5% (2022 52.8%) in UK assets and 53.6% (2022 47.2%) in overseas assets.

#### Asset Allocation as a percentage of portfolio valuation as at 31 March 2023:

Cash	2.08%
Equities	57.99%
Fixed Income / Bonds	7.22%
Alternatives / Other	12.03%
Charity Asset Trusts	15.85%
Multi-Asset Funds	0.49%
Property	4.34%

The Social investment portfolio is in the form of direct investments (loan/equity) and managed funds. In 2023, the £2.22m (2022: £2.08m) of social investments comprised of direct investments 62% and managed funds 38%.

#### Market risks

The Group's exposure to market risk is in line with its investment objective of achieving its total return target of CPI+4%. To achieve this target, the Group maintains a diversified portfolio under a discretionary fund management agreement with three fund managers who invest into different asset classes.

The Group's portfolio is, as set out in the investment policy statement, and is managed to a moderate risk level. Equity investments which make 38% of listed investments carry a significant market exposure due to stock market volatility.

#### **Currency risks**

The Group takes a long-term view to investment returns and the potential risks arising from market movements, in particular currency exposure. The Group's exposure to non-Sterling denominated investments is moderate and there's only a limited scope to currency hedging.

#### **Credit risks**

The disclosed level of credit risk and borrowing in note 14 represents the Group's maximum exposure to credit risk. Therefore, further disclosure is not required.

for the year ended 31 March 2023

# 12. Fixed asset investments (continued)

	Listed and unlisted investments	Social investments	Total
	£	£	£
Charity	-	-	-
Cost or valuation			
At 1 April 2022	86,779,238	2,080,893	88,860,131
Additions at cost	45,517,861	204,572	45,722,433
Disposals at carrying value	(41,643,701)	-	(41,643,701)
Revaluations	(1,223,354)	-	(1,223,354)
Investment manager fees paid	(447,362)	-	(447,362)
Other cash movements	(1,287,156)		(1,287,156)
At 31 March 2023	87,695,526	2,285,465	89,980,991
Impairment			
Charge for the year	-	(66,000)	(66,000)
At 31 March 2023	87,695,526	2,219,465	89,914,991
Net book value			
At 31 March 2023	87,695,526	2,219,465	89,914,991
At 31 March 2022	86,779,238	2,080,893	88,860,131

Included within investments above are unlisted investments of £4,047,848 (2022: £5,612,889).

The Charity develops and maintains a portfolio of different types of investments, balanced between effective financial returns and social impact. Currently, these are categorised as mixed motive investments.

#### for the year ended 31 March 2023

### 13. Debtors

	Group 2023	Group 2022	Charity 2023	Charity 2022
<b>5</b>	£	£	£	£
Due within one year				
Other debtors	106,198	194,840	106,198	194,840
Prepayments and accrued income	138,740	73,838	138,740	73,838
	244,938	268,678	244,938	268,678

Other debtors includes a net deposit payment for premises of £106,198 (2022: £105,879)

### 14. Creditors: Amounts falling due within one year

Group	Group	Charity	Charity
2023	2022	2023	2022
£	£	£	£
2,692,841	15,480	2,692,841	15,480
134,277	36,083	134,277	33,083
81,369	102,158	81,369	102,158
269,367	330,549	262,078	326,649
352,879	323,573	352,879	323,573
3,530,733	807,843	3,523,444	800,943
	2023 £ 2,692,841 134,277 81,369 269,367 352,879	2023       2022         £       £         2,692,841       15,480         134,277       36,083         81,369       102,158         269,367       330,549         352,879       323,573	2023       2022       2023         £       £       £         2,692,841       15,480       2,692,841         134,277       36,083       134,277         81,369       102,158       81,369         269,367       330,549       262,078         352,879       323,573       352,879

In 2023 and 2022 grants payable includes the RBS Winter Fuel Payments and commitments to the Barclays Overseas Benevolent Fund (BOBF) beneficiaries.

The Group has a credit facility of £10.0m where a deed of charge is in place on the investment funds held by UBS which secures the loan, at a cost of 1.5% fixed rate over the overnight Sterling Overnight Index Average (SONIA). During the year, a total drawdown of £3,593,940 (2022: £4,440,000) was made from the facility excluding repayments.

Bank Loans for 2022 included £15,480 from the leveraging facility fully repaid in 2022. At the end of the year the balance on the leveraging facility was £2.7m.

for the year ended 31 March 2023

# 14. Creditors: Amounts falling due after more than one year

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Grants payable		<u>-</u>		

for the year ended 31 March 2023

# 15. Statement of funds - current year

	Balance at 1-Apr 2022	Income	Expenditure	Transfers In / Out	Gains (Losses)	Balance at 31-Mar 2023
	£	£	£	£	£	£
Designated Funds						
Social investments - Paid up	2,080,893	-	-	204,572	(66,000)	2,219,465
Social investments - Available	919,107	-	-	(138,572)	-	780,535
	3,000,000	-	-	66,000	(66,000)	3,000,000
Unrestricted Funds						
General Funds	37,566,569	750,565	(4,465,122)	(66,000)	(546,864)	33,239,149
Total Unrestricted Funds	40,566,569	750,565	(4,465,122)	-	(612,864)	36,239,148
Endowment Funds						
SEF	388,437	-	(299)	(377,144)	(10,994)	
BWC FHF	2,805,974	-	(21,974)	(2,554,232)	(229,768)	-
	3,194,411	-	(22,273)	(2,931,376)	(240,762)	
Restricted funds						
BWC	47,593,651	860,228	(510,020)	2,554,232	(633,165)	49,864,926
SEF	448,373	6,907	(92,828)	377,144	(16,565)	723,031
BOBF	409,520	-	(72,590)	-	(26,761)	310,169
HSBC Support Fund	191,372	-	(180,370)	-	-	11,002
TSB Hardship Fund	-	100,000	(38,014)	-	-	61,986
Santander Support Fund	-	125,000	(1,300)	-	-	123,700
	48,642,916	1,092,135	(895,122)	2,931,376	(676,490)	51,094,815
Total Funds	92,403,896	1,842,700	(5,382,517)	-	(1,530,116)	87,333,963

for the year ended 31 March 2023

### 15. Statement of funds (continued)

In 2023:

Designated Funds - funds earmarked for Social Investment purposes

General Funds - free reserves of the Bank Workers Charity

**Endowment Funds** - where the capital must be invested and only the income generated from investments can be spent for the purposes of the endowment.

The Trustees considered and resolved that the purposes of the permanent endowments could be carried out more effectively if the capital in these funds could be spend in addition to their income. Consequently, the Charity Commission's consent was sought to release restrictions on the permanent endowments such that the capital can be expended as well as income accruing to it, rather than just such income. Consent was received from the Charity Commission, under s.282 of the Charities Act 2011, on the 13 September 2022.

**SEF** funds arose from the merger with SEF in 2015 and remains as a wholly-owned subsidiary under the umbrella of the endowment funds. Following approval by the Charity Commission on the 13 September 2022 this fund was merged with its income fund.

**BWC FHF Endowment Funds** - held under The BWC Charity, a permanent endowment fund. This represents the accumulated funds of the RBS PeopleCharity and a restricted fund held for the purposes of the maintenance of care homes. Following approval by the Charity Commission on the 13 September 2022 this fund was merged with its income fund.

**Restricted funds** - transferred to the Charity and can only be spent on a specific purposes in accordance with the wishes of the donor.

**The Bank Workers Charity** - restricted funds spent for the relief of financial need, hardship or distress of people within the beneficial class. This is restricted to employees and former employees, and their dependants of the NatWest Group.

**SEF** - restricted fund for the objects of SEF reserved for the relief of persons in conditions of need, hardship or distress, who are Barclays current and former employees and dependants.

**BOBF** - restricted fund for the benefit of current and former employees of Barclays and their families, who were either employed outside of the UK or are now resident outside the UK.

**HSBC Support Fund** - established in May 2021 £250k transferred to the Bank Workers Charity under a deed of donation to support current and former employees of HSBC and their immediate dependants.

**TSB Hardship Fund** - established in July 2022 £100k transferred to the Bank Workers Charity under a deed of donation to support current and former employees of TSB and their immediate dependants.

**Santander Support Fund** - established in March 2023 £125k transferred to the Bank Workers Charity under a deed of donation to support current and former employees of Santander and their immediate dependants.

for the year ended 31 March 2023

# 15. Statement of funds - prior year

	Balance at 1-Apr 2021 £	Income £	Expenditure £	Transfers In / Out £	Gains (Losses) £	Balance at 31-Mar 2022 £
Designated Funds						
Social investments - Paid up	1,676,812	-	(3,000)	407,081	-	2,080,893
Social investments - Available	1,323,188	-		(404,081)	-	919,107
	3,000,000	-	(3,000)	3,000	-	3,000,000
Unrestricted Funds						
General Funds	38,252,781	830,279	(4,505,916)	(3,000)	2,992,425	37,566,569
Total Unrestricted Funds	41,252,781	830,279	(4,508,916)	-	2,992,425	40,566,569
Endowment Funds						
SEF	370,015	-	(334)	-	18,761	388,442
BWC FHF	2,683,059	-	(11,685)	-	134,595	2,805,969
	3,053,074	-	(12,019)		153,356	3,194,411
Restricted funds						
BWC	44,379,701	1,062,553	(557,905)	-	2,709,302	47,593,651
SEF	422,887	8,478	(416)	-	17,424	448,373
BOBF	410,941	3,229	(11,291)	-	6,641	409,520
HSBC Support Fund	-	250,000	(58,628)	-	-	191,372
	45,213,529	1,324,260	(628,240)		2,733,367	48,642,916
Total Funds	89,519,384	2,154,539	(5,149,175)		5,879,148	92,403,896

for the year ended 31 March 2023

# 16. Analysis of net assets between funds

Tangible fixed assets	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Fixed asset investments	39,334,188	50,611,586	-	89,945,774
Current assets	220,671	698,251	-	918,922
Creditors due within one year	(3,315,711)	(215,022)	-	(3,530,733)
Creditors due in more than one year	-	-	-	-
Total	36,239,148	51,094,815	-	87,333,962
	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	5,979	-	-	5,979
Fixed asset investments	40,526,724	48,642,916	3,021,205	92,190,845
Current assets	841,709	-	173,206	1,014,915
Creditors due within one year	(807,843)	-	-	(807,843)
Creditors due in more than one year	-	-	-	-
Total	40,566,570	48,642,916	3,194,411	92,403,897

for the year ended 31 March 2023

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

	Group	Group
	2023	2022
	£	£
Net movement in funds	(5,069,933)	2,884,512
Adjustments for:		
Depreciation charges	5,979	7,302
Impairment charges	66,000	3,000
Losses/(gains) on investments	1,464,116	(5,879,148)
Investment income	(1,256,885)	(1,560,149)
Decrease in debtors	23,740	27,435
Increase/(decrease) in creditors excluding loans	45,530	(92,338)
Net cash used in operating activities	(4,721,453)	(4,609,386)

# 18. Analysis of cash and cash equivalents

	Group	Group	
	2023	2022	
	£	£	
Cash in hand	673,984	746,237	
Total cash and cash equivalents	673,984	746,237	

# 19. Analysis of Net Debt

	At 1 April	Cash	At 31 March
	2022	Flows	2023
	£	£	£
Cash at bank and in hand	746,237	(72,253)	673,984
Debt due within 1 year (note 14)	(15,480)	(2,677,361)	(2,692,841)
	730,757	(2,749,614)	(2,018,857)

#### for the year ended 31 March 2023

### **20. Pension commitments**

The Charity contributes into a qualifying workplace pension plan. The amount recognised as an expense in the year was £188,457 (2022: £176,182). There were no contributions payable at 31 March 2023.

## 21. Loan grants

A repayment of £nil (2022: £8,215) has been made in the year and at 31 March 2023 loan grants totalling £250,509 (2022: £250,509) have been made repayable only on the death of the beneficiary or beneficiaries (who are husband and wife) or if they move from the property concerned.

These were programme related expenditure and charged to the consolidated SOFA in the year they were made.

# 22. Operating lease commitments

At 31 March 2023 the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	142,512	213,768	142,512	213,768
Later than 1 year and not later than 5 years	516,606	659,118	516,606	659,118
	659,118	872,886	659,118	872,886
The following lease payments have been re	ecognised as an e	xpense in the Cor	nsolidated SOFA:	

Operating lease rentals	185,266	181,231	185,266	181,231

for the year ended 31 March 2023

## 23. Related party transactions

A grant was received of £2.8m from The BWC Charity of which the BWC is the Corporate Trustee. Other than Trustee and Key Management Personnel transactions detailed in Notes 9 and 10, there were no other related party transactions during the year (2022: nil).

### 24. Principal subsidiaries

BWC is the sole Corporate Trustee of SEF (Charity registration number 277665). Under the terms of the Deed of Donation, the unrestricted funds of SEF are restricted in the funds of BWC. SEF remains as a wholly owned subsidiary under the umbrella of the endowment funds. It did not trade during the year.

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. The company is not trading and is currently dormant.

BWC is also the sole Corporate Trustee of The BWC Charity (CIO registration number 1154235), and it still remains in existence to receive any future legacies and funds together with a number of remainder interests due, which are subject to prior life interests. It is important to note that the transfer of funds did not involve a subordination of The BWC Charity's beneficiaries into a larger beneficial class whereby its assets may be used for people outside the scope of the objects. Rather, these assets are maintained within the Group as a Restricted Fund which may be applied only for the present class of beneficiaries who may benefit under the objects of the CIO.

The Corporate Trustees of the BWC Charity considered and resolved the purposes of the permanent endowments be carried out more effectively if the capital of these funds could be spent as well as income. Consequently, the Charity Commission's consent was sought to release restrictions on the permanent endowments such that the capital can be expended as well as income accruing to it, rather than just such income. Consent was received from the Charity Commission, under s.282 of the Charities Act 2011, on the 13 September 2022 and the endowments funds were transferred into their respective income funds.

The following is an extract of the financial statements of the BWC Charity (the CIO): (see next page)

for the year ended 31 March 2023

# 24. Principal subsidiaries (continued)

	2023	2022
	£	£
Income	25,554	51,152
Expenditure	(2,860,144)	(67,396)
Gains on Investments	(229,770)	134,595
Net income	(3,064,360)	118,351
Tabelanasta	4/4/5	7.000.115
Total assets	16,145	3,080,115
Liabilities	(7,290)	(6,900)
Net assets	8,855	3,073,215
Endowment funds	-	2,743,107
Restricted funds	-	137,444
Unrestricted funds	8,855	192,664
	8,855	3,073,215