

# Section 172 Statement



This statement provides an overview of how the trustees have fulfilled their duties to promote the success of Benefact Trust Limited and had regard to the matters set out in Section 172(1) of the Companies Act 2006, which is detailed below:

1. A director of a company must act in the way he considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to—
  - a. the likely consequences of any decision in the long term,
  - b. the interests of the company's employees,
  - c. the need to foster the company's business relationships with suppliers, customers and others,
  - d. the impact of the company's operations on the community and the environment,
  - e. the desirability of the company maintaining a reputation for high standards of business conduct, and
  - f. the need to act fairly as between members of the company.

## Our Stakeholders

We have identified and regularly review our stakeholders, as documented in the Trust's Governance Framework and Board Charter and our Strategy and Three-Year Business Plan. These stakeholders are at the core of the trustees' decision making.

Key stakeholders are our members, beneficiaries and other Christian partners, the Group, our employees (seconded from EIO plc), suppliers, the wider community and environment, and the Trust and Group's Regulators. Examples of the way the trustees have engaged with some of these stakeholder groups throughout the year are set out below.

## Our Approach to the Long Term Success of the Company

We recognise that the long term success of the Trust, and our ability to continue to help people, charities, and good causes, is dependent upon having regard to the interests of our stakeholders and ensuring that good governance is at the heart of the Trust's activities.

As the Trust largely derives its income from the Group, and receives grants from the EEF, trustees' decision making takes into account any potential impact on the Trust's sustainability and its ability to continue to carry out its charitable objects for the public benefit.

The trustees finalised a review of the Trust's grant-giving in 2022, having successfully engaged with beneficiary representatives to understand their views, to inform the development of the Trust's grant-making strategy, and ensure its grants are directed effectively to support the Christian community and beneficiaries. Our new Heritage Skills for Christian Buildings programme and Brighter Lives programme were launched during the year and our new Community Impact Grants programme, together with our new Building Improvements Grants programme, which will replace our General Grants, Thematic Grants and Transformational Grants programmes, were approved by the Board and launched in early 2023.

# Section 172 Statement



## Crisis Response

### **Covid-19**

During 2022, the Trust launched its Thematic Grants programme, Brighter Lives, which provided grants totalling £2.2m to the Christian community in the UK and Ireland in response to increased mental health needs arising from the Covid-19 pandemic.

### **Cost of Living**

In October, the Trust approved £500,000 to allocate to charity partners to support marginalised and disadvantaged communities across the UK to support communities and individuals impacted by the Cost of Living Crisis.

### **Ukraine response**

In March 2022, due to the escalating crisis in Ukraine, the trustees approved an overall amount totalling £1m to be donated to the Ukraine crisis through appropriate charities running emergency appeals in response to the Ukrainian crisis. A further £0.14m was awarded in December 2022.

Further detail on the Trust's grant-giving, strategy and investments can be found in the Strategic Report.

## Benefact Trust brand

In 2022, the Trust and Benefact Group launched the new brand and shared name. The decision was approved by members at a general meeting in March 2022 following detailed consideration of extensive stakeholder feedback and insight, which informed and supported the development of the new brand.

For more detail on the Company's strategic objectives and how the Board operates please refer to the Strategic Report and Trustees Report.

## Principal Decisions

The trustees have the necessary skills and experience required to identify the impacts of their decisions on the Trust's stakeholders, and where relevant, the likely consequences of those decisions in the long term.

In line with the Miscellaneous Reporting Regulations 2018, and in accordance with the approach taken during the financial year under review, having considered the Trust's principal risks and uncertainties as detailed in the Strategic Report, the Trust made the following principal decision during the year ended 31 December 2022:

### **Community Impact Grants programme**

Commencing in 2021, the Trust finalised its grant-giving review during 2022. The grant-giving review team presented to the Trust's Grants Committee on a regular basis during 2021 and 2022, providing updates and recommendations in relation to the new grants programmes. As a consequence of this review, the Community Impact Grants programme was a key outcome and replaces the General (Small and Large) Grants programme, the Transformational Grants programme, and will incorporate 'thematic campaigns' which replace the previous separate Thematic Grants programmes, such as Growing Lives, Hope Beyond and Brighter Lives.

# Section 172 Statement



At its October Board meeting, following recommendation from the Grants Committee, the trustees reviewed and approved the Community Impact Grants programme scoping document and 2023 budget. The Board considered the programme's aims, beneficiary eligibility, award-related specifics, the communication and marketing strategy, administration, reporting and impact assessments and measures of success. The Board challenged and scrutinised the scoping document in order to satisfy themselves that it was deliverable and robust.

## Our Strategy in Action

The table below is a summary of key decisions and actions that have been taken during the year in respect of strategic and company performance and how they have had regard to the interests of, and impact on, stakeholders.

Our key stakeholders	Methods of engagement and outcomes
<p><b>Members</b></p> <p>The Trust was registered as a company limited by guarantee and, in accordance with its articles of association, can have a maximum of 50 registered members. The interests of the Trust and its members are aligned with the common purpose of carrying out the objects of the Trust. This ensures that the views of beneficiaries and the wider Christian and charitable community are communicated to, and considered by, the Board as a whole.</p>	<p>There are open channels of communication between the Company and its members. The Company holds an annual general meeting (AGM). In 2022, the Trust was able to hold the AGM in person once again. Members were invited to engage with the business of the AGM and raise questions.</p> <p>The Trust provides members with the option to receive an annual newsletter setting out the Trust's grant-giving and developments.</p>
<p><b>Beneficiaries and other Christian partners</b></p> <p>The Board's composition includes at least two trustees who are representative of the Trust's beneficiary base. This helps to ensure that the views of beneficiaries are communicated to, and considered by, the trustees. In addition, the Trust's Methodist Grant Giving Committee includes at least three members with an understanding of the Methodist Church, helping to ensure that the Methodist Grants programme provides the support needed for Methodist churches and ministries.</p>	<p>We actively engaged with our beneficiaries and stakeholders to inform the development of our grant making strategy. We also engaged in, and became more active members of, the Christian Funders Forum by hosting and participating in their conferences, helping us to understand the challenges and opportunities across the sector.</p> <p>During 2022, we worked closely with known charity partners to respond to the Cost of Living Crisis to support the most vulnerable in our communities.</p>

# Section 172 Statement



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<p><b>The Group</b></p> <p>As the ultimate owner of the Group, trustees maintain an open and constructive relationship with the trading subsidiaries. There are at least two common directors who are on the Board of the Trust and Benefact Group. This enables the trustees to receive regular updates from, and maintain oversight of, the Trust's subsidiaries. There is also regular engagement between the Chair of the Board and the Chair of EIO plc, as well as with EIO plc's Group Chief Executive Officer (Group CEO) who provides an update to the trustees at every Board meeting.</p>	<p>The Group CEO presents a report at every Board meeting, providing trustees with a high level overview of the financials, and a general update of any key developments, from across the Benefact Group. In addition, throughout the year presentations were given by other Benefact Group executives to help trustees better understand strategic initiatives implemented throughout the Benefact Group.</p> <p>The trustees were invited to attend the Benefact Group's leadership conference in June, which enabled them to maintain their oversight of the Trust's subsidiaries.</p> <p>Following the change of name in March 2022, and the sharing of a brand, the Trust updated its Expectations of the Benefact Group, to ensure that the Trust can demonstrate an increased level of oversight and control exercised over its subsidiaries. Quarterly information is provided to the trustees setting out how the shared brand is used by subsidiaries.</p>
<p><b>Employees</b></p> <p>The Charity does not have any employees. Instead, all staff who undertake work on the Trust's behalf are employed by EIO plc. The Section 172 Statement for EIO plc explains EIO's policy and strategy in relation to its employees.</p> <p>Nevertheless, the Board understands that individuals who work on behalf of the Trust are its most valuable assets, given their specialist knowledge and propensity to go above and beyond.</p>	<p>The Board receives regular updates from individuals on a range of matters. In addition, the Trust Director provides a quarterly resource update to the Board.</p>
<p><b>Suppliers</b></p> <p>The Trust does not have a supply chain itself but uses the services of EIO plc under the terms of its Shared Services Agreement. The Charity recognises its responsibility, as well as that of its subsidiary, to ensure business activities are undertaken in accordance with regulatory requirements and best practice. The Board and the Audit and Risk Committee therefore received regular updates on the performance of its subsidiary throughout the year.</p> <p>For further information on the Trust's recognition of its responsibility towards its supply chain, please see its Modern Slavery Act Statement available on its website.</p>	

# Section 172 Statement



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<p><b>Community and Environment</b></p> <p>As detailed in the Strategic Report, directors are focused on long term and strategic charitable giving.</p>	<p>During 2022, we finalised our grant-giving review. Our new Brighter Lives grants programme was launched during the year and our new Community Impact Grants programme was approved and launched in 2023. The Brighter Lives programme recognises the continuing impact from the Covid-19 pandemic on the mental health of communities and individuals and the Community Impact Grants programme which aims to fund work that will have a positive and transformative impact on lives and communities, with particular focus on:</p> <ul style="list-style-type: none"><li>• i) growing church congregations and communities;</li><li>• ii) addressing social challenges facing communities; and</li><li>• iii) improvement of church buildings to enable wider community use.</li></ul> <p>The trustees initiated a strategic review of its investment assets, which included looking at the ESG policy and impact investment, amongst other things. Recommendations from this review in relation to these matters will continue in 2023.</p>
<p><b>Regulators</b></p> <p>We recognise the importance of open and honest dialogue with regulators and are committed to complying with applicable legislation and regulation. As a registered charity, the Trust is regulated by the Charity Commission. Trustees receive regular reports on evolving legal, regulatory and compliance matters at each board meeting, incorporating a detailed impact and progress assessment.</p>	<p>The Trust responded to a survey from the Charity Commission requesting views on its draft guidance about changing a charity's governing document.</p>

The Strategic Report of Benefact Trust Limited was approved by the Board and signed on its behalf by

Tim Carroll  
Chair  
4 May 2023