

Valentine Charitable Trust

Financial Statements

30 September 2022

Valentine Charitable Trust

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Valentine Charitable Trust

Trustees' report

For the year ending 30 September 2022

The Trustees are pleased to present their report together with the financial statements of the Trust for the year ending 30 September 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Trust Deed and the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

The Valentine Charitable Trust is a registered charity (no 1001782).

STRUCTURE, GOVERNANCE, MANAGEMENT

The Trust was started by the late Miss Ann Cotton and is governed by its Trust deed dated 10 December 1990, last updated 1 November 1995.

Decisions are made by the board of Trustees, present and voting at duly constituted meetings. The Trustees meet once a quarter. The day to day administration of the charity is delegated to Preston Redman Solicitors under terms of reference issued by the Board of Trustees.

A full list of Trustees can be found on page 1. All Trustees served throughout the year and to the date of this report.

Policy and procedures for recruiting, induction and training of Trustees

The Trustees have the power to appoint new trustees. The Trustees have identified the need to be aware of the fact that the present Trustees will not remain in place indefinitely and that they should consider the recruitment of replacement or additional Trustees from time to time to ensure future continuity.

They will endeavour to identify likely candidates and try to recognise the qualities in them, which might benefit the future administration of the Trust. If suitable people are suggested and agreed by the Trustees they will be approached to ask whether they are willing and able to be considered for trusteeship.

When a new Trustee is appointed the existing Trustees will do their best to provide them with all background information on the Trust. They will also assist with any necessary guidelines and other education as required, on the duties, responsibilities and requirements which must be taken on by trustees. A review after 6 – 9 months will be conducted to establish whether additional information, help or advice is required by a new Trustee.

New Trustees, when appointed, will be asked to sign a self-declaration of willingness and eligibility to act and a list of appointments and positions which may give rise to conflicts of interest.

Risk assessment

The Trustees have examined the major strategic, business and operational risks which the Trust faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

OBJECTIVES AND ACTIVITIES

The charity's objectives as laid down in the charity's trust deed are to apply income and capital towards such charitable purposes as the Trustees may in their absolute discretion think fit. In particular, (but without limitation), (i) the provision of such amenities and facilities for the benefit of the public as are not provided from public funds and (ii) the protection and safeguarding of the countryside and wildlife and the control and reduction of pollution.

The main objective for the year was to maintain the real value of the investment and obtain income of greater than £750,000. Stock market volatility adversely impacted value which was not maintained, however, dividend income increased enabling the Trust to achieve its income objective.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives and in planning future activities.

GRANT MAKING POLICY

The Trustees' donation policy is that they will aim to distribute the majority of the income each year to charitable organisations of their choice with a view to helping and supporting favoured charities on a regular basis whilst also making one-off donations for specific appeals, subject to the availability of funds and charitable requirements.

The Trustees have over recent years operated a policy of not considering applications unless they have what they consider to be an established relationship with the applicant. Despite that there have been occasions when the Trustees have been able to make grants outside that policy, particularly in the case of local applicants.

The likely income of the Trust after expenses is estimated to be in excess of £700,000 a year. That figure will vary from year to year but the Trustees aim to make distributions on a quarterly basis. The income cash flow may not be uniform over the year but capital cash can be used to iron out fluctuations.

The Trustees have identified the following general aims: -

The Trustees have been entrusted with the Charity's substantial assets and they propose to try and manage those to produce as large an income as reasonably possible commensurate with preserving the real value of the Charity's capital assets. They then propose to distribute the resulting income of the Charity after expenses by way of grants to other charities or organisations of an equivalent status.

The Trustees have concluded that to achieve the vision of the Charity they should adopt the following criteria when making grants. In setting out these criteria the Trustees are demonstrating how they propose to apply the vision of the Charity as its mission.

Valentine Charitable Trust

Trustees' report

For the year ending 30 September 2022 (continued)

Grants to local charities

Miss Cotton lived most of her life in Dorset, first at Broadstone and latterly at Canford Cliffs in Poole. Involvement in local projects appealed to her as she demonstrated while she was a Trustee of the Charity. The Trustees do not propose to set a physical limit on what they consider to be local but when dealing with charities with limited areas of interest, they will be likely to give preference to those which operate in Dorset.

The Trustees will also consider making grants to charities which, while not based in the local area, operate there.

Grants to charities which have traditionally received small grants

Over the years (the Charity was formed in 1991) the Charity has been in the habit of making relatively small grants to a number of charities on a regular basis. Many of these originated in Miss Cotton's time or are a direct reflection of her thoughts. The Trustees propose to continue these subject to appropriate review at the time each is considered to be repeated. The Trustees do however appreciate that circumstances change so the mere fact that a charity has received grants on a regular basis in the past does not mean there is an automatic decision to continue to do so.

Grants to support objectives in other parts of the world

The Charity has supported a number of small initiatives in the third and undeveloped world. The Trustees particularly like to look for projects which offer sustainability to local communities.

Grants to one off appeals

There are regularly one off appeals to provide funding for specific projects and the Trustees have regularly made donations to such appeals where they are for local facilities. However the Trustees are not keen on village halls or the fabric of church buildings.

Grants for medical research and hospitals

The Charity has made regular donations in these areas but, as a matter of policy, the Trustees look for guarantees that any donations the Charity makes to bodies or objects related to the National Health Service are for projects or equipment which have no likelihood of being provided out of central funds in the foreseeable future.

Grants for core funding

One of the recurrent themes of comments made to the Trustees by applicants concerns the problems of obtaining core funding. Apparently many grant making trusts have a policy of not providing core funding. The Trustees have decided that they are prepared to make donations towards the core funding of charities and make such grants on a repeat basis. However any repeat donations require a report from the applicant charity and a new application so that the Trustees can review the position. They take the view that if it has been right to support a particular charity once then, unless something changes, that motive can be followed again, albeit charities are encouraged to become self-reliant and/or seek funding from other sources so that they do not become solely dependent on the Valentine Charitable trust for their core funding in the long term

Matched funding and pledges

The Trustees regularly use the device of offering funding to a project conditional upon the applicant raising other funds before the donation will be forthcoming. Similarly offers of donations are sometimes made on the basis that they will only be made once the project actually proceeds. All such offers are subject to review up until the time they are actually made.

Valentine Charitable Trust

Trustees' report

For the year ending 30 September 2022 (continued)

Social Investment funding

Following Miss Cotton's death the Charity's assets were invested in a very narrow range of investments. To assist with diversification the Trustees developed what they term social investment funding. This involves either the purchase of premises which are then leased to an operating charity for its use; the lease is usually at a modest or nominal rent and for a relatively limited term, or the provision of a loan with an interest rate of between 0% and base rate to an operating charity to allow it to acquire property.

Administration

All applications will be acknowledged with standard letters, even those that are not appropriate for receiving a grant. This responsibility is delegated to the Trust's administrator who then provides a report to the next trustees' meeting.

The following general comments summarise some of the considerations the Trustees seek to apply when considering applications for funding.

The Trustees look for value for money. While this concept is difficult to apply in a voluntary sector it can certainly be used on a comparative basis and subjectively.

If the Trustees have competing applications they will usually decide to support just one of them as they believe that to concentrate the Charity's donations is more beneficial than to dilute them.

Regular contact with the charities to which donations are made is considered essential. Reports and accounts are also requested from charities which are supported and the Trustees consider those at their meetings.

The Trustees take great comfort from the fact that they employ the policy of only making donations to other charities or similar bodies. However they are not complacent about the need to review all donations made and the objects to which those have been given.

The Trustees are conscious that, particularly with the smaller and local charities, the community of those working for and with the charity is an important consideration.

The Trustees regularly review the classifications to which donations have been made so that they can obtain an overview of the Charity's donations and assess whether their policies are being implemented in practice. They are conscious that when dealing with individual donations it is easy to lose sight of the overall picture.

Charities are asked to formally acknowledge receipt of their grants and any cheques that are not presented in a timely fashion are discussed at a future quarterly meeting.

ACHIEVEMENTS AND PERFORMANCE

Financial review

The attached accounts show total incoming income resources for the year of £1,067,503 (2021: £986,127) and resources expended of £1,034,485 (2021: £862,153) resulting in a surplus for the year, before considering movements in investments, of £33,018 (2021: £123,974).

The investment portfolio had a realised loss of £8,156 (2021: 502,056 (gain)) and unrealised losses arising in the year of £4,251,841 (2021: £5,111,506 (gain)). This contributed to the decrease in the value of the overall trust fund from £39,584,984 to £35,258,005.

Valentine Charitable Trust

Trustees' report

For the year ending 30 September 2022 (continued)

Activities in furtherance of charitable objects.

During the year the charity made grants totalling £868,000 to 99 charities (2021: £710,500 to 91 charities). These are detailed in note 4.

The value of market rent not charged on the properties rented is approximately £60,000, which, although not a direct grant of cash, released funds to these charities for their core objectives.

Investments

The coronavirus pandemic followed by the conflict in Ukraine has presented some particularly difficult conditions both for the Trust's investment managers and for many of the organisations which the Trust supports. This has resulted in a decrease of the capital value of the Trust's investment portfolios from £36,896,382 to £32,885,569. The Trustees decided that despite those reductions they would continue to support many of those applying for grants.

INVESTMENT POLICY

Under the terms of the trust deed the Trustees have wide powers of investment over the assets of the Trust.

The Trustees have delegated the investment management to Charles Stanley and Company Limited and Investec Wealth and Management Limited who are required to select investments which will give equal consideration to the production of an annual income and a level of capital growth to maintain the real value of the trust fund for the future. This strategy should produce a total return that allows the Trust to pursue its charitable objectives as fully as possible. The investment strategy should be one of medium risk.

The Trustees also reserve the right to invest capital monies in property or other investments.

The Trustees have agreed an ethical investment policy and instructed the Charity's brokers to follow that.

Valentine Charitable Trust

Trustees' report

For the year ending 30 September 2022 (continued)

RESERVES POLICY

The Trustees' policy is to review reserve levels on a regular basis and to maintain a level of reserves which will provide a stable base for the Trust's continuing activities while at the same time ensuring excessive funds are not accumulated.

There is generally, in the normal course of administration, a substantial cash balance of income in bank accounts which can be utilised to facilitate large donations for charitable purposes should the need arise. The Trustees meet quarterly and aim to maintain a cash balance of approximately £150,000 in the Income fund to meet the commitments falling due in each forthcoming quarter. The income reserves at 30 September 2022 show a surplus of £233,860 (2021: 140,667).

PLANS FOR FUTURE PERIODS

- To maintain the real value of the investment portfolio and of the income from it in the long term, with a current target income of £750,000.
- To continue to meet its primary objectives as stated on page 3.

TRUSTEES' RESPONSIBILITY AND INTERNAL CONTROL

Law applicable to charities requires the trustees to prepare financial statements, which give a true and fair view of the state of affairs of the Trust at the end of the financial year and of its incoming resources and application of resources for the year then ended. In doing so, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it becomes inappropriate to presume that the Trust will continue in the foreseeable future
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

The Trustees have overall responsibility for ensuring that the Trust has appropriate systems of internal controls, financial and otherwise. They are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Trust is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and the financial information used within the Trust is reliable; and
- The Trust complies with relevant laws and regulations.

Valentine Charitable Trust

Trustees' report

For the year ending 30 September 2022 (continued)

AUDITORS

A resolution to re-appoint Saffery Champness will be submitted to the Annual General Meeting.

By order of the trustees


Mr D Neville-Jones

Date 13-07-2023

Valentine Charitable Trust

Independent auditors' report to the Trustees For the year ended 30 September 2022

Opinion

We have audited the financial statements of the Valentine Charitable Trust for the year ended 30 September 2022 which comprise the statement of financial activities, balance sheet, cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 30 September 2022 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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Independent auditors' report to the Trustees For the year ended 30 September 2022

based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record

Valentine Charitable Trust

Independent auditors' report to the Trustees For the year ended 30 September 2022

of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

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

Audit response to risks identified:

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

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

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

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

Use of our report

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

Valentine Charitable Trust

Independent auditors' report to the Trustees
For the year ended 30 September 2022

Saffery Champness LLP

Saffery Champness LLP

Chartered Accountants
Statutory Auditors

Date: 13 July 2023

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

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

Valentine Charitable Trust

Statement of financial activities
For the year ended 30 September 2022

	Note	Unrestricted capital fund 2022 £	Unrestricted Income fund 2022 £	Unrestricted funds total 2022 £	Unrestricted funds total 2021 £
INCOME					
Investment income	2	-	1,067,503	1,067,503	986,127
Total income		-	1,067,503	1,067,503	986,127
EXPENDITURE					
Charitable activities					
Grants awarded in the year	3	-	868,000	868,000	710,500
Support costs	4	-	46,135	46,135	41,497
Cost of raising funds					
Investment management fees (excluding commissions)		60,175	60,175	120,350	110,156
Total expenditure		60,175	974,310	1,034,485	862,153
Realised (loss)/gain on investment assets	8	(8,156)	-	(8,156)	502,056
Unrealised (loss)/gain on investment assets	8	(4,251,841)	-	(4,251,841)	5,111,506
Net movement in funds		(4,320,172)	93,193	(4,226,979)	5,737,536
Total funds brought forward	11	39,444,317	140,667	39,584,984	33,847,448
Total funds carried forward	11	35,124,145	233,860	35,358,005	39,584,984

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 16 to 26 form part of these financial statements.

Valentine Charitable Trust

Balance sheet

As at 30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible fixed assets	7	1,059,058	1,059,058
Investments	8	32,885,569	36,896,382
		<u>33,944,627</u>	<u>37,955,440</u>
Current assets			
Other debtors and prepayments	9	474,136	458,679
Cash at bank		987,243	1,215,181
		<u>1,461,379</u>	<u>1,673,860</u>
Creditors: amounts falling due within one year			
Other creditors and accruals	10	<u>(48,001)</u>	<u>(44,316)</u>
Net current assets		<u>1,413,378</u>	<u>1,629,544</u>
Net assets		<u>35,358,005</u>	<u>39,584,984</u>
Funds			
Unrestricted capital fund	11	35,124,145	39,444,317
Unrestricted income fund	11	233,860	140,667
		<u>35,358,005</u>	<u>39,584,984</u>

The notes on pages 16 to 26 form part of these financial statements

Approved by the Board on 13 July 2023 and signed on its behalf by:



Trustee

Trustee



Valentine Charitable Trust

Statement of cash flows
For the year ended 30 September 2022

	2022 £	2021 £
Net cash absorbed by operating activities (see note)	21,246	123,195
Cash flows from investing activities		
Purchase of investments	(4,714,484)	(4,100,650)
Disposal proceeds of investments	4,465,300	4,289,721
Net cash (used in)/provided by investing activities	<u>(249,184)</u>	<u>189,071</u>
Change in cash and cash equivalents in the year	<u>(227,938)</u>	<u>312,266</u>
Cash and cash equivalents at 1 October 2021	<u>1,215,181</u>	<u>902,915</u>
Cash and cash equivalents at 30 September 2022	<u><u>987,243</u></u>	<u><u>1,215,181</u></u>

NOTE

Reconciliation of net income to net cash flow from operating activities

Net (deficit)/ income for the reporting period as per the statement of financial activities	(4,226,979)	5,737,536
Adjustments for		
(Increase)/ decrease in debtors	(15,457)	(981)
Increase in creditors	3,685	202
Realised losses/ (gains) on investment assets	8,156	(502,056)
Unrealised losses/ (gains) on investment assets	4,251,841	(5,111,506)
Net cash absorbed by operating activities	<u>21,246</u>	<u>123,195</u>
Cash and cash equivalents		
Cash at bank and on instant access deposit accounts	<u><u>987,243</u></u>	<u><u>1,215,181</u></u>

1 Accounting Policies

a) Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been under the historical cost convention, with the exception of the investments which are held at market value. The principle accounting policies adopted are set out below.

b) Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

c) Fund accounting

All funds are unrestricted. Unrestricted funds are available for the trustees to use in accordance with the charitable objectives.

d) Income

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

e) Expenditure

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of any VAT, which cannot be recovered. Grants payable are accounted for when a legal or constructive obligation arises. A constructive obligation arises when the other party has a reasonable expectation of receipt.

f) Conditional grants

Where payment of a grant is subject to a condition which is under the control of the Trust no commitment is recognised until the condition has been fulfilled. Where a grant is payable subject to a condition which is not under the Trust's control, a liability is recognised for the payment of the grant as soon as the Trust informs the recipient that the grant has been approved subject to condition. Such commitments are only reversed if and when it becomes clear that the condition will not be fulfilled.

g) Tangible fixed assets and depreciation

Tangible fixed assets comprise of freehold land and buildings and are stated at cost.

h) Investments

Investments are included at market value, as at the balance sheet date. Any investments where there has been a permanent diminution in value since the balance sheet date are included at the impaired value. Realised gains are calculated as the difference between market value at the date of disposal and market value at the previous balance sheet date (or date of acquisition if later). Unrealised gains are calculated as the difference between the market value at the balance sheet date and the market value at the previous balance sheet date (or date of acquisition if after).

i) Allocation of support costs

Support costs are allocated on the basis of time spent on particular activities.

j) Social Investments

Social investments are included at cost.

k) Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

l) Financial instruments

The charity has financial assets of a kind that qualify as basic and other financial instruments and liabilities of a kind that qualify as basic financial instruments.

Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

Other financial assets are recognised initially in the accounts at fair value, which is normally the transaction price. At the end of each account period, other financial instruments and recognised at fair value and changes in the fair value are recognised in profit or loss.

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting date.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the risks and rewards of ownership to another entity.

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

m) Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2022 (continued)

n) Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

o) Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no critical estimates, judgements or key sources of estimation uncertainty in 2022 or 2021.

2 Investment Income

	2022	2021
	£	£
Dividends	990,286	898,748
Interest on cash deposits	70,120	80,282
Rental income	7,097	7,097
	<u>1,067,503</u>	<u>986,127</u>

3 Charitable activities

Grants awarded in the year

	2022	2021
	£	£
360 Skills for life	15,000	-
Age UK Dorchester	-	5,000
AIM Community	10,000	10,000
Alabare Homes for Veterans Dorset	-	5,000
Alcohol Education Trust	10,000	-
Andrew Simpson Sailing Foundation	10,000	-
Anthony Nolan Trust	5,000	15,000
Artsreach	3,000	3,000
Asthma Relief	5,000	-
Axe Valley & West Dorset Ring and Ride Service	10,000	-
BCP Homelessness Action Collaborative	5,000	-
Blackmore Vale Charity	5,000	-
	<u>78,000</u>	<u>38,000</u>
Carried Forward	78,000	38,000

Valentine Charitable Trust

Notes to the financial statements
For the year ended 30 September 2022 (continued)

3 Grants awarded in the year (continued)

	2022	2021
	£	£
Brought forward	78,000	38,000
Blandford Food Bank	6,000	-
Blandford Opportunity Group	-	7,000
Bournemouth Christians Alongside Rough Sleepers	10,000	10,000
Bournemouth Community Church	10,000	8,000
Bournemouth Hospital Charity	-	10,000
Bournemouth Parks Foundation	5,000	-
Bournemouth Town Centre Detached Youth Work Project	6,000	-
Bournemouth University	4,000	-
Bourne Academy	10,000	5,000
British Refugee Council	25,000	-
Burnbake Trust	-	5,000
Bus Stop Club	-	5,000
Chase Africa	10,000	10,000
Chernobyl Children in Need	-	4,000
Chesil Sailability	5,000	4,000
Chesil Sailing Trust	5,000	5,000
Child of Hope	5,000	5,000
Child in Need India (CINI) UK	5,000	-
Christchurch Activities for Young People	15,000	7,000
Citizens Advice Bureau East Dorset	15,000	5,000
Citizens Advice Bureau Purbeck	-	10,000
Citizens Advice Central Dorset	5,000	-
Creative Kids	10,000	5,000
CrimInon UK	7,500	10,000
DEMAND	5,000	5,000
Dentaid	-	10,000
Diverse Abilities Plus	10,000	-
Dorchester Community Plays Association	2,500	-
Dorchester & West Dorset Scouts	-	5,000
Dorset Blind Association	15,000	10,000
Dorset Childrens Foundation	15,000	-
Dorset Country Museum	-	20,000
Dorset Mind	10,000	10,000
Dorset Parent & Infant Partnership	5,000	-
Dorset Race Equality Council	5,000	-
Dorset Reading Partners	5,000	3,000
Dorset Youth Association	10,000	10,000
Faithworks Wessex	5,000	5,000
Families for Children	-	10,000
Family Counselling Trust (Dorset)	-	5,000
Fernheath Play Association	15,000	12,000
Fine Cell Work	5,000	-
Footprints Project	10,000	-
Carried Forward	354,000	258,000

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2022 (continued)

3 Grants awarded in the year (continued)

	2022	2021
	£	£
Brought forward	354,000	258,000
Game & Wildlife Conservation Trust	10,000	10,000
Gateway Church Poole	10,000	-
Gillingham Community Church	5,000	-
Grow Peace	-	5,000
Happy Days Children's Charity	5,000	-
Health and Local Food for Families	5,000	-
Home-Start North Dorset	15,000	-
Home-Start West Dorset	15,000	5,000
Home-Start South East Dorset	15,000	10,000
Hope Housing Training & Support Ltd	10,000	5,000
Hope Church	5,000	-
Horatio's Garden	-	5,000
Horsecourse (The)	10,000	10,000
Inspire Foundation	-	10,000
International Care Network	20,000	15,000
Island Community Action	10,000	-
Jon Egging Trust	10,000	-
Jubilee Sailing Trust	25,000	5,000
Koestler Trust	-	5,000
Lewis-Manning Hospice	-	20,000
Life Education Wessex	5,000	5,000
Listening Books	6,000	5,000
Livability	-	10,000
Live Music Now	5,000	5,000
Living Paintings	-	5,000
Lyme Regis Development Trust	5,000	5,000
MacDougall Trust	-	20,000
MARS Trust (The)	5,000	5,000
Mediation Dorset	(3,000)	-
Medical Aid for Palestinians	10,000	10,000
Michaels Limited	2,500	10,000
Monty's Community Hub	-	10,000
MOSAIC	15,000	15,000
MyTime	10,000	10,000
New Forest Bike Project	5,000	-
Ombetja Yehinga Organisation Trust	20,000	-
Orbis	10,000	-
PACE Trust (The)	-	5,000
Pathways for All People	15,000	15,000
People First Forum	-	7,000
Poole Methodists	5,000	-
Poole Museum Foundation	-	10,000
Poole Waste Not Want Not	5,000	-
Carried forward	644,500	515,000

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2022 (continued)

3 Grants awarded in the year (continued)

	2022	2021
	£	£
Brought forward	644,500	515,000
Pool Watersports Library CIC	-	7,500
PramaLIFE	15,000	15,000
Prisoners Abroad	-	5,000
Purbeck Art Weeks Festival	3,000	-
Purbeck Strings	500	-
React	3,500	3,500
Read Easy	10,000	-
Recoop	5,000	6,000
Recreate Dorset	5,000	-
Roald Dahls Mervellous Children's Charity	-	5,000
Royal Agricultural Benevolent Institute	-	5,000
Safe and Sound Dorset	5,000	5,000
SA-Yes	10,000	5,000
Safewise	-	5,000
Salisbury Hospice Charity	5,000	5,000
The Samaritans of Dorset	-	10,000
Schoolreaders	5,000	5,000
Second Chance	10,000	-
Sedcat	5,000	-
Shine Project	15,000	10,000
SMILE Connect	5,000	2,000
Springhead Trust	5,000	10,000
St John of Jerusalem Eye Hospital	-	10,000
St John & Red Cross Defence Medical Welfare Service	10,000	-
St Johns Church Broadstone	20,000	-
Stable Family Home Trust	10,000	-
Steps to Active Recovery	4,000	-
Stormbreak CIO	10,000	10,000
Swanage & Purbeck Development Trust	-	1,000
Tall Ships Youth Trust	10,000	10,000
Truth Be Told	5,000	5,000
Weldmare Hospice Trust	25,000	-
Wessex Cancer Trust	5,000	5,000
Wessex Heritage Trust	-	12,000
Wessex Museum Trust	-	5,000
Wheels for Freedom	7,500	7,500
World Medical Fund for Children	-	5,000
Wimborne Community Theater	-	1,000
YMCA (Bournemouth)	-	10,000
Young Dorset	-	10,000
Youth Resource Services	10,000	-
	868,000	710,500

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2022 (continued)

4 Support Costs

	Note	2022 £	2021 £
Administrative costs		35,378	31,280
Bank audit fee letter		30	30
Governance costs	6	<u>10,727</u>	<u>10,187</u>
		<u>46,135</u>	<u>41,497</u>

5 Governance costs

	2022 £	2021 £
Audit and advisory fees	10,020	8,880
Trustees' indemnity insurance	<u>707</u>	<u>1,307</u>
	<u>10,727</u>	<u>10,187</u>

6 Staff costs

Expenses of £nil were paid to the trustees during the year (2021: £nil). No trustees received any remuneration during the year for their services as trustees (2021: £nil). There were no employees in the year (2021: nil).

7 Tangible fixed assets

	Freehold land and buildings £
Cost:	
As at 1 October 2021	1,059,058
Disposals	-
Additions	-
	<u>1,059,058</u>
As at 30 September 2022	<u>1,059,058</u>

In the trustee's opinion the net book value of the functional freehold land and buildings is not impaired. All the functional freehold land and buildings are used for charitable purposes. The Trustees considered whether it would be appropriate to instruct a formal revaluation of the property portfolio but did not deem it necessary at that point, but this will be kept under review, with due consideration given to material changes to market conditions.

Valentine Charitable Trust
Notes to the financial statements
For the year ended 30 September 2022 (continued)

8 Investments

	2022 £	2021 £
Listed share portfolio		
Market value as at 1 October 2021	36,896,382	31,471,891
Additions	4,714,484	4,100,650
Disposal proceeds	(4,465,300)	(4,289,721)
Realised (losses)/ gains on disposal	(8,156)	502,056
Unrealised (losses)/ gains on revaluation	(4,251,841)	5,111,506
Market value as at 30 September 2022	32,885,569	36,896,382

The share portfolio was valued by Charles Stanley and Company Limited and Investec Wealth & Investment Limited based on the mid-market price at 30 September 2022.

	2022 £	2021 £
Original cost as at 30 September 2022	28,339,124	27,390,707

Analysis of listed investments

	2022 £	2021 £
Fixed interest securities	4,846,654	5,230,561
Unit trusts	18,671,064	21,176,538
Equity shares	6,395,408	7,709,276
Other	2,972,443	2,780,007
	32,885,569	36,896,382

Included in the listed investments above are the following individual holdings at 30 September 2022, which are considered to be material.

	2022 Market Value £	2021 Market Value £
L&G Global Inflation Linked Bond Index C ACC	569,900	640,200
FIL Invest Serv European GBP Acc	724,602	774,290

Unlisted Investments

The Trust holds £25 ordinary £1 shares in The Dorset Golf Club Broadstone Limited. These shares were gifted to the Trust and have no cost value.

Valentine Charitable Trust
Notes to the financial statements
For the year ended 30 September 2022 (continued)

9 Debtors

	2022 £	2021 £
Social investment funding	412,500	412,500
Prepayments and accrued income	61,636	46,179
	<u>474,136</u>	<u>458,679</u>

An amount of £412,500 (2021: £412,500) included in debtors is due for repayment in more than one year.

10 Creditors

	2022 £	2021 £
Amounts falling due within one year:		
Accruals	<u>48,001</u>	<u>44,316</u>
	48,001	44,316

11 Unrestricted funds

	Balances 1 October 2021 £	Incoming resources £	Resources expended £	Gain/(Loss) on investments £	Balances 30 September 2022 £
<i>Current year</i>					
Capital fund	39,444,317	-	60,175	(4,259,997)	35,124,145
Income fund	140,667	1,067,503	974,310	-	233,860
	<u>39,584,984</u>	<u>1,067,503</u>	<u>1,034,485</u>	<u>(4,259,997)</u>	<u>35,358,005</u>
<i>Prior year</i>					
Capital fund	33,885,833	-	55,078	5,613,562	39,444,317
Income fund	(38,385)	986,127	807,075	-	140,667
	<u>33,847,448</u>	<u>986,127</u>	<u>862,153</u>	<u>5,613,562</u>	<u>39,584,984</u>

12 Related parties

D J E Neville-Jones, a trustee, is a consultant in Preston Redman solicitors. During the year Preston Redman provided administrative services amounting to £34,837 (2021: £30,752) inclusive of VAT.

R A Gregory, a trustee, is also a trustee of the MacDougall Trust. During the year the MacDougall Trust received a grant of £nil (2021: £20,000) from the Valentine Charitable Trust.

13 Commitments

In addition the Trustees have approved annual grants which are subject and conditional to a final review before the grants will be paid. These grants are reviewed at each meeting and an annual update is sought on progress where appropriate. Additionally, the overall level of pledges is closely monitored each quarter to ensure sufficient funds remain available to support these on-going commitments. These grants have not been provided in the accounts and the aggregate value of these grants is as follows:-

	2022	2021
	£	£
One off pledges	55,000	55,000

Notes to the financial statements
For the year ended 30 September 2022 (continued)

14 Statement of financial activities comparative information for 2021

	Unrestricted capital fund 2021 £	Unrestricted income fund 2021 £	Unrestricted funds total 2021 £
INCOME			
Investment income	-	986,127	986,127
Other income	-	-	-
Total income	-	986,127	986,127
EXPENDITURE			
Charitable activities			
Grants awarded in the year	-	710,500	710,500
Support costs	-	41,497	41,497
Cost of raising funds			
Investment management fees (excluding commissions)	55,078	55,078	110,156
Total expenditure	55,078	807,075	862,153
Realised gain on investment assets	502,056	-	502,056
Unrealised gains on investment assets	5,111,506	-	5,111,506
Net movement in funds	5,558,484	179,052	5,737,536
Fund balances brought forward	33,885,833	(38,385)	33,847,448
Fund balances carried forward	39,444,317	140,667	39,584,984

This page does not form part of the accounts on which the auditors have reported.