

VICTORIA CONVALESCENT TRUST

England & Wales · Charity number 1064585

Details

Status Registered

Legal form Other

Registered 1997-09-25

Register [View on the Charity Commission register](#)

Contact

Address c/o RPGCC
40 Gracechurch St
London
EC3V 0BT

Phone 020778709050

Website www.victoriaconvalescenttrust.org.uk

Activities

Objects: The objects of the charity are, for the public benefit, to apply the income to: Primarily, provide relief for those in need by reason of financial hardship, ill health or disability by the provision of convalescence, recuperation and/or respite care, provided that as to one quarter of the income the Trustees shall give preference to persons residing in the County of Surrey or the London Borough of Croydon; and Relieve the need either generally or individually of persons, with a preference for women resident in the Greater London area, who are in conditions of need, hardship or distress by making grants of money or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons.

Activities: The Charity provides financial support for those in need of convalescence, recuperation and/or respite care. Funds are also available for providing relief in need with a preference for women resident in the Greater London area.

Classification

- **How:** Makes Grants To Organisations
- **What:** The Advancement Of Health Or Saving Of Lives, Disability, The Prevention Or Relief Of Poverty
- **Who:** Children/young People, Elderly/old People, People With Disabilities

Geography

- **Area of benefit:** SURREY OR THE LONDON BOROUGH OF CROYDON.
- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-12-31	£110,591	£211,477	-	-
2024-12-31	£109,931	£208,676	-	-
2023-12-31	£103,764	£132,905	-	-
2022-12-31	£94,246	£154,675	-	-
2021-12-31	£88,048	£132,056	-	-
2020-12-31	£84,156	£146,232	-	-

Trustees

Name	Role	Appointed
NICHOLAS HEATH	Chair	
Anita Perkins		2021-03-01
Belinda Curtis		2024-11-07
HILARY HIPPS		
Helen O'Hagen		2026-04-23
JEAN DOLLIMORE		2011-06-01
JEAN MORTON		
Julian Cooke		2025-11-06
SOLVEIG KARIN WILSON		
VICTORIA HIPPS		

Accounts

VICTORIA CONVALESCENT TRUST

*INCORPORATING
VICTORIA CONVALESCENT TRUST FUND
KING EDWARD VII CHILDREN'S
CONVALESCENT TRUST FUND
PRINCESS MARY MEMORIAL TRUST FUND*

FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2025

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VICTORIA CONVALESCENT TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

REGISTERED CHARITY NUMBER: 1064585

TRUSTEES:

Mr. N.M. Heath (Chairman)
Miss H.J. Hipps
Mrs. J.M. Morton
Miss V. Hipps
Mrs. S.K. Wilson
Mr. D.J.R. Wells (resigned 26th February 2026)
Mr. W.S. Gibbs (resigned 24th April 2025)
Mrs. P. Bligaard (resigned 7th February 2025)
Miss J.D. Dollimore
Mrs. A.J. Perkins
Mrs. B. Curtis
Mr. J. Cooke (appointed 6th November 2025)

GRANTS CO-ORDINATOR: Ms J. Brand

INDEPENDENT EXAMINER:

S. Lescott, FCCA
Xeinadin South Essex Limited
Cumberland House
24-28 Baxter Avenue
Southend-on-Sea
Essex SS2 6HZ

INVESTMENT MANAGERS:

Quilter Cheviot
Senator House
85 Queen Victoria Street
London EC4V 4AB

BANKERS:

National Westminster Bank plc
141 Ebury Street
London SW1W 9QP

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

PRINCIPAL ADDRESS:

c/o RPGCC
40 Gracechurch Street
London
EC3V 0BT

WEBSITE: www.victoriaconvalescenttrust.org.uk

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES YEAR ENDED 31ST DECEMBER 2025

The Trustees present their report and the unaudited financial statements for the year ended 31st December 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deeds, the Charities Act 2011 and the provisions of the 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 (FRS102) (effective 1 January 2015).

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report below sets out those objectives and describes how they have been met in the current year. Specifically this has been done by the provision of financial support for those with significant health issues requiring convalescence or respite and also the provision of services and equipment in cases of financial hardship.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees' Statement of Responsibility in Relation to the Accounts

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and ensure that the financial statements comply with applicable law, regulations and the trust schemes. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Constitution

On 9th June 1997, the Charity Commissioners for England and Wales ordered that the charities mentioned below shall be administered and managed together as one charity under the title of Victoria Convalescent Trust.

- 1) The charity called King Edward VII Children's Convalescent Trust Fund, in the County of Surrey and the London Borough of Croydon, regulated by a Scheme of the Charity Commissioners of 23rd September 1982;
- 2) The charity called The Princess Mary Memorial Trust Fund, in Greater London, regulated by a Scheme of the Commissioners of 23rd September 1982;
- 3) The charity called Victoria Convalescent Trust Fund regulated by a Scheme of the Commissioners of 23rd September 1982 as varied by a Scheme of the Commissioners of 26th April 1983.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

On 14th August 2001, the Charity Commissioners issued an Order that “Being satisfied that it is expedient in the interests of the charity that the Trustees should have the power to do so, the Commissioners authorise the Trustees of the charity to decide, at any time, and from time to time, to their discretion, which part of the unapplied total return belonging to the charity should be held on trust for application (income) for the purposes of the charity.”

During the year an application by the Trustees to the Charity Commission under powers afforded to them by S.280A of the Charities Act 2011 (as amended) to change the Charity’s objects clause to reflect more closely the number and nature of the applications received in recent years was accepted. The new objects were approved by the Trustees on 20th February 2025 and are set out in the Charity Objectives section below.

Structure of Organisation

The Charity is governed by a Board of Trustees which met four times during the year. The Trustees make the policy decisions and review the work of the Grants Co-ordinator who processes all grant applications in consultation with individual trustees. All grants made are reviewed and formally approved by the Board of Trustees.

Appointment of Trustees

The Trustees are appointed by a resolution of the Trustees for a term of three years. Any competent trustee may be re-appointed. No person is entitled to act as a trustee until he or she has signed a declaration of eligibility to act and of acceptance of willingness to act. New trustees are given training as appropriate including an introduction to the availability of Charity Commission guidance.

During the year, Mrs P. Bligaard and Mr W. Gibbs resigned as Trustees after 15 years on the Board. The Trustees very much appreciated their contributions to the operation of the Trust and were pleased to appoint Mr J. Cooke to the Board at their November meeting.

Since the year end Mr D.J.R. Wells has resigned as a Trustee.

Statement of Risk Management

The Trustees have considered the risks to which the Victoria Convalescent Trust is exposed and believe that these will be mitigated by:

- A body of trustees with the necessary experience and competence to supervise all the aspects of the Trust’s work;
- Recruitment of younger trustees with suitable qualifications, cultural diversity and wide-ranging relevant experience to endeavour to ensure the succession of new talent in the trustee body;
- Regular trustees’ meetings with effective reporting to ensure proper review of grant making coupled with the consideration and approval by trustees of all grants made;
- Retention of competent investment managers who regularly attend trustees’ meetings; and
- An effective system of internal control to ensure the correct operation of the Guidelines for Grant Making and compliance with General Data Protection Regulations (GDPR).

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

CHARITY OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Subject to the payment of expenses, up to 20th February 2025 the Trustees applied the distributable funds of the Charity in accordance with the scheme dated 9th June 1997 as set out below:

- (a) As to 10% thereof for providing relief in need either generally or individually of persons, with a preference for women resident in the Greater London area, who are in conditions of need, hardship or distress by making grants of money or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons.
- (b) As to 90% thereof in or towards providing, in cases of need, convalescence, recuperation and/or respite care, provided that as to one quarter of the said 90% the Trustees shall give preference to persons residing in the County of Surrey or the London Borough of Croydon.

The new objects implemented on 20th February are set out below:

“The objects of the Charity are, for the public benefit, to apply the income to:

Primarily, provide relief for those in need by reason of financial hardship ill health or disability by the provision of convalescence, recuperation and/or respite care, provided that as to one quarter of the income the Trustees shall give preference to persons residing in the County of Surrey or the London Borough of Croydon; and

Relieve the need either generally or individually of persons, with a preference for women resident in the Greater London area, who are in conditions of need, hardship or distress by making grants of money or providing or paying for items, services or facilities calculated to reduce the need hardship or distress of such persons”.

As a result of the change in objects, the percentage restrictions on the two types of grant making were removed but the primary object remained the provision of convalescence and respite care. In addition to the Primary Object, the Trustees made grants for Relief in Need by providing services and equipment.

All applications were processed promptly on receipt of standard online application forms completed by an appropriately qualified health or social care worker.

Maximum grants were £1,500 for convalescence, recuperative holidays and respite care and £500 for services and equipment.

GRANT INFORMATION

Applications received in 2025 were broadly in line with the previous year. As a result of short break providers closing down, innovative approaches have been adopted to identify new providers and co-operative arrangements.

Seven block grants were made during the year to institutions for use in accordance with the Trust's objectives. A grant of £10,000 was made to Newlife, a charity for disabled children, to support their Equipment Grant Service. Challengers Children's Charity received £8,000 to fund inclusion and socialising for disabled young people in Guildford and Home Start Wandsworth received £1,000 to support event attendance. A grant of £3,000 was also made to Momentum Children's Charity for respite holidays for six families. The Royal Hospital for Neuro-Disability received £20,000 to continue nurse-led patient outings and The Huntington's Disease Association was awarded £20,000 to provide essential equipment to individuals and families affected by Huntington's Disease. Go Beyond were granted £12,000 to provide 5-day breaks for 16 young carers in one of their centres.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

Regular reports are received from the recipients of block grants confirming their use in accordance with the objects of the Trust. Other grants are confirmed by receipt from the provider of convalescence or other services.

OPERATIONAL AND FINANCIAL

REVIEW OF THE YEAR

In accordance with its primary objects, the Trust continued to make grants to pay for periods of convalescence, recuperative and respite care and make grants to those in need who do not have the financial resources and who have been unable to obtain sufficient assistance from the statutory services or other resources.

Applications for support are usually made by a suitably qualified social worker or health care worker, but consideration can be given to requests from other sources.

The individual grants approved between 1st January 2025 and 31st December 2025 were classified under the following categories:

Category	Category No.	2025	2024	Grants 2025 (£)	Grants 2024 (£)
AIDS/HIV	1	0	2	0	450
Cancer	2	65	17	3,481	4,110
Children	3	133	139	28,832	18,157
General Medical	4	0	0	0	0
General Surgery	5	3	0	650	0
Mental Health	6	25	25	9,468	7,558
Learning Difficulties	7	4	1	740	198
Physical Disability	8	18	51	5,734	31,089
Carer	9	100	100	16,857	16,072
Neuro-Divergent	15	5	8	1,413	1,947
Relief in Need	10	41	28	9,979	9,573
Approved - not required	11	0	0	0	0
Totals		394	371	77,154	89,154

The total grants paid during the year as shown on the Statement of Financial Activities amounted to £146,094 (2024: £145,610). Block grants awarded totalled £74,000 and £72,094 individual grants were paid. The Trustees consider the investment income and capital gains are capable of supporting this level of grant making in the long term.

The Trustees have continued to develop relationships with new referrers of people in need of respite care, convalescence and services and equipment.

The Trustees use letters received from grantees and referrers as a tool to measure outcomes. These are overwhelmingly positive and indicate how our grants have improved the lives of recipients.

Examples of the feedback are given below and more are highlighted on our website.

Individual Grants

- ❖ The retreat was well organised, with supportive staff and lots of activities. I enjoyed the time in nature and found the retreat restorative following the challenges of my cancer journey.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

- ❖ On behalf of our hospital school team, I would like to extend our heartfelt thanks to the Victoria Convalescent Trust for your generous support and kind donations of essential items for our families. Thanks to your generosity, we have been able to provide direct, practical help to families in need, offering not just material items but also a sense of care and community. The difference this makes cannot be overstated. We are incredibly grateful for the opportunity to work alongside you, and we would very much welcome the chance to continue building this partnership in the future.
- ❖ The grant has been incredibly helpful and very much appreciated by many carers. There have been several instances of tears because carers thought they'd have to turn down the free holiday because of the cost of travel. Indeed, one carer told us they had been at the point of borrowing the petrol money as the break was so badly needed so being able to offer support helped them enormously. K said that you could hear the stress lifting when she broke the news we could support with these costs.
- ❖ She was absolutely delighted! She mentioned that her husband will finally have something to look forward to, which she believes will bring him a sense of peace and significantly lift his spirits.
- ❖ Medical condition: Breast Cancer - medication induced severe lower limb pain and sarcopenia, The tri-walker arrived yesterday and will be of huge benefit to me.
- ❖ I just wanted to thank you again from Mr. S, as he has received his mattress last week and was very happy! He said that he has been sleeping on the mattress and that it's perfect for his health issues (back and legs).
- ❖ I really believe that this break will be a turning point - not just for her, but for the whole family. They truly need this!! Thank you so much for my grant I'm very grateful.

Block Grants

- ❖ These breaks make a massive difference to families struggling to cope with the consequences of a diagnosis, and bring fun and joy into the children's lives.
- ❖ Your funding enabled us to support 23 families at Christmas and 10 families in February; our sessions provide both respite and support for families, many struggling with mental and/or physical health issues.
- ❖ We are grateful to the Trustees of the Victoria Convalescent Trust for making a meaningful difference to people who are meeting the huge daily challenges of Huntington's disease.
- ❖ The difference trips make to the children and young people we support are simply incredible.
- ❖ Because of your support, we are able to provide a safe and inclusive space where disabled children and young people can have fun, make friends and overcome the isolation that so often impacts their lives.
- ❖ Because of you, some of the most severely disabled people in our society can spend time beyond the hospital in the world they know and miss: home at Christmas, a child's school play, a quiet hour in a local garden, and the chance to pursue hobbies, old and new.

The Trustees have reviewed their operations with reference to GDPR and have implemented policies and procedures to ensure compliance.

Procedures are operated by the Trust to ensure confidentiality and a receipt is obtained for each grant made.

All the necessary practical arrangements for convalescence, recuperative or respite care must be made by the referring agency.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

INVESTMENT POLICY

The Trustees have considered the investment policy at their regular meetings and at meetings with the investment managers who have discretionary management powers. Asset allocation between investment categories has been reviewed in the context of the Benchmarks and Guidelines agreed between the Trustees and the investment managers. Further investment information relating to the Total Return Policy is provided in Note 4 to the accounts.

RESERVES

As a result of the implementation of the unapplied total return policy, in accordance with the Order and the Operational Guidance issued by the Charity Commission, the requirements for a specific reserves policy do not apply. The Trustees implement policies and maintain funds such that the even-handed approach is maintained and is reflected appropriately in the investment policy which draws a balance between capital growth and sustainable investment income. This results in an allocation after due consideration of Unapplied Total Return to Endowment and Distribution funds.

PLANS FOR THE FUTURE

As described in note 4, the Trustees' policy is to secure grant making for at least three years. This enables the Trust to continue its grant making despite fluctuations in investment values.

The Trustees intend to continue with current grant making policies and to further develop networks of referrers to ensure funds budgeted for grant making are used to provide support as quickly and efficiently as possible using funds in the Distribution Reserve. At a meeting of the Trustees in February 2026, a budget for 2026 was set at £12,000 per month for Respite/Convalescence and Relief in Need, being the combined total in accordance with the new objects.

J. COOKE

.....

Trustee

N.M. HEATH

.....

Trustee

4th June 2026

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF VICTORIA CONVALESCENT TRUST

I report on the accounts of the Victoria Convalescent Trust for the year ended 31st December 2025.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Respective Responsibilities of Trustees and Examiner

As the Charity's Trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 144 of the Charities Act 2011 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under Section 145(5)b of the Act, whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. The examination also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, no opinion is given as to whether the accounts present "a true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the Charities Act 2011; or
 - to prepare accounts which accord with the accounting records; comply with the accounting requirements of the 2011 Act;have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Cumberland House
24-28 Baxter Avenue
Southend-on-Sea
Essex SS2 6HZ

4th June 2026

S. Lescott, FCCA
Xeinadin South Essex Limited

VICTORIA CONVALESCENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31ST DECEMBER 2025

	2025					2024				
	Income Fund £	Endowment Fund £	Distribution Fund £	Distribution Reserve £	Total £	Income Fund £	Endowment Fund £	Distribution Fund £	Distribution Reserve £	Total £
Income from:										
Investment income:										
Equity and Fixed Interest	87,279	-	-	-	87,279	83,240	-	-	-	83,240
COIF	16,077	-	-	-	16,077	16,325	-	-	-	16,325
Interest	7,185	-	-	-	7,185	10,366	-	-	-	10,366
Donations	50	-	-	-	50	-	-	-	-	-
Total Income	110,591	-	-	-	110,591	109,931	-	-	-	109,931
Expenditure on:										
Cost of Generating Funds:										
Investment management fees	-	31,417	-	-	31,417	-	29,993	-	-	29,993
Charitable Expenditure:										
Services and Equipment	-	-	39,355	-	39,355	-	-	17,310	-	17,310
Convalescence and Respite grants	-	-	106,739	-	106,739	-	-	128,300	-	128,300
Support costs (note 2)	-	-	33,966	-	33,966	-	-	33,073	-	33,073
Total Expenditure	-	31,417	180,060	-	211,477	-	29,993	178,683	-	208,676
Net Income/(Expenditure) Before Transfers	110,591	(31,417)	(180,060)	-	(100,886)	109,931	(29,993)	(178,683)	-	(98,745)
Transfer between funds (note 3)	(110,591)	(189,409)	200,000	100,000	-	(109,931)	(190,069)	195,000	105,000	-
Net (Expenditure)/Income	-	(220,826)	19,940	100,000	(100,886)	-	(220,062)	16,317	105,000	(98,745)
Other Recognised Gain/(Losses)										
Gains/(Losses) on Investment Assets	-	383,227	-	-	383,227	-	489,920	-	-	489,920
Net Movement in Funds	-	162,401	19,940	-	282,341	-	269,858	16,317	105,000	391,175
Reconciliation of Funds										
Fund Balances B/Fwd 01.01.25	-	4,844,462	85,447	533,132	5,463,041	-	4,574,604	69,130	428,132	5,071,866
Fund Balances C/Fwd 31.12.25	-	5,006,863	105,387	633,132	5,745,382	-	4,844,462	85,447	533,132	5,463,041

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

The Endowment Fund represents the permanent endowment of the fund which has, as a result of the order from the Charity Commission, become a fund including permanent endowment and unapplied total return as detailed in notes 4, 5 and 6.

The notes on pages 11 to 18 form part of these financial statements.

VICTORIA CONVALESCENT TRUST

BALANCE SHEET AT 31ST DECEMBER 2025

	Notes	£	2025 £	£	2024 £
FIXED ASSETS					
Investments at market value					
Equity and Fixed Interest	4		5,039,119		4,717,107
COIF	4		547,569		575,092
			<u>5,586,688</u>		<u>5,292,199</u>
CURRENT ASSETS					
Debtors	7	15,219		11,487	
Cash at bank		127,700		149,523	
Cash at investment manager	8	40,226		32,402	
			<u>183,145</u>	<u>193,412</u>	
CREDITORS: Amounts falling due within one year	9	(24,451)		(22,570)	
			<u>158,694</u>	<u>170,842</u>	
NET ASSETS			<u><u>5,745,382</u></u>	<u><u>5,463,041</u></u>	
FUNDS OF THE CHARITY					
ENDOWMENT FUND			5,006,883		4,844,462
DISTRIBUTION FUND			105,387		85,447
DISTRIBUTION RESERVE FUND	10		633,132		533,132
TOTAL CHARITY FUNDS			<u><u>5,745,382</u></u>	<u><u>5,463,041</u></u>	

Approved by the Trustees on 4th June 2026
and signed on their behalf by:

N.M. HEATH

.....)

)

) TRUSTEES

J. COOKE

.....)

)

The notes on pages 11 to 18 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2025

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS102 and the reporting currency is GBP. All amounts have been rounded to the nearest £.

Going Concern

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

The Trustees are confident that the Victoria Convalescent Trust is a going concern with cash assets and substantial quoted investments, as detailed in Note 4, which are regularly reviewed with the Investment Managers.

Income Recognition

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

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been received. The Trustees do not consider the value of dividends declared but not paid at the balance sheet date to be material to the understanding of the accounts.

Fund Accounting

As described in the Report of the Trustees, the Trust operates a Total Return Policy. The funds established to operate this policy are outlined below:

- The Income Fund shows income received during the year and represents Unapplied Return.
- The Endowment Fund holds the Permanent Endowment and any Unapplied Returns from income or capital gains.
- The Distribution Reserve holds returns applied after distribution to current beneficiaries as described in Note 10.
- The Distribution Fund holds funds allocated by the Trustees from the Distribution Reserve for use in the year.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2025

1. ACCOUNTING POLICIES – continued

Cash Flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirements to prepare such a statement by virtue of its early adoption of Update Bulletin 1 of the Charities SORP (FRS 102)

Accounting Estimates and Judgements

The most significant areas of adjustment and key assumptions that affect items in the accounts relate to estimating the liability for grant commitments. With respect to the next reporting period, 2026, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

Expenditure Recognition

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

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

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust.

Grants are charged in the year in which they become payable.

Expenditure on capital items costing less than £1,000 is written off in the year of acquisition.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2025

1. ACCOUNTING POLICIES – continued

Unapplied Total Return Policy

As a result of the implementation of this policy, it is not considered relevant to divide the balance sheet between different funds.

Pension Contributions

The Trust makes contributions to a defined contribution pension scheme for one staff member which are charged in the accounts as paid.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. SUPPORT COSTS	2025 £	2024 £
Grants Co-ordinator salary	22,260	21,656
Grants Office expenses	1,649	1,653
Accounting and administration	6,200	6,120
Governance costs:		
– Independent Examination	2,900	2,800
– Trustees' expenses	391	328
Bank charges	60	62
Sundries	87	35
Computer costs	419	419
	<u>33,966</u>	<u>33,073</u>

The Trust employed one member of staff throughout the year and no employee received emoluments in excess of £60,000. Pension contributions to defined contribution pension schemes totalling £1,260 (2024: £1,226) are included within salary costs.

Two (2024: Two) trustees claimed expenses during the year covering training, travel, postage and stationery amounting to £391 (2024: £328). There were no other related party transactions.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2025

3. TRANSFERS

Transfers reflect the application of the total return of the Trust to the Distribution Fund and the Distribution Reserve Fund as set out below:

	Income Fund £	Endowment Fund £	Distribution Fund £	Distribution Reserve Fund £
2025				
Unapplied Total Return allocated	-	(300,000)	-	300,000
Annual allocation	-	-	200,000	(200,000)
Income added to endowment	(110,591)	110,591	-	-
	<u>(110,591)</u>	<u>110,591</u>	<u>200,000</u>	<u>(200,000)</u>
	<u>(110,591)</u>	<u>(189,409)</u>	<u>200,000</u>	<u>100,000</u>
2024				
Unapplied Total Return allocated	-	(300,000)	-	300,000
Annual allocation	-	-	195,000	(195,000)
Income added to endowment	(109,931)	109,931	-	-
	<u>(109,931)</u>	<u>109,931</u>	<u>195,000</u>	<u>(195,000)</u>
	<u>(109,931)</u>	<u>(190,069)</u>	<u>195,000</u>	<u>105,000</u>

4. INVESTMENTS

	2025 £	2024 £
Market value at 1 st January 2025	5,292,199	4,886,198
Acquisitions at cost	754,131	605,762
Disposal proceeds	(842,869)	(689,681)
Realised gains/(losses) on investment assets	4,171	(6,566)
Unrealised gains/(losses) on investment assets	379,056	496,486
Market value as at 31st December 2025	<u>5,586,688</u>	<u>5,292,199</u>
Historical cost as at 31st December 2025	<u>3,215,912</u>	<u>2,973,734</u>
Investments at Market Value Comprised		
	2025 £	2024 £
Quoted		
Equity and Fixed Interest	5,039,119	4,717,107
COIF	547,569	575,092
	<u>5,586,688</u>	<u>5,292,199</u>

All equity shares are UK listed.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2025

4. INVESTMENTS – continued

Quoted investments comprise investments listed on the London Stock Exchange. At 31st December 2025 there were five holdings which are considered material (over 5% of portfolio by value) being the investments in the JP Morgan American Investment Trust valued at £475,167, the HSBC Exchange Traded Fund S&P500 valued at £375,818, the Schroder Investment Fund US Large Capital Fund valued at £484,512, the Polar Capital Technology Trust valued at £348,000 and Ishares Core S&P 500 valued at £413,856.

The fixed interest and equity holdings are managed by Quilter Cheviot and are registered under the name of Quilter Nominees Limited. In the event of default by Quilter Cheviot, supplemental account protection is offered to eligible claimants by the Financial Services Compensation Scheme.

As disclosed in the 2001 accounts, the Trustees exercised their powers to expend unapplied total return as granted by the Order dated 14th August 2001, on 9th November 2001. The unapplied total return (UTR) was calculated by establishing the cost of all assets held at 1st January 1999 and adding subsequent endowment receipts. This figure amounted to £2,258,987 and gave an unapplied total return of £1,484,877 as calculated from the audited accounts at 31st December 2000.

At the end of 2025, the Unapplied Total Return (UTR) stood at £767,044 and the Trustees applied £300,000 to the Endowment Fund and £300,000 to the Distribution Reserve. This restored the Distribution Reserve to a level considered adequate by the Trustees to sustain activities for three years without further transfers.

5. UNAPPLIED TOTAL RETURN (UTR)	2025 £	2024 £
Balance at 1 st January 2025	273,226	274,893
Income in year	110,591	109,931
Unrealised gains/(losses) on investments	383,227	488,402
UTR before application	767,044	873,226
Application to Distribution Reserve	(300,000)	(300,000)
Application to Permanent Endowment	(300,000)	(300,000)
UTR at 31 st December 2025	167,044	273,226
Represented by:		
Balance retained in Endowment Fund	167,044	273,226

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2025

6. PERMANENT ENDOWMENT

The Permanent Endowment represents funds established by Sir Max Waechter, the founder of the constituent charities, together with further amounts applied in accordance with the Total Returns Policy adopted in 2001. Movements on the Permanent Endowment are set out below:

	2025 £	2024 £
Balance at 1 st January 2025	4,569,718	4,299,711
Management fees	(31,417)	(29,993)
Application of Total Return	300,000	300,000
	<u>4,838,301</u>	<u>4,569,718</u>
Balance at 31 st December 2025	<u>4,838,301</u>	<u>4,569,718</u>

7. DEBTORS

	2025 £	2024 £
Income receivable	<u>15,219</u>	<u>11,487</u>

8. CASH AT INVESTMENT MANAGER

	2025 £	2024 £
Cash held at the year end by Quilter Cheviot is held for the following purposes:		
For reinvestment	-	-
To support Grant Making	40,226	32,402
	<u>40,226</u>	<u>32,402</u>

9. CREDITORS

	2025 £	2024 £
Independent Examination	2,900	2,800
Accountancy	800	2,070
Investment Manager's fees	8,204	7,700
Other creditors, including taxation and social security	208	579
Grants	12,339	9,421
	<u>24,451</u>	<u>22,570</u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

10. DISTRIBUTION RESERVE FUND

The Trustees have established a reserve fund in which total return allocated for distribution is to be held to protect the interests of current beneficiaries in the event of a substantial fall in investment values. The Trustees agreed to the release of £200,000 from the Distribution Reserve in 2025 and authorised up to £130,000 in 2026 to the Distribution Fund which is maintained in readily accessible cash reserves. At the end of 2025, the Trustees released £300,000 from the Unapplied Total Return to the Distribution Reserve Fund. The assets of the Fund are held within cash and investments managed by the Trust's Investment Managers as detailed in Note 4.

11. OUTSTANDING GRANTS

Grants promised but not taken up during the year and which remained outstanding at 31st December 2025 amounted to £12,239 (2024: £9,421). It is anticipated that a material proportion of these promises will be paid out in 2025 as suitable accommodation becomes available and beneficiaries take up grants previously offered.

12. TRUSTEES' INTERESTS

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2024: £nil). Expenses paid to the Trustees in the year are detailed in Note 2.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Fund 2025 £	Distribution Fund 2025 £	Distribution Reserve 2025 £	Total Funds 2025 £
Fixed assets	5,015,067	-	571,621	5,586,688
Current assets	-	121,634	61,551	183,145
Creditors due within one year	(8,204)	(16,247)	-	(24,451)
	<u>5,006,863</u>	<u>105,387</u>	<u>633,132</u>	<u>5,745,382</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS (2024)

	Endowment Fund 2024 £	Distribution Fund 2024 £	Distribution Reserve 2024 £	Total Funds 2024 £
Fixed assets	4,852,162	-	440,037	5,292,199
Current assets	-	100,317	93,095	193,412
Creditors due within one year	(7,700)	(14,870)	-	(22,570)
	<u>4,844,462</u>	<u>85,447</u>	<u>533,132</u>	<u>5,463,041</u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

14. FINANCIAL INSTRUMENTS	2025	2024
	£	£
Financial assets measured at fair value through income and expenditure	5,586,688	5,292,199
Financial assets measured at amortised cost represent debtors	15,219	11,487
Financial liabilities are the creditors of the Trust	(24,451)	(22,570)
	<u>5,577,456</u>	<u>5,281,116</u>

15. FUND RAISING POLICY

The Charity does not actively fund raise but accepts donations.

16. RELATED PARTY TRANSACTIONS

During the year grants of £21,427 were made to the Huntington's Disease Association of which Mr. N. Heath is a trustee.

There were no other related party transactions in the year.

Accounts

VICTORIA CONVALESCENT TRUST

*INCORPORATING
VICTORIA CONVALESCENT TRUST FUND
KING EDWARD VII CHILDREN'S
CONVALESCENT TRUST FUND
PRINCESS MARY MEMORIAL TRUST FUND*

FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2024

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VICTORIA CONVALESCENT TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

REGISTERED CHARITY NUMBER: 1064585

TRUSTEES:

Mr. N.M. Heath (Chairman)
Miss H.J. Hipps
Mrs. J.M. Morton
Miss V. Hipps
Mrs. S.K. Wilson
Mr. D.J.R. Wells
Mr. W.S. Gibbs (resigned 24th April 2025)
Mrs. P. Bligaard (resigned 7th February 2025)
Miss J.D. Dollimore
Mrs. A.J. Perkins
Mrs. B. Curtis (appointed 7th November 2024)

GRANTS CO-ORDINATOR: Ms J. Brand

INDEPENDENT EXAMINER:

S. Lescott
Xeinadin Southend
Cumberland House
24-28 Baxter Avenue
Southend-on-Sea
Essex SS2 6HZ

INVESTMENT MANAGERS:

Quilter Cheviot
Senator House
85 Queen Victoria Street
London EC4V 4AB

BANKERS:

National Westminster Bank plc
141 Ebury Street
London SW1W 9QP

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

PRINCIPAL ADDRESS:

c/o RPGCC
40 Gracechurch Street
London
EC3V 0BT

WEBSITE: www.victoriaconvalescenttrust.org.uk

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES YEAR ENDED 31ST DECEMBER 2024

The Trustees present their report and the unaudited financial statements for the year ended 31st December 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deeds, the Charities Act 2011 and the provisions of the 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 (FRS102) (effective 1 January 2015).

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report below sets out those objectives and describes how they have been met in the current year. Specifically this has been done by the provision of financial support for those with significant health issues requiring convalescence or respite and also the provision of services and equipment in cases of financial hardship.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees' Statement of Responsibility in Relation to the Accounts

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and ensure that the financial statements comply with applicable law, regulations and the trust schemes. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Constitution

On 9th June 1997, the Charity Commissioners for England and Wales ordered that the charities mentioned below shall be administered and managed together as one charity under the title of Victoria Convalescent Trust.

- 1) The charity called King Edward VII Children's Convalescent Trust Fund, in the County of Surrey and the London Borough of Croydon, regulated by a Scheme of the Charity Commissioners of 23rd September 1982;
- 2) The charity called The Princess Mary Memorial Trust Fund, in Greater London, regulated by a Scheme of the Commissioners of 23rd September 1982;
- 3) The charity called Victoria Convalescent Trust Fund regulated by a Scheme of the Commissioners of 23rd September 1982 as varied by a Scheme of the Commissioners of 26th April 1983.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

On 14th August 2001, the Charity Commissioners issued an Order that “Being satisfied that it is expedient in the interests of the charity that the Trustees should have the power to do so, the Commissioners authorise the Trustees of the charity to decide, at any time, and from time to time, to their discretion, which part of the unapplied total return belonging to the charity should be held on trust for application (income) for the purposes of the charity.”

During the course of the year the Trustees made an application to the Charity Commission under powers afforded to them by S.280A of the Charities Act 2011 (as amended) to change the Charity's objects clause to reflect more closely the number and nature of the applications received in recent years. At 31st December 2024 the decision of the Charity Commission was still awaited.

Structure of Organisation

The Charity is governed by a Board of Trustees which met four times during the year. The Trustees make the policy decisions and review the work of the Grants Co-ordinator who processes all grant applications in consultation with individual trustees. All grants made are reviewed and formally approved by the Board of Trustees.

Appointment of Trustees

The Trustees are appointed by a resolution of the Trustees for a term of three years. Any competent trustee may be re-appointed. No person is entitled to act as a trustee until he or she has signed a declaration of eligibility to act and of acceptance of willingness to act. New trustees are given training as appropriate including an introduction to the availability of Charity Commission guidance.

Statement of Risk Management

The Trustees have considered the risks to which the Victoria Convalescent Trust is exposed and believe that these will be mitigated by:

- A body of trustees with the necessary experience and competence to supervise all the aspects of the Trust's work;
- Recruitment of younger trustees with suitable qualifications, cultural diversity and wide-ranging relevant experience to endeavour to ensure the succession of new talent in the trustee body;
- Regular trustees' meetings with effective reporting to ensure proper review of grant making coupled with the consideration and approval by trustees of all grants made;
- Retention of competent investment managers who regularly attend trustees' meetings; and
- An effective system of internal control to ensure the correct operation of the Guidelines for Grant Making and compliance with General Data Protection Regulations (GDPR).

CHARITY OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Subject to the payment of expenses, the Trustees applied the distributable funds of the Charity in accordance with the scheme dated 9th June 1997 as set out below:

- (a) As to 10% thereof for providing relief in need either generally or individually of persons, with a preference for women resident in the Greater London area, who are in conditions of need, hardship or distress by making grants of money or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons.
- (b) As to 90% thereof in or towards providing, in cases of need, convalescence, recuperation and/or respite care, provided that as to one quarter of the said 90% the Trustees shall give preference to persons residing in the County of Surrey or the London Borough of Croydon.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

The purpose of the Trust is to make grants for:

- (a) convalescence, recuperative holidays and respite care (Category A) in response to standard application forms completed by and supported by an appropriately qualified health or social care worker on behalf of an individual in need; and
- (b) services and equipment (Category B) on the receipt of standard application forms completed by an appropriately qualified health or social care worker.

Maximum grants were £1,500 for Category A and £500 for Category B in 2024.

Procedures are operated by the Trust to ensure confidentiality and a receipt is obtained for each grant made.

GRANT INFORMATION

The VCT received fewer applications in 2024 than the previous year which may be attributed to the fact that post Covid, the short break application requests have stabilised after the peaks experienced in the years immediately after. It is also attributed to issues in relation to the economic cost of living crisis which has affected referring services that were previously submitting grant applications, now prioritising other needs. This, unfortunately, is compounded by referring Agencies and short break providers having closed down in 2024. The VCT continues to share information about the VCT's objectives hoping to disseminate to a far wider audience.

Six block grants were made during the year to institutions for use in accordance with the Trust's objectives. A grant of £10,000 was made to Newlife, a charity for disabled children, to support their Equipment Grant Service. Challengers Children's Charity received £8,000 to fund inclusion and socialising for disabled young people in Guildford and Home Start Wandsworth received £550 to support event attendance. A grant of £2,000 was also made to Momentum Children's Charity for respite holidays for six families. The Royal Hospital for Neuro-Disability received £20,000 to continue nurse-led patient outings and The Children's Trust was awarded £15,000 to fund their assisted outings.

Regular reports are received from the recipients of block grants confirming their use in accordance with the objects of the Trust. Other grants are confirmed by receipt from the provider of convalescence or other services.

REVIEW OF THE YEAR

The Trust made grants to pay for periods of convalescence, recuperative and respite care for those in need who do not have the financial resources and who have been unable to obtain sufficient assistance from the statutory services or other resources.

Applications for convalescence, recuperative or respite care grants are usually made by a suitably qualified social worker or health care worker, but consideration can be given to requests from other sources.

This enabled the Charity to make a valuable contribution to the provision of respite and convalescence in England and Wales. The website has continued to be developed to make the Charity more accessible to users and provide information on its purpose. The online application form has enhanced the efficiency of the Charity's operation.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

The Trustees have reviewed their operations with reference to GDPR and have implemented policies and procedures to ensure compliance.

All the necessary practical arrangements for convalescence, recuperative or respite care must be made by the referring agency.

The Trustees use letters received from grantees and referrers as a tool to measure outcomes. These are overwhelmingly positive and indicate how our grants have improved the lives of recipients.

Examples of the feedback are given below and more are highlighted on our website.

- ❖ I just wanted to say thank you and the charity for granting me this much needed break. I'm currently in Devon, it's pouring with rain but I don't care, I'm away from dreaded flat and I'm getting full nights sleep, more than I've had in 4 years so I just wanted to thank you from the bottom of my heart. I appreciate you so much.
- ❖ D actually called me from Devon so I could hear the kids laughing playfully in the luscious fields around the resort - they simply couldn't get enough of the space, she said.
- ❖ F has told me that since the good news came, the atmosphere in her home is one of anticipation and great excitement as they prepare for their break.
- ❖ We are endlessly grateful to the Victoria Convalescent Trust and wish you blessings in all you do! May you continue brightening the lives of vulnerable people, helping them forge on!
- ❖ This break will allow me time to heal, reenergise and focus on the future.
- ❖ I just wanted to say a huge thank you for the recent news that VCT have granted £350 towards the cost of a new mattress for M. This is such good news and thanks to your generosity.

The individual grants approved between 1st January 2024 and 31st December 2024 were classified under the following categories:

Category	Category No.	2024	2023	Grants 2024 (£)	Grants 2023 (£)
AIDS/HIV	1	2	0	450	0
Cancer	2	17	14	4,110	3,583
Children	3	139	261	18,157	27,193
General Medical	4	0	0	0	0
General Surgery	5	0	1	0	100
Mental Health	6	25	26	7,558	7,092
Learning Difficulties	7	1	2	198	250
Physical Disability	8	51	51	31,089	23,174
Carer	9	100	154	16,072	20,915
Neuro-Divergent	15	8	5	1,947	1,399
Relief in Need	10	28	45	9,573	12,995
Approved - not required	11	0	0	0	0
Totals		371	559	89,154	96,701

Applications for Relief in Need grants continued at a high level and the Trustees increased the budget to enable people to be supported through the challenging conditions caused by the high levels of inflation that occurred in 2023.

The Trustees have continued to develop relationships with new referrers of people in need of respite care, convalescence and services and equipment.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

POST BALANCE SHEET DEVELOPMENTS

Since the year end, Mrs. P. Bligaard and Mr. W. Gibbs have resigned as Trustees after 15 years on the Board. The Trustees very much appreciated their contribution to the operation of the Trust and are reviewing Trustee Recruitment Policy to ensure skill sets are covered going forward.

After the year end, the Trustees received the consent of the Charity Commission to amend the objects clause of the Charity Commission Scheme of 9th June 1997. A resolution was passed by the Trustees on 20th February 2025 and the objects from that date are set out below:

“The objects of the Charity are, for the public benefit, to apply the income to:

Primarily, provide relief for those in need by reason of financial hardship ill health or disability by the provision of convalescence, recuperation and/or respite care, provided that as to one quarter of the income the Trustees shall give preference to persons residing in the County of Surrey or the London Borough of Croydon; and

Relieve the need either generally or individually of persons, with a preference for women resident in the Greater London area, who are in conditions of need, hardship or distress by making grants of money or providing or paying for items, services or facilities calculated to reduce the need hardship or distress of such persons”.

INVESTMENT POLICY

The Trustees have considered the investment policy at their regular meetings and at meetings with the investment managers who have discretionary management powers. Asset allocation between investment categories has been reviewed in the context of the Benchmarks and Guidelines agreed between the Trustees and the investment managers. Further investment information relating to the Total Return Policy is provided in Note 4 to the accounts.

RESERVES

As a result of the implementation of the unapplied total return policy, in accordance with the Order and the Operational Guidance issued by the Charity Commission, the requirements for a specific reserves policy do not apply. The Trustees implement policies and maintain funds such that the even-handed approach is maintained and is reflected appropriately in the investment policy which draws a balance between capital growth and sustainable investment income. This results in an allocation after due consideration of Unapplied Total Return to Endowment and Distribution funds.

PLANS FOR THE FUTURE

As described in note 4, the Trustees' policy is to secure grant making for at least three years. This enables the Trust to continue its grant making despite fluctuations in investment values.

The Trustees intend to continue with current grant making policies and to further develop networks of referrers to ensure funds budgeted for grant making are used to provide support as quickly and efficiently as possible using funds in the Distribution Reserve. At a meeting of the Trustees in February 2025, a budget for 2025 was set at £12,000 per month for Respite/Convalescence and Relief in Need, being the combined total in accordance with the new objects as confirmed for the year.

N.M. HEATH

D.J.R. WELLS

Trustee

Trustee

27th May 2025

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF VICTORIA CONVALESCENT TRUST

I report on the accounts of the Victoria Convalescent Trust for the year ended 31st December 2024.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Respective Responsibilities of Trustees and Examiner

As the Charity's Trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 144 of the Charities Act 2011 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under Section 145(5)b of the Act, whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. The examination also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, no opinion is given as to whether the accounts present "a true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the Charities Act 2011; or
 - to prepare accounts which accord with the accounting records; comply with the accounting requirements of the 2011 Act;have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Cumberland House
24-28 Baxter Avenue
Southend-on-Sea
Essex SS2 6HZ

10th June 2025

S. Lescott, FCCA

Chartered Certified Accountant

VICTORIA CONVALESCENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31ST DECEMBER 2024

	2024					2023				
	Income Fund £	Endowment Fund £	Distribution Fund £	Distribution Reserve £	Total £	Income Fund £	Endowment Fund £	Distribution Fund £	Distribution Reserve £	Total £
Income from:										
Investment income:										
Equity and Fixed Interest	83,240	-	-	-	83,240	79,338	-	-	-	79,338
Special Range: COIF	16,325	-	-	-	16,325	16,770	-	-	-	16,770
Interest	10,366	-	-	-	10,366	7,656	-	-	-	7,656
Total Income	109,931	-	-	-	109,931	103,764	-	-	-	103,764
Expenditure on:										
Cost of Generating Funds:										
Investment management fees	-	29,993	-	-	29,993	-	27,067	-	-	27,067
Charitable Expenditure:										
Services and Equipment	-	-	17,310	-	17,310	-	-	16,637	-	16,637
Convalescence and Respite grants	-	-	128,300	-	128,300	-	-	84,756	-	84,756
Support costs (note 2)	-	-	33,073	-	33,073	-	-	31,512	-	31,512
Total Expenditure	-	29,993	178,683	-	208,676	-	27,067	132,905	-	159,972
Net Income/(Expenditure) Before Transfers	109,931	(29,993)	(178,683)	-	(98,745)	103,764	(27,067)	(132,905)	-	(56,208)
Transfer between funds (note 3)	(109,931)	(190,069)	195,000	105,000	-	(103,764)	3,764	130,000	(30,000)	-
Net (Expenditure)/Income	-	(220,062)	16,317	105,000	(98,745)	-	(23,303)	(2,905)	(30,000)	(56,208)
Other Recognised Gain/(Losses)										
Gains/(Losses) on Investment Assets	-	489,920	-	-	489,920	-	444,293	-	-	444,293
Net Movement in Funds	-	269,858	16,317	105,000	391,175	-	420,990	(2,905)	(30,000)	388,085
Reconciliation of Funds										
Fund Balances B/Fwd 01.01.24	-	4,574,604	69,130	428,132	5,071,866	-	4,153,614	72,035	458,132	4,683,781
Fund Balances C/Fwd 31.12.24	-	4,844,462	85,447	533,132	5,463,041	-	4,574,604	69,130	428,132	5,071,866

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

The Endowment Fund represents the permanent endowment of the fund which has, as a result of the order from the Charity Commission, become a fund including permanent endowment and unapplied total return as detailed in notes 4, 5 and 6.

The notes on pages 10 to 17 form part of these financial statements.

VICTORIA CONVALESCENT TRUST

BALANCE SHEET AT 31ST DECEMBER 2024

	Notes	£	2024 £	£	2023 £
FIXED ASSETS					
Investments at market value					
Equity and Fixed Interest Funds	4		4,717,107		4,275,324
COIF			575,092		610,874
			<u>5,292,199</u>		<u>4,886,198</u>
CURRENT ASSETS					
Debtors	7	11,487		14,645	
Cash at bank		149,523		121,155	
Cash at investment manager	8	32,402		77,590	
			<u>193,412</u>	<u>213,390</u>	
CREDITORS: Amounts falling due within one year	9	(22,570)		(27,722)	
			<u>170,842</u>	<u>185,668</u>	
NET ASSETS			<u><u>5,463,041</u></u>	<u><u>5,071,866</u></u>	
FUNDS OF THE CHARITY					
ENDOWMENT FUND			4,844,462		4,574,604
DISTRIBUTION FUND			85,447		69,130
DISTRIBUTION RESERVE FUND	10		533,132		428,132
TOTAL CHARITY FUNDS			<u><u>5,463,041</u></u>	<u><u>5,071,866</u></u>	

Approved by the Trustees on 27th May 2025
and signed on their behalf by:

N.M. HEATH

.....)

)

) TRUSTEES

D.J.R. WELLS

.....)

)

The notes on pages 10 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2024

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS102 and the reporting currency is GBP. All amounts have been rounded to the nearest £.

Going Concern

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

The Trustees are confident that the Victoria Convalescent Trust is a going concern with cash assets and substantial quoted investments, as detailed in Note 4, which are regularly reviewed with the Investment Managers.

Income Recognition

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

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been received. The Trustees do not consider the value of dividends declared but not paid at the balance sheet date to be material to the understanding of the accounts.

Fund Accounting

As described in the Report of the Trustees, the Trust operates a Total Return Policy. The funds established to operate this policy are outlined below:

- The Income Fund shows income received during the year and represents Unapplied Return.
- The Endowment Fund holds the Permanent Endowment and any Unapplied Returns from income or capital gains.
- The Distribution Reserve holds returns applied after distribution to current beneficiaries as described in Note 10.
- The Distribution Fund holds funds allocated by the Trustees from the Distribution Reserve for use in the year.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2024

1. ACCOUNTING POLICIES – continued

Cash Flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirements to prepare such a statement by virtue of its early adoption of Update Bulletin 1 of the Charities SORP (FRS 102)

Accounting Estimates and Judgements

The most significant areas of adjustment and key assumptions that affect items in the accounts relate to estimating the liability for grant commitments. With respect to the next reporting period, 2025, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

Expenditure Recognition

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

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

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust.

Grants are charged in the year in which they become payable.

Expenditure on capital items costing less than £1,000 is written off in the year of acquisition.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2024

1. ACCOUNTING POLICIES – continued

Unapplied Total Return Policy

As a result of the implementation of this policy, it is not considered relevant to divide the balance sheet between different funds.

Pension Contributions

The Trust makes contributions to a defined contribution pension scheme for one staff member which are charged in the accounts as paid.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. SUPPORT COSTS	2024 £	2023 £
Grants Co-ordinator salary	21,656	20,284
Grants Office expenses	1,653	1,950
Accounting and administration	6,120	6,070
Governance costs:		
– Independent Examination	2,800	2,700
– Trustees' expenses	328	316
Bank charges	62	62
Sundries	35	35
Computer costs	419	95
	<u>33,073</u>	<u>31,512</u>

The Trust employed one member of staff throughout the year and no employee received emoluments in excess of £60,000. Pension contributions to defined contribution pension schemes totalling £1,226 (2023: £1,148) are included within salary costs.

Two (2023: Two) trustees claimed expenses during the year covering training, travel, postage and stationery amounting to £328 (2023: £316). There were no other related party transactions.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2024

3. TRANSFERS

Transfers reflect the application of the total return of the Trust to the Distribution Fund and the Distribution Reserve Fund as set out below:

	Income Fund £	Endowment Fund £	Distribution Fund £	Distribution Reserve Fund £
2024				
Unapplied Total Return allocated	-	(300,000)	-	300,000
Annual allocation	-	-	195,000	(195,000)
Income added to endowment	(109,931)	109,931	-	-
	<u>(109,931)</u>	<u>109,931</u>	<u>195,000</u>	<u>105,000</u>
2023				
Unapplied Total Return allocated	-	(100,000)	-	100,000
Annual allocation	-	-	130,000	(130,000)
Income added to endowment	(103,764)	103,764	-	-
	<u>(103,764)</u>	<u>103,764</u>	<u>130,000</u>	<u>(30,000)</u>

4. INVESTMENTS

	2024 £	2023 £
Market value at 1 st January 2024	4,886,198	4,501,107
Acquisitions at cost	605,762	921,074
Disposal proceeds	(689,681)	(980,276)
Realised gains/(losses) on investment assets	(6,566)	(9,925)
Unrealised gains/(losses) on investment assets	496,486	454,218
Market value as at 31st December 2024	<u>5,292,199</u>	<u>4,886,198</u>
Historical cost as at 31st December 2024	<u>2,973,734</u>	<u>2,908,719</u>
Investments at Market Value Comprised		
	2024 £	2023 £
Quoted		
Equity and Fixed Interest Funds	4,717,107	4,275,324
COIF	575,092	610,874
	<u>5,292,199</u>	<u>4,886,198</u>

All equity shares are UK listed.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2024

4. INVESTMENTS – continued

Quoted investments comprise investments listed on the London Stock Exchange. At 31st December 2024 there were four holdings which are considered material (over 5% of portfolio by value) being the investments in the JP Morgan American Investment Trust valued at £478,555, the HSBC Exchange Traded Fund S&P500 valued at £347,123, the Schroder Investment Fund US Large Capital Fund valued at £383,887 and the Polar Capital Technology Trust valued at £261,375.

As a result of the Trustee Act 2000, the requirement to distinguish Wider Range and Narrower Range stocks has been abolished. Until 2023, the Trustees maintained equity and fixed interest funds in the accounts. However in 2024, following further reductions in fixed interest holdings, the Trustees decided to merge the funds and this change is reflected in these accounts. The fixed interest and equity holdings are managed by Quilter Cheviot and are registered under the name of Quilter Nominees Limited. In the event of default by Quilter Cheviot, supplemental account protection is offered to eligible claimants by the Financial Services Compensation Scheme.

As disclosed in the 2001 accounts, the Trustees exercised their powers to expend unapplied total return as granted by the Order dated 14th August 2001, on 9th November 2001. The unapplied total return (UTR) was calculated by establishing the cost of all assets held at 1st January 1999 and adding subsequent endowment receipts. This figure amounted to £2,258,987 and gave an unapplied total return of £1,484,877 as calculated from the audited accounts at 31st December 2000.

At the end of 2024, the Unapplied Total Return (UTR) stood at £874,774 and the Trustees applied £300,000 to the Endowment Fund and £300,000 to the Distribution Reserve. This restored the Distribution Reserve to a level considered adequate by the Trustees to sustain activities for three years without further transfers.

5. UNAPPLIED TOTAL RETURN (UTR)	2024 £	2023 £
Balance at 1 st January 2024	274,893	(73,164)
Income in year	109,931	103,764
Realised gains/(losses) on investments	1,578	(9,924)
Unrealised gains/(losses) on investments	488,402	454,217
UTR before application	874,744	474,893
Application to Distribution Reserve	(300,000)	(100,000)
Application to Permanent Endowment	(300,000)	(100,000)
UTR at 31 st December 2024	<u>274,744</u>	<u>274,893</u>
Represented by:		
Balance retained in Endowment Fund	<u>274,744</u>	<u>274,893</u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2024

6. PERMANENT ENDOWMENT

The Permanent Endowment represents funds established by Sir Max Waechter, the founder of the constituent charities, together with further amounts applied in accordance with the Total Returns Policy adopted in 2001. Movements on the Permanent Endowment are set out below:

	2024 £	2023 £
Balance at 1 st January 2024	4,299,711	4,226,778
Management fees	(29,993)	(27,067)
Application of Total Return	300,000	100,000
Balance at 31 st December 2024	<u>4,569,718</u>	<u>4,299,711</u>

7. DEBTORS

	2024 £	2023 £
Income receivable	11,487	14,645
Other debtors	-	-
	<u>11,487</u>	<u>14,645</u>

8. CASH AT INVESTMENT MANAGER

	2024 £	2023 £
Cash held at the year end by Quilter Cheviot is held for the following purposes:		
For reinvestment	-	-
To support Grant Making	32,402	77,590
	<u>32,402</u>	<u>77,590</u>

9. CREDITORS

	2024 £	2023 £
Independent Examination	2,800	2,700
Accountancy	2,070	2,040
Investment Manager's fees	7,700	6,815
Other creditors, including taxation and social security	579	1,232
Grants	9,421	14,935
	<u>22,570</u>	<u>27,722</u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

10. DISTRIBUTION RESERVE FUND

The Trustees have established a reserve fund in which total return allocated for distribution is to be held to protect the interests of current beneficiaries in the event of a substantial fall in investment values. The Trustees agreed to the release of £195,000 from the Distribution Reserve in 2024 and authorised up to £130,000 in 2025 to the Distribution Fund which is maintained in readily accessible cash reserves. At the end of 2024, the Trustees released £300,000 from the Unapplied Total Return to the Distribution Reserve Fund. The assets of the Fund are held within cash and investments managed by the Trust's Investment Managers as detailed in Note 4.

11. OUTSTANDING GRANTS

Grants promised but not taken up during the year and which remained outstanding at 31st December 2024 amounted to £9,420 (2023: £14,935). It is anticipated that a material proportion of these promises will be paid out in 2025 as suitable accommodation becomes available and beneficiaries take up grants previously offered.

12. TRUSTEES' INTERESTS

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2023: £nil). Expenses paid to the Trustees in the year are detailed in Note 2.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Fund 2024 £	Distribution Fund 2024 £	Distribution Reserve 2024 £	Total Funds 2024 £
Fixed assets	4,852,162	-	440,037	5,292,199
Current assets	-	100,317	93,095	193,412
Creditors due within one year	(7,700)	(14,870)	-	(22,570)
	<u>4,844,462</u>	<u>85,447</u>	<u>533,132</u>	<u>5,463,041</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS (2023)

	Endowment Fund 2023 £	Distribution Fund 2023 £	Distribution Reserve 2023 £	Total Funds 2023 £
Fixed assets	4,581,419	-	304,779	4,886,198
Current assets	-	90,037	123,353	213,390
Creditors due within one year	(6,815)	(20,907)	-	(27,722)
	<u>4,574,604</u>	<u>69,130</u>	<u>428,132</u>	<u>5,071,866</u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

14. FINANCIAL INSTRUMENTS	2024	2023
	£	£
Financial assets measured at fair value through income and expenditure	5,292,199	4,886,198
Financial assets measured at amortised cost represent debtors	11,487	14,645
Financial liabilities are the creditors of the Trust	(22,570)	(27,722)
	<u>5,281,116</u>	<u>4,873,121</u>

15. FUND RAISING POLICY

The Charity does not actively fund raise but accepts donations.

Accounts

VICTORIA CONVALESCENT TRUST

*INCORPORATING
VICTORIA CONVALESCENT TRUST FUND
KING EDWARD VII CHILDREN'S
CONVALESCENT TRUST FUND
PRINCESS MARY MEMORIAL TRUST FUND*

FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2023

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	7	Independent Examiner's Report
	8	Statement of Financial Activities
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VICTORIA CONVALESCENT TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

REGISTERED CHARITY NUMBER: 1064585

TRUSTEES:

Mr. N.M. Heath (Chairman)
Miss H.J. Hipps
Mrs. J.M. Morton
Miss V. Hipps
Mrs. S.K. Wilson
Mr. D.J.R. Wells
Mr. W.S. Gibbs
Mrs. P. Bligaard
Miss J.D. Dollimore
Mrs. A.J. Perkins

GRANTS CO-ORDINATOR: Ms J. Brand

INDEPENDENT EXAMINER:

S. Lescott
Devonports LAS
10 Station Court
Station Approach
Wickford
Essex SS11 7AT

INVESTMENT MANAGERS:

Quilter Cheviot
Senator House
85 Queen Victoria Street
London EC4V 4AB

BANKERS:

National Westminster Bank plc
141 Ebury Street
London SW1W 9QP

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent ME19 4JQ

PRINCIPAL ADDRESS:

c/o RPGCC
40 Gracechurch Street
London
EC3V 0BT

WEBSITE: www.victoriaconvalescenttrust.org.uk

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES YEAR ENDED 31ST DECEMBER 2023

The Trustees present their report and the unaudited financial statements for the year ended 31st December 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deeds, the Charities Act 2011 and the provisions of the 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 (FRS102) (effective 1 January 2015).

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report below sets out those objectives and describes how they have been met in the current year. Specifically this has been done by the provision of financial support for those with significant health issues requiring convalescence or respite and also the provision of services and equipment in cases of financial hardship.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees' Statement of Responsibility in Relation to the Accounts

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and ensure that the financial statements comply with applicable law, regulations and the trust schemes. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Constitution

On 9th June 1997, the Charity Commissioners for England and Wales ordered that the charities mentioned below shall be administered and managed together as one charity under the title of Victoria Convalescent Trust.

- 1) The charity called King Edward VII Children's Convalescent Trust Fund, in the County of Surrey and the London Borough of Croydon, regulated by a Scheme of the Charity Commissioners of 23rd September 1982;
- 2) The charity called The Princess Mary Memorial Trust Fund, in Greater London, regulated by a Scheme of the Commissioners of 23rd September 1982;
- 3) The charity called Victoria Convalescent Trust Fund regulated by a Scheme of the Commissioners of 23rd September, 1982 as varied by a Scheme of the Commissioners of 26th April 1983.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

On 14th August 2001, the Charity Commissioners issued an Order that "Being satisfied that it is expedient in the interests of the charity that the Trustees should have the power to do so, the Commissioners authorise the Trustees of the charity to decide, at any time, and from time to time, to their discretion, which part of the unapplied total return belonging to the charity should be held on trust for application (income) for the purposes of the charity."

Structure of Organisation

The Charity is governed by a Board of Trustees which met four times during the year. The Trustees make the policy decisions and review the work of the Grants Co-ordinator who processes all grant applications in consultation with individual trustees. All grants made are reviewed and formally approved by the Board of Trustees.

Appointment of Trustees

The Trustees are appointed by a resolution of the Trustees for a term of three years. Any competent trustee may be re-appointed. No person is entitled to act as a trustee until he or she has signed a declaration of eligibility to act and of acceptance of willingness to act. New trustees are given training as appropriate including an introduction to the availability of Charity Commission guidance.

Statement of Risk Management

The Trustees have considered the risks to which the Victoria Convalescent Trust is exposed and believe that these will be mitigated by:

- A body of trustees with the necessary experience and competence to supervise all the aspects of the Trust's work;
- Recruitment of younger trustees with suitable qualifications, cultural diversity and wide-ranging relevant experience to endeavour to ensure the succession of new talent in the trustee body;
- Regular trustees' meetings with effective reporting to ensure proper review of grant making coupled with the consideration and approval by trustees of all grants made;
- Retention of competent investment managers who regularly attend trustees' meetings; and
- An effective system of internal control to ensure the correct operation of the Guidelines for Grant Making and compliance with General Data Protection Regulations (GDPR).

CHARITY OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Subject to the payment of expenses, the Trustees shall apply the distributable funds of the Charity in accordance with the scheme dated 9th June 1997 as set out below:

- a) As to 10% thereof for providing relief in need either generally or individually of persons, with a preference for women resident in the Greater London area, who are in conditions of need, hardship or distress by making grants of money or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons.
- b) As to 90% thereof in or towards providing, in cases of need, convalescence, recuperation and/or respite care, provided that as to one quarter of the said 90% the Trustees shall give preference to persons residing in the County of Surrey or the London Borough of Croydon.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES - continued

The purpose of the Trust is to make grants for:

- (a) convalescence, recuperative holidays and respite care (Category A) in response to standard application forms completed by and supported by an appropriately qualified health or social care worker on behalf of an individual in need; and
- (b) services and equipment (Category B) on the receipt of standard application forms completed by an appropriately qualified health or social care worker.

Maximum grants were £1,250 for Category A and £400 for Category B in 2023 and these have been increased to £1,500 and £500 for Categories A and B respectively.

Procedures are operated by the Trust to ensure confidentiality and a receipt is obtained for each grant made.

GRANT INFORMATION

The Trustees are pleased to report that the number of grants made to fund Convalescence, Respite and Recuperative care continued to increase. During 2023, 514 individual grants were made for this purpose whereas in 2022, 303 were made.

During the year grant applications for funding for essential goods and services returned to pre-pandemic levels and the Trustees continued to monitor the changes closely.

Three block grants were made during the year to institutions for use in accordance with the Trust's objectives. A grant of £7,500 was made to Newlife, a charity for disabled children, to support their Equipment Grant Service. Challenges Children's Charity received £8,000 to provide funding for 32 days of play and leisure for disabled young people in Farnham. A grant of £2,000 was also made to Momentum Children's Charity for respite holidays for six families. The Royal Hospital for Neuro-Disability continues to make use of previously awarded block grants to continue nurse-led patient outings.

Regular reports are received from the recipients of block grants confirming their use in accordance with the objects of the Trust. Other grants are confirmed by receipt from the provider of convalescence or other services.

REVIEW OF THE YEAR

The Trust made grants to pay for periods of convalescence, recuperative and respite care for those in need who do not have the financial resources and who have been unable to obtain sufficient assistance from the statutory services or other resources.

Applications for convalescence, recuperative or respite care grants are usually made by a suitably qualified social worker or health care worker, but consideration can be given to requests from other sources.

The number of applications received increased following the easing of the pandemic restrictions and reflecting cost of living pressures.

This enabled the Charity to make a valuable contribution to the provision of respite and convalescence in England and Wales. The website has continued to be developed to make the Charity more accessible to users and provide information on its purpose. The online application form has enhanced the efficiency of the Charity's operation.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

The Trustees have reviewed their operations with reference to GDPR and have implemented policies and procedures to ensure compliance.

All the necessary practical arrangements for convalescence, recuperative or respite care must be made by the referring agency.

The Trustees use letters received from grantees and referrers as a tool to measure outcomes. These are overwhelmingly positive and indicate how our grants have improved the lives of recipients.

Examples of the feedback are given below and more are highlighted on our website.

- He would like to thank you for the grant to purchase a cooker quickly. This has helped him in his caring role and with his own health and wellbeing. He said, "he knew there was angels still out there".
- Miscarriage of Justice Support Service has had brilliant support from Victoria Convalescent Trust in providing short holidays and rests for our vulnerable clients, all who have had meaningful and regenerative experiences from the opportunity.
- She is absolutely over the moon and so grateful. I apply for lots of grants for people but this one was truly a delight because she is a young lady with a huge amount of responsibility and that's made more difficult knowing her health could deteriorate the same way as her mum's due to the genetic condition she has inherited. She certainly deserves to have some fun and just be young and free for a few days.
- Thank you so much for approving the grant for us to have a short break, we're really looking forward to it and we're so thankful for your kindness and generosity, we really appreciate it, thank you! It wouldn't have been possible for us without your help
- I just wanted to say thank you for my grant. My two nights in London with my sister were extremely valuable for my mental health and provided something to look forward to and think back on amongst my painful / stressful mostly bed-bound existence. I have the most beautiful memories from these two days. My mind and soul feel renewed/refreshed and I am just so grateful for the help.
- I must write to thank you for your kindness and generosity that has made it possible for so many families to get a much-needed break. The families we support are challenged by severe illness and disability and many of these heroes have not had a break in years. The respite which you make possible gives the opportunity to de-stress and recharge and continue their caring role which directly impacts the whole family.

The individual grants approved between 1st January 2023 and 31st December 2023 were classified under the following categories:

Category	Category No.	2023	2022	Grants 2023 (£)	Grants 2022 (£)
AIDS/HIV	1	0	0	0	0
Cancer	2	14	17	3,583	4,198
Children	3	261	124	27,193	19,018
General Medical	4	0	0	0	0
General Surgery	5	1	0	100	0
Mental Health	6	26	28	7,092	11,182
Learning Difficulties	7	2	4	250	1,740
Physical Disability	8	51	48	23,174	25,642
Carer	9	154	80	20,915	15,433
Neuro-Divergent	15	5	2	1,399	534
Relief in Need	10	45	54	12,995	15,278
Approved - not required	11	0	0	0	0
Totals		559	357	96,701	93,025

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

Applications for Relief in Need grants continued at a high level and the Trustees increased the budget to enable people to be supported through the challenging conditions caused by the high levels of inflation that occurred in 2023.

The Trustees have continued to develop relationships with new referrers of people in need of respite care, convalescence and services and equipment. The website:

www.victoriaconvalescenttrust.org.uk created in 2018 has been a great success and has increased the profile of the Charity and encouraged potential beneficiaries to seek support. However, the ability of people to make use of respite and convalescence facilities was severely restricted and therefore individual grants were limited.

INVESTMENT POLICY

The Trustees have considered the investment policy at their regular meetings and at meetings with the investment managers who have discretionary management powers. Asset allocation between investment categories has been reviewed in the context of the Benchmarks and Guidelines agreed between the Trustees and the investment managers. Further investment information relating to the Total Return Policy is provided in Note 4 to the accounts.

RESERVES

As a result of the implementation of the unapplied total return policy, in accordance with the Order and the Operational Guidance issued by the Charity Commission, the requirements for a specific reserves policy do not apply. The Trustees implement policies and maintain funds such that the even-handed approach is maintained and is reflected appropriately in the investment policy which draws a balance between capital growth and sustainable investment income. This results in an allocation after due consideration of Unapplied Total Return to Endowment and Distribution funds.

PLANS FOR THE FUTURE

As described in note 4, the Trustees' policy is to secure grant making for at least three years. This enabled the Trust to continue its grant making despite the decline in investment values in 2022. The Trustees are required to consolidate 2023 income and capital movements in Reserves and this has brought the Unallocated Total Return back to a positive figure.

The Trustees intend to continue with current grant making policies and to further develop networks of referrers to ensure funds budgeted for grant making are used to provide support as quickly and efficiently as possible using funds in the Distribution Reserve. At a meeting of the Trustees in February 2024, Budgets for 2024 were set at £16,200 per month for Respite/Convalescence and £1,800 per month for Relief in Need, both figures being sustainable for the trust.

N.M. HEATH

.....

Trustee

V. HIPPS

.....

Trustee

25th April 2024

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF VICTORIA CONVALESCENT TRUST

I report on the accounts of the Victoria Convalescent Trust for the year ended 31st December 2023.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Respective Responsibilities of Trustees and Examiner

As the Charity's Trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 144 of the Charities Act 2011 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under Section 145(5)b of the Act, whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. The examination also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, no opinion is given as to whether the accounts present "a true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the Charities Act 2011; or
 - to prepare accounts which accord with the accounting records; comply with the accounting requirements of the 2011 Act;have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

10 Station Court, Station Approach
Wickford
Essex SS11 7AT

30 April 2024

S. Lescott, FCCA

DEVONPORTS LAS
Incorporated Financial Accountants

VICTORIA CONVALESCENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST DECEMBER 2023

	2023					2022				
	Income Fund	Endowment Fund	Distribution Fund	Distribution Reserve	Total	Income Fund	Endowment Fund	Distribution Fund	Distribution Reserve	Total
	£	£	£	£	£	£	£	£	£	£
Income from:										
Investment income:										
Equity and Fixed Interest Funds	79,338	-	-	-	79,338	75,904	-	-	-	75,904
Special Range: COIF	16,770	-	-	-	16,770	16,705	-	-	-	16,705
Interest	7,656	-	-	-	7,656	1,637	-	-	-	1,637
Total Income	103,764	-	-	-	103,764	94,246	-	-	-	94,246
Expenditure on:										
Cost of Generating Funds:										
Investment management fees	-	27,067	-	-	27,067	-	27,258	-	-	27,258
Charitable Expenditure:										
Services and Equipment	-	-	16,637	-	16,637	-	-	21,266	-	21,266
Convalescence and Respite grants	-	-	84,756	-	84,756	-	-	77,400	-	77,400
Support costs (note 2)	-	-	31,512	-	31,512	-	-	28,751	-	28,751
Total Expenditure	-	27,067	132,905	-	159,972	-	27,258	127,417	-	154,675
Net Income/(Expenditure) Before Transfers	103,764	(27,067)	(132,905)	-	(56,208)	94,246	(27,258)	(127,417)	-	(60,429)
Transfer between funds (note 3)	(103,764)	3,764	130,000	(30,000)	-	(94,246)	94,246	130,000	(130,000)	-
Net (Expenditure)/Income	-	(23,303)	(2,905)	(30,000)	(56,208)	-	66,988	2,583	(130,000)	(60,429)
Other Recognised Gain/(Losses)										
Gains/(Losses) on Investment Assets	-	444,293	-	-	444,293	-	(810,744)	-	-	(810,744)
Net Movement in Funds	-	420,990	(2,905)	(30,000)	388,085	-	(743,756)	2,583	(130,000)	(871,173)
Reconciliation of Funds										
Fund Balances B/Fwd 01.01.23	-	4,153,614	72,035	458,132	4,683,781	-	4,897,370	69,452	588,132	5,554,954
Fund Balances C/Fwd 31.12.23	-	4,574,604	69,130	428,132	5,071,866	-	4,153,614	72,035	458,132	4,683,781

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

The Endowment Fund represents the permanent endowment of the fund which has, as a result of the order from the Charity Commission, become a fund including permanent endowment and unapplied total return as detailed in notes 4 and 5.

The notes on pages 10 to 17 form part of these financial statements.

VICTORIA CONVALESCENT TRUST

BALANCE SHEET AT 31ST DECEMBER 2023

	Notes	£	2023 £	£	2022 £
FIXED ASSETS					
Investments at market value					
Equity and Fixed Interest Funds	4		4,275,324		3,942,431
COIF			610,874		558,676
			<u>4,886,198</u>		<u>4,501,107</u>
CURRENT ASSETS					
Debtors	7	14,645		11,912	
Cash at bank		121,155		150,807	
Cash at investment manager	8	77,590		45,248	
			<u>213,390</u>	<u>207,967</u>	
CREDITORS: Amounts falling due within one year	9	(27,722)		(25,293)	
			<u>185,668</u>	<u>182,674</u>	
NET ASSETS			<u>5,071,866</u>	<u>4,683,781</u>	
FUNDS OF THE CHARITY					
ENDOWMENT FUND			4,574,604		4,153,614
DISTRIBUTION FUND			69,130		72,035
DISTRIBUTION RESERVE FUND	10		428,132		458,132
TOTAL CHARITY FUNDS			<u>5,071,866</u>	<u>4,683,781</u>	

Approved by the Trustees on 25th April 2024
and signed on their behalf by:

N.M. HEATH

.....)

)

) TRUSTEES

V. HIPPS

.....)

)

The notes on pages 10 to 17 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2023

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS102 and the reporting currency is GBP. All amounts have been rounded to the nearest £.

Going Concern

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

As a result of the policies adopted for the allocation of Unapplied Total Returns, the initial fall in income and investment values due to the Covid 19 pandemic did not inhibit grant making due to the substantial assets in the Distribution Reserve Fund. The Trustees are confident that the Victoria Convalescent Trust is a going concern with substantial investment and cash assets which are regularly reviewed with the Investment Managers.

Income Recognition

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

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been received. The Trustees do not consider the value of dividends declared but not paid at the balance sheet date to be material to the understanding of the accounts.

Fund Accounting

As described in the Report of the Trustees, the Trust operates a Total Return Policy. The funds established to operate this policy are outlined below:

- The Income Fund shows income received during the year and represents Unapplied Return.
- The Endowment Fund holds the Permanent Endowment and any Unapplied Returns from income or capital gains.
- The Distribution Reserve holds returns applied after distribution to current beneficiaries as described in Note 10.
- The Distribution Fund holds funds allocated by the Trustees from the Distribution Reserve for use in the year.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2023

1. ACCOUNTING POLICIES – continued

Cash Flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirements to prepare such a statement by virtue of its early adoption of Update Bulletin 1 of the Charities SORP (FRS 102)

Accounting Estimates and Judgements

The most significant areas of adjustment and key assumptions that affect items in the accounts relate to estimating the liability for grant commitments. With respect to the next reporting period, 2024, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

Expenditure Recognition

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

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

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust.

Grants are charged in the year in which they become payable.

Expenditure on capital items costing less than £1,000 is written off in the year of acquisition.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2023

1. ACCOUNTING POLICIES – continued

Unapplied Total Return Policy

As a result of the implementation of this policy, it is not considered relevant to divide the balance sheet between different funds.

Pension Contributions

The Trust makes contributions to a defined contribution pension scheme for one staff member which are charged in the accounts as paid.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. SUPPORT COSTS	2023 £	2022 £
Grants Co-ordinator salary	20,284	18,885
Grants Office expenses	1,950	1,317
Accounting and administration	6,070	6,050
Governance costs:		
– Independent Examination	2,700	2,250
– Trustees' expenses	316	98
Bank charges	62	115
Sundries	35	36
Computer costs	95	-
	<u>31,512</u>	<u>28,751</u>

The Trust employed one member of staff throughout the year and no employee received emoluments in excess of £60,000. Pension contributions to defined contribution pension schemes totalling £1,148 (2022: £1,077) are included within salary costs.

Two (2022: Two) trustees claimed expenses during the year covering training, travel, postage and stationery amounting to £316 (2022: £98). There were no other related party transactions.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2023

3. TRANSFERS

Transfers reflect the application of the total return of the Trust to the Distribution Fund and the Distribution Reserve Fund as set out below:

	Income Fund £	Endowment Fund £	Distribution Fund £	Distribution Reserve Fund £
2023				
Unapplied Total Return allocated	-	(100,000)	-	100,000
Annual allocation	-	-	130,000	(130,000)
Income added to endowment	(103,764)	103,764	-	-
	<u>(103,764)</u>	<u>3,764</u>	<u>130,000</u>	<u>(30,000)</u>
2022				
Unapplied Total Return allocated	-	-	-	-
Annual allocation	-	-	130,000	(130,000)
Income added to endowment	(94,246)	94,246	-	-
	<u>(94,246)</u>	<u>94,246</u>	<u>130,000</u>	<u>(130,000)</u>

4. INVESTMENTS

	2023 £	2022 £
Market value at 1 st January 2023	4,501,107	5,376,645
Acquisitions at cost	921,074	847,430
Disposal proceeds	(980,276)	(912,224)
Realised gains/(losses) on investment assets	(9,925)	201,286
Unrealised gains/(losses) on investment assets	454,218	(1,012,030)
Market value as at 31st December 2023	<u>4,886,198</u>	<u>4,501,107</u>
Historical cost as at 31st December 2023	<u>2,908,719</u>	<u>2,634,972</u>
Investments at Market Value Comprised		
	2023 £	2022 £
Quoted		
Equity and Fixed Interest Funds	4,275,324	3,942,431
COIF	610,874	558,676
	<u>4,886,198</u>	<u>4,501,107</u>

All equity shares are UK listed.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2023

4. INVESTMENTS – continued

Quoted investments comprise investments listed on the London Stock Exchange. At 31st December 2023 there were three holdings which are considered material (over 5% of portfolio by value) being the investments in the JP Morgan American Investment Trust valued at £363,787, the HSBC Exchange Traded Fund S&P500 valued at £275,812 and the Schroder Investment Fund US Large Capital Fund valued at £260,910.

As a result of the Trustee Act 2000, the requirement to distinguish Wider Range and Narrower Range stocks has been abolished. Until 2022, the Trustees have maintained equity and fixed interest funds in the accounts. However in 2023, following further reductions in fixed interest holdings, the Trustees decided to merge the funds and this change is reflected in these accounts. The fixed interest and equity holdings are managed by Quilter Cheviot and are registered under the name of Quilter Nominees Limited. In the event of default by Quilter Cheviot, supplemental account protection is offered to eligible claimants by the Financial Services Compensation Scheme.

As disclosed in the 2001 accounts, the Trustees exercised their powers to expend unapplied total return as granted by the Order dated 14th August 2001, on 9th November 2001. The unapplied total return (UTR) was calculated by establishing the cost of all assets held at 1st January 1999 and adding subsequent endowment receipts. This figure amounted to £2,258,987 and gave an unapplied total return of £1,484,877 as calculated from the audited accounts at 31st December 2000.

At the end of 2022, the UTR before application stood at a deficit of £73,164 and therefore no application was possible. The balance in the Distribution Reserve enabled the Trustees to continue grant making and the balance remaining gave confidence that grant making could be sustained for at least three years.

At the end of 2023, the Unapplied Total Return (UTR) stood at £474,893 and the Trustees applied £100,000 to the Endowment Fund and £100,000 to the Distribution Reserve. This restored the Distribution Reserve to a level considered adequate by the Trustees to sustain activities without further transfers for three years.

5. UNAPPLIED TOTAL RETURN (UTR)	2023 £	2022 £
Balance at 1 st January 2023	(73,164)	643,334
Income in year	103,764	94,246
Gains/(Losses) on investments	444,293	(810,744)
UTR before application	474,893	(73,164)
Application to Distribution Reserve	(100,000)	-
Application to Permanent Endowment	(100,000)	-
UTR at 31 st December 2023	274,893	(73,164)
Represented by:		
Balance retained in Endowment Fund	274,893	(73,164)

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2023

6. PERMANENT ENDOWMENT

The Permanent Endowment represents funds established by Sir Max Waechter, the founder of the constituent charities, together with further amounts applied in accordance with the Total Returns Policy adopted in 2001. Movements on the Permanent Endowment are set out below:

	2023 £	2022 £
Balance at 1 st January 2023	4,226,778	4,254,036
Management fees	(27,067)	(27,258)
Application of Total Return	100,000	-
Balance at 31 st December 2023	<u>4,299,711</u>	<u>4,226,778</u>

7. DEBTORS

	2023 £	2022 £
Income receivable	14,645	11,912
Other debtors	-	-
	<u>14,645</u>	<u>11,912</u>

8. CASH AT INVESTMENT MANAGER

	2023 £	2022 £
Cash held at the year end by Quilter Cheviot is held for the following purposes:		
For reinvestment	-	-
To support Grant Making	77,590	45,248
	<u>77,590</u>	<u>45,248</u>

9. CREDITORS

	2023 £	2022 £
Independent Examination	2,700	2,550
Accountancy	2,040	2,000
Investment Manager's fees	6,815	6,608
Other creditors, including taxation and social security	1,232	1,584
Grants	14,935	12,551
	<u>27,722</u>	<u>25,293</u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

10. DISTRIBUTION RESERVE FUND

The Trustees have established a reserve fund in which total return allocated for distribution is to be held to protect the interests of current beneficiaries in the event of a substantial fall in investment values. The Trustees agreed to the release of £130,000 from the Distribution Reserve in 2023 and 2024 to the Distribution Fund which is maintained in readily accessible cash reserves. At the end of 2023, the Trustees released £100,000 from the Unapplied Total Return to the Distribution Reserve Fund. The assets of the Fund are held within cash and investments managed by the Trust's Investment Managers as detailed in Note 4.

11. OUTSTANDING GRANTS

Grants promised but not taken up during the year and which remained outstanding at 31st December 2023 amounted to £14,935 (2022: £12,551). It is anticipated that a material proportion of these promises will be paid out in 2024 as suitable accommodation becomes available and beneficiaries take up grants previously offered.

12. TRUSTEES' INTERESTS

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2022: £nil). Expenses paid to the Trustees in the year are detailed in Note 2.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Fund 2023 £	Distribution Fund 2023 £	Distribution Reserve 2023 £	Total Funds 2023 £
Fixed assets	4,581,419	-	304,779	4,886,198
Current assets	-	90,037	123,353	213,390
Creditors due within one year	(6,815)	(20,907)	-	(27,722)
	<u>4,574,604</u>	<u>69,130</u>	<u>428,132</u>	<u>5,071,866</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS (2022)

	Endowment Fund 2022 £	Distribution Fund 2022 £	Distribution Reserve 2022 £	Total Funds 2022 £
Fixed assets	4,160,222	-	340,885	4,501,107
Current assets	-	90,720	117,247	207,967
Creditors due within one year	(6,608)	(18,685)	-	(25,293)
	<u>4,153,614</u>	<u>72,035</u>	<u>458,132</u>	<u>4,683,781</u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

14. FINANCIAL INSTRUMENTS	2023	2022
	£	£
Financial assets measured at fair value through income and expenditure	4,886,198	4,501,107
Financial assets measured at amortised cost represent debtors	14,645	11,912
Financial liabilities are the creditors of the Trust	(27,722)	(25,293)
	<u>4,873,121</u>	<u>4,487,726</u>

15. FUND RAISING POLICY

The Charity does not actively fund raise but accepts donations.

Accounts

VICTORIA CONVALESCENT TRUST

INCORPORATING

VICTORIA CONVALESCENT TRUST FUND

KING EDWARD VII CHILDREN'S

CONVALESCENT TRUST FUND

PRINCESS MARY MEMORIAL TRUST FUND

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2022

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	2 - 6	Constitution and Report of the Trustees
	7	Independent Examiner's Report
	8	Statement of Financial Activities
	9	Balance Sheet
	10 - 16	Notes to the Financial Statements

VICTORIA CONVALESCENT TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

REGISTERED CHARITY NUMBER:	1064585
TRUSTEES:	Mr. N.M. Heath (Chairman) Miss H.J. Hipps Mrs. J.M. Morton Miss V. Hipps Mrs. S.K. Wilson Mr. D.J.R. Wells Mr. W.S. Gibbs Mrs. P. Bligaard Miss J.D. Dollimore Mrs. A.J. Perkins
GRANTS CO-ORDINATOR:	Ms J. Brand
INDEPENDENT EXAMINER:	S. Lescott Devonports LAS 10 Station Court Station Approach Wickford Essex SS11 7AT
INVESTMENT MANAGERS:	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB
BANKERS:	National Westminster Bank plc 141 Ebury Street London SW1W 9QP CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
PRINCIPAL ADDRESS:	5 th Floor 14-16 Dowgate Hill London EC4R 2SU
WEBSITE:	www.victoriaconvalescenttrust.org.uk

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES YEAR ENDED 31ST DECEMBER 2022

The Trustees present their report and the unaudited financial statements for the year ended 31st December 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 charity's trust deeds, the Charities Act 2011 and the provisions of the 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 (FRS102) (effective 1 January 2015).

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report below sets out those objectives and describes how they have been met in the current year. Specifically this has been done by the provision of financial support for those with significant health issues requiring convalescence or respite and also the provision of services and equipment in cases of financial hardship.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees' Statement of Responsibility in Relation to the Accounts

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and ensure that the financial statements comply with applicable law, regulations and the trust schemes. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Constitution

On 9th June 1997, the Charity Commissioners for England and Wales ordered that the charities mentioned below shall be administered and managed together as one charity under the title of Victoria Convalescent Trust.

- 1) The charity called King Edward VII Children's Convalescent Trust Fund, in the County of Surrey and the London Borough of Croydon, regulated by a Scheme of the Charity Commissioners of 23rd September 1982;
- 2) The charity called The Princess Mary Memorial Trust Fund, in Greater London, regulated by a Scheme of the Commissioners of 23rd September 1982;

- 3) The charity called Victoria Convalescent Trust Fund regulated by a Scheme of the Commissioners of 23rd September, 1982 as varied by a Scheme of the Commissioners of 26th April 1983.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES - continued

On 14th August 2001, the Charity Commissioners issued an Order that "Being satisfied that it is expedient in the interests of the charity that the Trustees should have the power to do so, the Commissioners authorise the Trustees of the charity to decide, at any time, and from time to time, to their discretion, which part of the unapplied total return belonging to the charity should be held on trust for application (income) for the purposes of the charity."

Structure of Organisation

The Charity is governed by a Board of Trustees which met four times during the year. The Trustees make the policy decisions and review the work of the Grants Co-ordinator who processes all grant applications in consultation with individual trustees. All grants made are reviewed and formally approved by the Board of Trustees.

Appointment of Trustees

The Trustees are appointed by a resolution of the Trustees for a term of three years. Any competent trustee may be re-appointed. No person is entitled to act as a trustee until he or she has signed a declaration of eligibility to act and of acceptance of willingness to act. New trustees are given training as appropriate including an introduction to the availability of Charity Commission guidance.

Statement of Risk Management

The Trustees have considered the risks to which the Victoria Convalescent Trust is exposed and believe that these will be mitigated by:

- A body of trustees with the necessary experience and competence to supervise all the aspects of the Trust's work;
- Recruitment of younger trustees with suitable qualifications, cultural diversity and wide-ranging relevant experience to endeavour to ensure the succession of new talent in the trustee body;
- Regular trustees' meetings with effective reporting to ensure proper review of grant making coupled with the consideration and approval by trustees of all grants made;
- Retention of competent investment managers who regularly attend trustees' meetings; and
- An effective system of internal control to ensure the correct operation of the Guidelines for Grant Making and compliance with General Data Protection Regulations (GDPR).

CHARITY OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Subject to the payment of expenses, the Trustees shall apply the distributable funds of the Charity in accordance with the scheme dated 9th June 1997 as set out below:

- a) As to 10% thereof for providing relief in need either generally or individually of persons, with a preference for women resident in the Greater London area, who are in conditions of need, hardship or distress by making grants of money or providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons.

- b) As to 90% thereof in or towards providing, in cases of need, convalescence, recuperation and/or respite care, provided that as to one quarter of the said 90% the Trustees shall give preference to persons residing in the County of Surrey or the London Borough of Croydon.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

The purpose of the Trust is to make grants for:

- (a) convalescence, recuperative holidays and respite care (Category A) in response to standard application forms completed by and supported by an appropriately qualified health or social care worker on behalf of an individual in need; and
- (b) for services and equipment (Category B) on the receipt of standard application forms completed by an appropriately qualified health or social care worker.

Maximum grants are £1,250 for Category A and £400 for Category B.

Procedures are operated by the Trust to ensure confidentiality and a receipt is obtained for each grant made.

GRANT INFORMATION

Following the easing of Covid 19 restrictions, the Trustees are pleased to report that the number of grants made to fund Convalescence, Respite and Recuperative care increased dramatically. During 2022, 296 individual grants were made for this purpose whereas in 2021, 121 were made.

During the year there was continuing demand for funding for essential goods and services. The Trustees approved additional funding as for 2020 and 2021 and this will be kept under review as the Trust's activities in its main activity return to normal.

Two block grants were made during the year to institutions for use in accordance with the Trust's objectives. The Royal Hospital for Neuro-Disability received £15,000 to continue nurse led patient outings. A grant of £5,000 was made to Newlife, a charity for disabled children, to support their Equipment Grant Service. The Children's Trust, Tadworth continues to make use of previously awarded block grants to help children with highly complex needs.

Regular reports are received from the recipients of block grants confirming their use in accordance with the objects of the Trust. Other grants are confirmed by receipt from the provider of convalescence or other services.

REVIEW OF THE YEAR

The Trust made grants to pay for periods of convalescence, recuperative and respite care for those in need who do not have the financial resources and who have been unable to obtain sufficient assistance from the statutory services or other resources.

Applications for convalescence, recuperative or respite care grants are usually made by a suitably qualified social worker or health care worker, but consideration can be given to requests from other sources.

The number of applications received increased following the easing of the pandemic restrictions which enabled the Charity to make a valuable contribution to the provision of respite and convalescence in England and Wales. The website has continued to be developed to make the Charity more accessible to users and provide information on its purpose. The online application form has enhanced the efficiency of the Charity's operation.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

The Trustees have reviewed their operations with reference to GDPR and have implemented policies and procedures to ensure compliance.

All the necessary practical arrangements for convalescence, recuperative or respite care must be made by the referring agency.

The Trustees use letters received from grantees and referrers as a tool to measure outcomes. These are overwhelmingly positive and indicate how our grants have improved the lives of recipients.

Examples of the feedback are given below and more are highlighted on our website.

- I am very grateful to have gone on a break when I most needed it to recover from an exhausting illness. I feel a lot better now and have changed my lifestyle around with extra support enabling me to get one thing done at a time.
- Thank you so much for your support with this application for Xs school trip/respite break. He is absolutely over the moon, and we can't begin to thank you and the trustees enough. He cried when I told him the good news. You've truly made a huge difference in a young boy's life.
- Thank you so much, Mr X said he hasn't seen his wife smile, whilst relaxing on the beach, for a long time. He says her smile was worth a million dollars!! He asked me to give over a personal big thank you to you, for enabling him and his wife to have a long-awaited holiday!!
- Once again, thank you for the award of the grant to our client. The grant award has been received and we have already purchased the football kit. The kit will enable him to join in with games of football, which will be beneficial to him in so many ways.
- I hugely thank you and VCT for your support of this couple in helping them achieve a break away. It will make a big difference to their wellbeing and vitally assist M in maintaining his important caring role for X.

The individual grants approved between 1st January 2022 and 31st December 2022 were classified under the following categories:

Category	Category No.	2022	2021	Grants 2022 (£)	Grants 2021 (£)
AIDS/HIV	1	0	2	0	403
Cancer	2	17	7	4,198	1,600
Children	3	124	40	19,018	6,210
General Medical	4	0	0	0	0
General Surgery	5	0	0	0	0
Mental Health	6	28	14	11,182	5,418
Learning Difficulties	7	4	0	1,740	0
Physical Disability	8	48	20	25,642	4,585
Carer	9	80	40	15,433	6,450
Neuro-Divergent	15	2	0	534	0
Relief in Need	10	54	70	15,278	9,886
Approved - not required	11	0	8	0	520
Totals		351	201	93,025	35,072

During the first part of the year, the effects of the Covid Pandemic impacted on the ability of beneficiaries to use facilities normally available. Therefore, beneficiaries made use of a range of independent accommodation suitable to individual needs.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

Applications for Relief in Need grants continued at a high level and the Trustees increased the budget to enable people to be supported through the challenging conditions caused by the Covid 19 Pandemic.

The Trustees have continued to develop relationships with new referrers of people in need of respite care, convalescence and services and equipment. The website: www.victoriaconvalescenttrust.org.uk created in 2018 has been a great success and has increased the profile of the Charity and encouraged potential beneficiaries to seek support. However, the ability of people to make use of respite and convalescence facilities was severely restricted and therefore individual grants were limited.

The Trustees have considered the investment policy at their regular meetings and at meetings with the investment managers who have discretionary management powers. Asset allocation between investment categories has been reviewed in the context of the Benchmarks and Guidelines agreed between the Trustees and the investment managers. Further investment information is provided in Note 4 to the accounts.

RESERVES

As a result of the implementation of the unapplied total return policy, in accordance with the Order and the Operational Guidance issued by the Charity Commission, the requirements for a specific reserves policy do not apply. The Trustees implement policies and maintain funds such that the even-handed approach is maintained and is reflected appropriately in the investment policy which draws a balance between capital growth and sustainable investment income. This results in an allocation after due consideration of Unapplied Total Return to Endowment and Distribution funds.

PLANS FOR THE FUTURE

As described in note 4, the Trustees have secured grant making for the next three years. This has enabled the Trust to continue its grant making despite the decline in investment values. The Trustees are required to consolidate income in Reserves until asset values bring the Unallocated Total Return back to a positive figure.

The Trustees intend to continue with current grant making policies and to further develop networks of referrers to ensure funds budgeted for grant making are used to provide support as quickly and efficiently as possible using funds in the Distribution Reserve. At a meeting of the Trustees in February 2023, Budgets for 2023 were set at £16,200 per month for Respite/Convalescence and £1,800 per month for Relief in Need, both figures being sustainable for the trust.

N.M. HEATH
.....
Trustee

D.J.R. WELLS
.....
Trustee

30th June 2023

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF VICTORIA CONVALESCENT TRUST

I report on the accounts of the Victoria Convalescent Trust for the year ended 31st December 2022.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Respective Responsibilities of Trustees and Examiner

As the Charity's Trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 144 of the Charities Act 2011 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under Section 145(5)b of the Act, whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. The examination also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, no opinion is given as to whether the accounts present "a true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the Charities Act 2011; or
 - to prepare accounts which accord with the accounting records; comply with the accounting requirements of the 2011 Act;have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Wickford
Essex SS11 7AT

S. Lescott, FCCA

30th June 2023

DEVONPORTS LAS
Incorporated Financial Accountants

VICTORIA CONVALESCENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31ST DECEMBER 2022

	2022					2021				
	Income Fund	Endowment Fund	Distribution Fund	Distribution Reserve	Total	Income Fund	Endowment Fund	Distribution Fund	Distribution Reserve	Total
	£	£	£	£	£	£	£	£	£	£
Income from:										
Investment income:										
Equity Fund	66,449	-	-	-	66,449	58,843	-	-	-	58,843
Fixed Interest Fund	9,455	-	-	-	9,455	12,907	-	-	-	12,907
Special Range: COIF	16,705	-	-	-	16,705	16,278	-	-	-	16,278
Interest	1,637	-	-	-	1,637	20	-	-	-	20
Total Income	94,246	-	-		94,246	88,048	-	-	-	88,048
Expenditure on:										
Cost of Generating Funds:										
Investment management fees	-	27,258	-	-	27,258	-	29,105	-	-	29,105
Charitable Expenditure:										
Services and Equipment	-	-	21,266	-	21,266	-	-	17,338	-	17,338
Convalescence and Respite grants	-	-	77,400	-	77,400	-	-	53,732	-	53,732
Support costs (note 2)	-	-	28,751	-	28,751	-	-	31,881	-	31,881
Total Expenditure	-	27,258	127,417	-	154,675	-	29,105	102,951	-	132,056
Net Income/(Expenditure) Before Transfers	94,246	(27,258)	(127,417)	-	(60,429)	88,048	(29,105)	(102,951)	-	(44,008)
Transfer between funds (note 3)	(94,246)	94,246	130,000	(130,000)	-	(88,048)	(211,952)	140,000	160,000	-
Net (Expenditure)/Income	-	66,988	2,583	(130,000)	(60,429)	-	(241,057)	37,049	160,000	(44,008)
Other Recognised Gain/(Losses)										
Gains/(Losses) on Investment Assets	-	(810,744)	-	-	(810,744)	-	749,824	-	-	749,824
Net Movement in Funds	-	(743,756)	2,583	(130,000)	(871,173)	-	508,767	37,049	160,000	705,816
Reconciliation of Funds										
Fund Balances B/Fwd 01.01.22	-	4,897,370	69,452	588,132	5,554,954	-	4,388,603	32,403	428,132	
4,849,138										
Fund Balances C/Fwd 31.12.22	-	4,153,614	72,035	458,132	4,683,781	-	4,897,370	69,452	588,132	
5,554,954										

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

The Endowment Fund represents the permanent endowment of the fund which has, as a result of the order from the Charity Commission, become a fund including permanent endowment and unapplied total return as detailed in notes 4 and 5. The notes on pages 10 to 16 form part of these financial statements.

VICTORIA CONVALESCENT TRUST

BALANCE SHEET AT 31ST DECEMBER 2022

	Notes	£	2022 £	£	2021 £
FIXED ASSETS					
Investments at market value					
Equity Fund	4		3,581,401		4,304,606
Fixed Interest Fund			361,030		439,870
COIF			558,676		632,169
			4,501,107		5,376,645
CURRENT ASSETS					
Debtors	7	11,912		11,126	
Cash at bank		150,807		194,424	
Cash at investment manager	8	45,248		8,745	
			207,967	214,295	
CREDITORS: Amounts falling due within one year					
	9	(25,293)		(35,986)	
			182,674		178,309
NET ASSETS			4,683,781		5,554,954
FUNDS OF THE CHARITY					
ENDOWMENT FUND			4,153,614		4,897,370
DISTRIBUTION FUND			72,035		69,452
DISTRIBUTION RESERVE FUND	10		458,132		588,132
TOTAL CHARITY FUNDS			4,683,781		5,554,954

Approved by the Trustees on 30th June 2023
and signed on their behalf by:

N.M. HEATH

.....)

)

) TRUSTEES

D.J.R. WELLS

)

.....)

The notes on pages 10 to 16 form part of these financial statements.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2022

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

The trust constitutes a public benefit entity as defined by FRS102 and the reporting currency is GBP. All amounts have been rounded to the nearest £.

Going Concern

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

As a result of the policies adopted for the allocation of Unapplied Total Returns, the initial fall in income and investment values due to the Covid 19 pandemic did not inhibit current grant making due to the substantial assets in the Distribution Reserve Fund. The Trustees are confident that the Victoria Convalescent Trust is a going concern with substantial investment and cash assets which are regularly reviewed with the Investment Managers.

Income Recognition

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

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been received. The Trustees do not consider the value of dividends declared but not paid at the balance sheet date to be material to the understanding of the accounts.

Fund Accounting

As described in the Report of the Trustees, the Trust operates a Total Return Policy. The funds established to operate this policy are outlined below:

- The Income Fund shows income received during the year and represents Unapplied Return.

- The Endowment Fund holds the Permanent Endowment and any Unapplied Returns from income or capital gains.
- The Distribution Reserve holds returns applied after distribution to current beneficiaries as described in Note 10.
- The Distribution Fund holds funds allocated by the Trustees from the Distribution Reserve for use in the year.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2022

1. ACCOUNTING POLICIES – continued

Cash Flow

The financial statements do not include a cash flow statement because the charity, as a small reporting entity, is exempt from the requirements to prepare such a statement by virtue of its early adoption of Update Bulletin 1 of the Charities SORP (FRS 102)

Accounting Estimates and Judgements

The most significant areas of adjustment and key assumptions that affect items in the accounts relate to estimating the liability for grant commitments. With respect to the next reporting period, 2023, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

Fixed Asset Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

Expenditure Recognition

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

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

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust.

Grants are charged in the year in which they become payable.

Expenditure on capital items costing less than £1,000 is written off in the year of acquisition.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2022

1. ACCOUNTING POLICIES – continued

Unapplied Total Return Policy

As a result of the implementation of this policy, it is not considered relevant to divide the balance sheet between different funds.

Pension Contributions

The Trust makes contributions to a defined contribution pension scheme for one staff member which are charged in the accounts as paid.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. SUPPORT COSTS	2022 £	2021 £
Grants Co-ordinator salaries	18,885	22,035
Grants Office expenses	1,317	1,091
Accounting and administration	6,050	6,000
Governance costs:		
- Independent Examination	2,250	2,550
- Trustees' expenses	98	127
Bank charges	115	98
Sundries	36	(115)
Computer costs	-	95
	28,751	31,881

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The Trust employed one member of staff throughout the year and no employee received emoluments in excess of £60,000. Pension contributions to defined contribution pension schemes totalling £1,077 (2021: £1,198) are included within salary costs.

Two (2021: Two) trustees claimed expenses during the year covering training, travel, postage and stationery amounting to £98 (2021: £127). There were no other related party transactions.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2022

3. TRANSFERS

Transfers reflect the application of the total return of the Trust to the Distribution Fund and the Distribution Reserve Fund as set out below:

	Income Fund £	Endowment Fund £	Distribution Fund £	Distribution Reserve Fund £
2022				
Unapplied Total Return allocated	-	-	-	-
Annual allocation	-	-	130,000	(130,000)
Income added to endowment	(94,246)	94,246	-	-
	<u>(94,246)</u>	<u>94,246</u>	<u>130,000</u>	<u>(130,000)</u>
2021				
Unapplied Total Return allocated	-	(300,000)	-	300,000
Annual allocation	-	-	140,000	(140,000)
Income added to endowment	(88,048)	88,048	-	-
	<u>(88,048)</u>	<u>(211,952)</u>	<u>140,000</u>	<u>160,000</u>

4. INVESTMENTS

	2022 £	2021 £
Market value at 1 st January 2022	5,376,645	
4,664,817		
Acquisitions at cost	847,430	309,053
Disposal proceeds	(912,224)	(347,049)
Realised gains/(losses) on investment assets		201,286
2,454		
Unrealised gains/(losses) on investment assets		(1,012,030)
747,370		
Market value as at 31st December 2022		4,501,107
5,376,645		
Historical cost as at 31st December 2022		2,634,972
2,498,478		
Investments at Market Value Comprised		2022
2021		
	£	£
Quoted		
Equity Fund	3,581,401	
4,304,606		
Fixed Interest Fund	361,030	439,870

COIF		558,676	<u>632,169</u>
<u> </u>			
			4,501,107
5,376,645			
<u> </u>	<u> </u>		
All equity shares are UK listed.			

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2022

4. INVESTMENTS – continued

Quoted investments comprise investments listed on the London Stock Exchange. At 31st December 2022 there were two holdings which are considered material (over 5% of portfolio by value) being the investments in the Findlay Park US Smaller Companies Fund valued at £312,989 and HSBC Exchange Traded Fund S&P250 valued at £233,048.

As a result of the Trustee Act 2000, the requirement to distinguish Wider Range and Narrower Range stocks has been abolished. However, the Trustees have maintained equity and fixed interest funds in the accounts. During 2021, fixed interest holdings were reduced with funds realised being transferred to equity investments and the distribution reserve. The assets within the fixed interest and equity funds managed by Quilter Cheviot are registered under the name of Quilter Nominees Limited. In the event of default by Quilter Cheviot, supplemental account protection is offered to eligible claimants by the Financial Services Compensation Scheme.

As disclosed in the 2001 accounts, the Trustees exercised their powers to expend unapplied total return as granted by the Order dated 14th August 2001, on 9th November 2001. The unapplied total return (UTR) was calculated by establishing the cost of all assets held at 1st January 1999 and adding subsequent endowment receipts. This figure amounted to £2,258,987 and gave an unapplied total return of £1,484,877 as calculated from the audited accounts at 31st December 2000.

At the end of 2021, the UTR before application amounted to £1,243,334 and the Trustees applied £300,000 to the Endowment Fund and £300,000 to the Distribution Reserve.

At the end of 2022, the Unapplied Total Return (UTR) stood at a deficit of £73,164 therefore no applications were possible. The balance in the Distribution Reserve enabled the Trustees to continue grant making and the balance remaining gives confidence that grant making can be sustained for at least three years. All 2023 income will be retained in the Endowment Fund to rebuild the Endowment.

5. UNAPPLIED TOTAL RETURN (UTR)	2022 £	2021 £
Balance at 1 st January 2022	643,334	405,462
Income in year	94,246	88,048
Gains/(Losses) on investments	(810,744)	749,824
UTR before application	(73,164)	
1,243,334		
Application to Distribution Reserve	-	(300,000)
Application to Permanent Endowment	-	(300,000)
UTR at 31 st December 2022	(73,164)	643,334

Represented by:

Balance retained in Endowment Fund

(73,164) 643,334

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VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2022

6. PERMANENT ENDOWMENT

The Permanent Endowment represents funds established by Sir Max Waechter, the founder of the constituent charities, together with further amounts applied in accordance with the Total Returns Policy adopted in 2001. Movements on the Permanent Endowment are set out below:

		2022 £	2021 £
Balance at 1 st January 2021		4,254,036	
	3,983,141		
Management fees		(27,258)	(29,105)
Application of Total Return		-	300,000
Balance at 31 st December 2022		<u>4,226,778</u>	<u>4,226,778</u>
	4,254,036		

7. DEBTORS

	2022 £	2021 £
Income receivable	11,912	11,126
Other debtors	-	-
	<u>11,912</u>	<u>11,126</u>

8. CASH AT INVESTMENT MANAGER

	2022 £	2021 £
Cash held at the year end by Quilter Cheviot is held for the following purposes:		
For reinvestment	-	-
To support Grant Making	45,248	8,745
	<u>45,248</u>	<u>8,745</u>

9. CREDITORS

	2022 £	2021 £
Independent Examination	2,550	2,550
Accountancy	2,000	600
Investment Manager's fees	6,608	7,639
Other creditors, including taxation and social security	1,584	362

Grants	12,551	<u>24,835</u>
<u> </u>	25,293	<u>35,986</u>
<u> </u>		<u> </u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

10.DISTRIBUTION RESERVE FUND

The Trustees have established a reserve fund in which total return allocated for distribution is to be held to protect the interests of current beneficiaries in the event of a substantial fall in investment values. The Trustees agreed to the release of £130,000 from the Distribution Reserve in 2022 and 2023 to the Distribution Fund which is maintained in readily accessible cash reserves. The assets of the Fund are held within cash and investments managed by the Trust's Investment Managers as detailed in Note 12.

11.OUTSTANDING GRANTS

Grants promised but not taken up during the year and which remained outstanding at 31st December 2022 amounted to £12,551 (2021: £24,835). It is anticipated that a material proportion of these promises will be paid out in 2023 as suitable accommodation becomes available and beneficiaries have the confidence to take up grants previously offered.

12.TRUSTEES' INTERESTS

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2021: £nil). Expenses paid to the Trustees in the year are detailed in Note 2.

13.ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Fund 2022 £	Distribution Fund 2022 £	Distribution Reserve 2022 £	Total Funds 2022 £	Total Funds 2021 £
Fixed assets	4,160,222	-	340,885	4,501,107	
5,376,645					
Current assets	-	90,720	117,247	207,967	214,295
Creditors due within one year	(6,608)	(18,685)	-	(25,293)	
(35,986)					
	<u>4,153,614</u>	<u>72,035</u>	<u>458,132</u>	<u>4,683,781</u>	
5,554,954					

14.FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets measured at fair value through income and expenditure	4,501,107	
5,376,645		
Financial assets measured at amortised cost		11,912
11,126		

Financial liabilities	(25,293)
(35,986)	<u> </u>
<u> </u>	
5,351,785	4,487,726
<u> </u>	
<u> </u>	<u> </u>

15.FUND RAISING POLICY

The Charity does not actively fund raise but accepts donations.

Accounts

VICTORIA CONVALESCENT TRUST

INCORPORATING

VICTORIA CONVALESCENT TRUST FUND

KING EDWARD VII CHILDREN'S

CONVALESCENT TRUST FUND

PRINCESS MARY MEMORIAL TRUST FUND

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2021

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VICTORIA CONVALESCENT TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

REGISTERED CHARITY NUMBER:	1064585
TRUSTEES:	Mr. N.M. Heath (Chairman) Miss H.J. Hipps Mrs. J.M. Morton Miss V. Hipps Mrs. S.K. Wilson Mr. D.J.R. Wells Mr. W.S. Gibbs Mrs. P. Bligaard Miss J.D. Dollimore Mrs. A.J. Perkins
GRANTS CO-ORDINATOR:	Ms J. Brand
INDEPENDENT EXAMINER:	S. Lescott Lescott Limited 10 Station Court Station Approach Wickford Essex SS11 7AT
INVESTMENT MANAGERS:	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB
BANKERS:	National Westminster Bank plc 141 Ebury Street London SW1W 9QP
PRINCIPAL ADDRESS:	5 th Floor 14-16 Dowgate Hill London EC4R 2SU
WEBSITE:	www.victoriaconvalescenttrust.org.uk

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES YEAR ENDED 31ST DECEMBER 2021

The Trustees present their report and the unaudited financial statements for the year ended 31st December 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deeds, the Charities Act 2011 and the provisions of the 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 (FRS102) (effective 1 January 2015).

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report below sets out those objectives and describes how they have been met in the current year. Specifically this has been done by the provision of financial support for those with significant health issues requiring convalescence or respite and also the provision of services and equipment in cases of financial hardship.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees' Statement of Responsibility in Relation to the Accounts

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and ensure that the financial statements comply with applicable law, regulations and the trust schemes. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Constitution

On 9th June 1997, the Charity Commissioners for England and Wales ordered that the charities mentioned below shall be administered and managed together as one charity under the title of Victoria Convalescent Trust.

- 1) The charity called King Edward VII Children's Convalescent Trust Fund, in the County of Surrey and the London Borough of Croydon, regulated by a Scheme of the Charity Commissioners of 23rd September 1982;
- 2) The charity called The Princess Mary Memorial Trust Fund, in Greater London, regulated by a Scheme of the Commissioners of 23rd September 1982;

- 3) The charity called Victoria Convalescent Trust Fund regulated by a Scheme of the Commissioners of 23rd September, 1982 as varied by a Scheme of the Commissioners of 26th April 1983.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

On 14th August 2001, the Charity Commissioners issued an Order that "Being satisfied that it is expedient in the interests of the charity that the Trustees should have the power to do so, the Commissioners authorise the Trustees of the charity to decide, at any time, and from time to time, to their discretion, which part of the unapplied total return belonging to the charity should be held on trust for application (income) for the purposes of the charity."

Structure of Organisation

The Charity is governed by a Board of Trustees which met four times during the year. The Trustees make the policy decisions and review the work of the Grants Co-ordinator who processes all grant applications in consultation with individual trustees. All grants made are reviewed and formally approved by the Board of Trustees.

Appointment of Trustees

The Trustees are appointed by a resolution of the Trustees for a term of three years. Any competent trustee may be re-appointed. No person is entitled to act as a trustee until he or she has signed a declaration of eligibility to act and of acceptance of willingness to act. New trustees are given training as appropriate including an introduction to the availability of Charity Commission guidance.

During the year, Mrs A.J. Perkins was appointed as a Trustee following her retirement from the post of Grants Co-ordinator.

Statement of Risk Management

The Trustees have considered the risks to which the Victoria Convalescent Trust is exposed and believe that these will be mitigated by:

- A body of trustees with the necessary experience and competence to supervise all the aspects of the Trust's work;
- Recruitment of younger trustees with suitable qualifications, cultural diversity and wide-ranging relevant experience to endeavour to ensure the succession of new talent in the trustee body;
- Regular trustees' meetings with effective reporting to ensure proper review of grant making coupled with the consideration and approval by trustees of all grants made;
- Retention of competent investment managers who regularly attend trustees' meetings; and
- An effective system of internal control to ensure the correct operation of the Guidelines for Grant Making and compliance with General Data Protection Regulations (GDPR).

CHARITY OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Subject to the payment of expenses, the Trustees shall apply the distributable funds of the Charity in accordance with the scheme dated 9th June 1997 as set out below:

- a) As to 10% thereof for providing relief in need either generally or individually of persons, with a preference for women resident in the Greater London area, who are in conditions of need, hardship or distress by making grants of money or

providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons.

- b) As to 90% thereof in or towards providing, in cases of need, convalescence, recuperation and/or respite care, provided that as to one quarter of the said 90% the Trustees shall give preference to persons residing in the County of Surrey or the London Borough of Croydon.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES - continued

The purpose of the Trust is to make grants for:

- (a) convalescence, recuperative holidays and respite care (Category A) in response to standard application forms completed by or supported by an appropriately qualified health or social care worker on behalf of an individual in need; and
- (b) for services and equipment (Category B) on the receipt of standard application forms completed by an appropriately qualified health or social care worker.

Maximum grants are £1,250 for Category A and £400 for Category B.

Procedures are operated by the Trust to ensure confidentiality and a receipt is obtained for each grant made.

GRANT INFORMATION

Due to the exceptional circumstances surrounding the Covid 19 pandemic, fewer grants were made to fund Convalescence, Respite and Recuperative care. During 2021, 121 individual grants were made for this purpose whereas in 2020, 124 were made.

During the year there was continuing demand for funding for essential goods and services. The Trustees approved additional funding as for 2020 and this will be kept under review recognising the potential impact of the pandemic.

A block grant was made during the year of £7,500 to the Royal Hospital for Neuro-Disability to continue nurse led patient outings. The Children's Trust, Tadworth continues to make use of previously awarded block grants and received a further £15,000 to help children with highly complex needs. Regular reports are received from the recipients of block grants confirming their use in accordance with the objects of the Trust. Other grants are confirmed by receipt from the provider of convalescence or other services.

REVIEW OF THE YEAR

As explained above, the pandemic has limited certain aspects of the work of the Victoria Convalescent Trust. However, the Charity has continued to make a valuable contribution to the provision of respite and convalescence in England and Wales. The website has continued to be developed to make the Charity more accessible to users and provide information on its purpose. The online application form has enhanced the efficiency of the Charity's operation.

The Trustees have reviewed their operations with reference to GDPR and have implemented policies and procedures to ensure compliance.

The Trust made grants to pay for periods of convalescence, recuperative and respite care for those in need who do not have the financial resources and who have been unable to obtain sufficient assistance from the statutory services or other resources.

Applications for convalescence, recuperative or respite care grants are usually made by a suitably qualified social worker or health care worker, but consideration can be given to requests from other sources.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

All the necessary practical arrangements for convalescence, recuperative or respite care must be made by the referring agency.

The Trustees use letters received from grantees and referrers as a tool to measure outcomes. These are overwhelmingly positive and indicate how our grants have improved the lives of recipients.

Examples of the feedback are given below and more are highlighted on our website.

1. *The improvement in just one week was unbelievable. His speech improvement was the biggest thing. It was so wonderful to hear and understand R with confidence putting together and saying a sentence. It takes R so much effort and frustration to speak. He looked so well and happy, and from my point of view he was Safe. Thank you so very much for your help, support and kindness. I am not sure we could have done this without your Charity and funding.*
2. *Thank you so so much for approving the grant I applied for - I'm so happy and so grateful that there's been some relief in these most difficult of times.*
3. *I wanted to write and say a BIG thank you for awarding the grant for SS's carpet - it has already made a huge difference to him and his young family, they will certainly be warmer this Winter. He wanted me to let you know how grateful he is, he is so pleased.*
4. *Thank you so much for the notification that you have agreed to fund a break for carer A. She was over the moon when I told her, and she said that it had made her EID extra special.*
5. *We would like to thank the trust. Without their funding we would never have gotten a mattress. We both suffer with mental health problems. I also have arthritis all over my legs arms and back. Getting the mattress will help us to sleep better and help our mental health too. So we would like to say a big thank you to you all.*

The individual grants approved between 1st January 2021 and 31st December 2021 were classified under the following categories:

Category	Category No.	2021	2020	Grants 2021 (£)	Grants 2020 (£)
AIDS/HIV	1	2	2	403	440
Cancer	2	7	3	1,600	1,138
Children	3	40	23	6,210	5,072
General Medical	4	0	0	0	0
General Surgery	5	0	1	0	285
Mental Health	6	14	20	5,418	3,856
Learning Difficulties	7	0	4	0	2,185
Physical Disability	8	20	37	4,585	17,179
Carer	9	40	31	6,450	7,712
Relief in Need	10	70	91	9,886	20,863
Approved - not required	11	8	2	520	0
Totals		201	214	35,072	58,700

Throughout the period 1st January to 31st December 2021, the effect of the Covid Pandemic impacted on the ability of beneficiaries to use facilities normally available. Therefore, beneficiaries made use of a range of independent accommodation suitable to individual needs.

Applications for Relief in Need grants continued at a high level and the Trustees increased the budget to enable people to be supported through the challenging conditions caused by the Covid 19 Pandemic.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

The Trustees have continued to develop relationships with new referrers of people in need of respite care, convalescence and services and equipment. The website: www.victoriaconvalescenttrust.org.uk created in 2018 has been a great success and has increased the profile of the Charity and encouraged potential beneficiaries to seek support. However, the ability of people to make use of respite and convalescence facilities was severely restricted and therefore individual grants were limited.

The Trustees have considered the investment policy at their regular meetings and at meetings with the investment managers who have discretionary management powers. Asset allocation between investment categories has been reviewed in the context of the Benchmarks and Guidelines agreed between the Trustees and the investment managers. Further investment information is provided in Note 4 to the accounts.

RESERVES

As a result of the implementation of the unapplied total return policy, in accordance with the Order and the Operational Guidance issued by the Charity Commission, the requirements for a specific reserves policy do not apply. The Trustees implement policies and maintain funds such that the even-handed approach is maintained and is reflected appropriately in the investment policy which draws a balance between capital growth and sustainable investment income. This results in an allocation after due consideration of Unapplied Total Return to Endowment and Distribution funds.

PLANS FOR THE FUTURE

As described in note 4, the Trustees have secured grant making for the next three years against any dramatic decline in investment values and dividend income by maintaining a distribution reserve.

The Trustees therefore intend to continue with current grant making policies and to further develop networks of referrers to ensure funds budgeted for grant making are used to provide support as quickly and efficiently as possible throughout the challenging conditions resulting from the Covid-19 pandemic. At a meeting of the Trustees in February 2022, Budgets for 2022 were set at £21,600 per month for Respite/Convalescence and £2,400 per month for Relief in Need, both figures being sustainable for the trust.

N.M. HEATH

.....
Trustee

D.J.R. WELLS

.....
Trustee

19th May 2022

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF VICTORIA CONVALESCENT TRUST

I report on the accounts of the Victoria Convalescent Trust for the year ended 31st December 2021.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Respective Responsibilities of Trustees and Examiner

As the Charity's Trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 144 of the Charities Act 2011 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under Section 145(5)b of the Act, whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. The examination also includes consideration of any unusual items or disclosures in the accounts and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, no opinion is given as to whether the accounts present "a true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the Charities Act 2011; or
 - to prepare accounts which accord with the accounting records; comply with the accounting requirements of the 2011 Act;have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Wickford
Essex SS11 7AT

19th May 2022

LESCOTT LIMITED
Chartered Certified Accountants

VICTORIA CONVALESCENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31ST DECEMBER 2021

	2021					2020				
	Income Fund	Endowment Fund	Distribution Fund	Distribution Reserve	Total	Income Fund	Endowment Fund	Distribution Fund	Distribution Reserve	Total
	£	£	£	£	£	£	£	£	£	£
Income from:										
Investment income:										
Equity Fund	58,843	-	-	-	58,843	55,447	-	-	-	55,447
Fixed Interest Fund	12,907	-	-	-	12,907	12,525	-	-	-	12,525
Special Range: COIF	16,278	-	-	-	16,278	15,961	-	-	-	15,961
Interest	20	-	-	-	20	223	-	-	-	223
Total Income	88,048	-	-	-	88,048	84,156	-	-	-	84,156
Expenditure on:										
Cost of Generating Funds:										
Investment management fees	-	29,105	-	-	29,105	-	24,827	-	-	24,827
Charitable Expenditure:										
Services and Equipment	-	-	17,338	-	17,338	-	-	24,298	-	24,298
Convalescence and Respite grants	-	-	53,732	-	53,732	-	-	67,451	-	67,451
Support costs (note 2)	-	-	31,881	-	31,881	-	-	29,656	-	29,656
Total Expenditure	-	29,105	102,951	-	132,056	-	24,827	121,405	-	146,232
Net Income/(Expenditure) Before Transfers	88,048	(29,105)	(102,951)	-	(44,008)	84,156	(24,827)	(121,405)	-	(62,076)
Transfer between funds (note 3)	(88,048)	(211,952)	140,000	160,000	-	(84,156)	(65,844)	140,000	10,000	-
Net (Expenditure)/Income	-	(241,057)	37,049	160,000	(44,008)	-	(90,647)	18,595	10,000	(62,076)
Other Recognised Gain/(Losses)										
Gains/(Losses) on Investment Assets	-	749,824	-	-	749,824	-	319,573	-	-	319,573
Net Movement in Funds	-	508,767	37,049	160,000	705,816	-	228,902	18,595	10,000	257,497
Reconciliation of Funds										
Fund Balances B/Fwd 01.01.21	-	4,388,603	32,403	428,132	4,849,138	-	4,159,701	13,808	418,132	
4,591,641										
Fund Balances C/Fwd 31.12.21	-	4,897,370	69,452	588,132	5,554,954	-	4,388,603	32,403	428,132	
4,849,138										

The Endowment Fund represents the permanent endowment of the fund which has, as a result of the order from the Charity Commission, become a fund including permanent endowment and unapplied total return as detailed in notes 4 and 5.

The notes on pages 10 to 15 form part of these financial statements.

BALANCE SHEET

AT 31ST DECEMBER 2021

Approved by the Trustees on 19th May 2022
and signed on their behalf by:

.....)
) TRUSTEES
D.J.R. WELLS)
.....)

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VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2021

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

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

Going Concern

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts relate to estimating the liability for grant commitments. With respect to the next reporting period, 2022, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

The Trustees have considered the impact of the Covid-19 pandemic on the ability of the Trust to continue grant making. As a result of the policies adopted for the allocation of Unapplied Total Returns, the initial fall in income did not inhibit current grant making due to the substantial assets in the Distribution Reserve Fund. The Trustees are confident that the Victoria Convalescent Trust is a going concern with substantial investment and cash assets which are regularly reviewed with the Investment Managers.

Income Recognition

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

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been received. The Trustees do not consider the value of dividends declared but not paid at the balance sheet date to be material to the understanding of the accounts.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2021

1. ACCOUNTING POLICIES – continued

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

Expenditure Recognition

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

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

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust.

Grants are charged in the year in which they become payable.

Expenditure on capital items costing less than £1,000 is written off in the year of acquisition.

Unapplied Total Return Policy

As a result of the implementation of this policy, it is not considered relevant to divide the balance sheet between different funds.

Pension Contributions

The Trust makes contributions to a defined contribution pension scheme for one staff member which are charged in the accounts as paid.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2021

2. SUPPORT COSTS	2021 £	2020 £
Grants Co-ordinator salaries	22,035	19,089
Grants Office expenses	1,091	1,264
Accounting and administration	6,000	5,400
Governance costs:		
- Independent Examination	2,550	2,550
- Trustees' expenses	127	40
Bank charges	98	70
Sundries	(115)	35
Computer costs	95	1,208
	<u>31,881</u>	<u>29,656</u>

Following the hand over of responsibilities to the new grants co-ordinator, the Trust continued to employ one member of staff throughout the year and no employee received emoluments in excess of £60,000. Pension contributions to defined contribution pension schemes totalling £1,198 (2020: £1,083) are included within salary costs.

Two (2020: One) trustees claimed expenses during the year covering training, travel, postage and stationery amounting to £127 (2020: £40).

3. TRANSFERS

Transfers reflect the application of the total return of the Trust to the Distribution Fund and the Distribution Reserve Fund as set out below:

	Income Fund £	Endowment Fund £	Distribution Fund £	Distribution Reserve Fund £
2021				
Unapplied Total Return allocated	-	(300,000)	-	300,000
Annual allocation	-	-	140,000	(140,000)
Income added to endowment	(88,048)	88,048	-	-
	<u>(88,048)</u>	<u>(211,952)</u>	<u>140,000</u>	<u>160,000</u>
2020				
Unapplied Total Return allocated	-	(150,000)	-	150,000
Annual allocation	-	-	140,000	(140,000)
Income added to endowment	(84,156)	84,156	-	-
	<u>(84,156)</u>	<u>(65,844)</u>	<u>140,000</u>	<u>10,000</u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2021

4. INVESTMENTS	2021 £	2020 £
Market value at 1 st January 2021	4,664,817	
4,321,345		
Acquisitions at cost	309,053	297,479
Disposal proceeds	(347,049)	(273,580)
Realised gains/(losses) on investment assets		2,454
(38,274)		
Unrealised gains/(losses) on investment assets		747,370
357,847		
Market value as at 31st December 2021		5,376,645
4,664,817		
Historical cost as at 31st December 2021		2,498,478
2,419,528		
Investments at Market Value Comprised		2021
2020		
	£	£
Quoted		
Equity Fund	4,304,606	
3,577,211		
Fixed Interest Fund	439,870	534,273
COIF	632,169	553,333
	5,376,645	
4,664,817		
All equity shares are UK listed.		

Quoted investments comprise investments listed on the London Stock Exchange. At 31st December 2021 there was one holding which is considered material (over 5% of portfolio by value) being the investment in the Findlay Park US Smaller Companies Fund valued at £414,057.

The movements and value of investments are set out on pages 16 to 21 of the accounts. As a result of the Trustee Act 2000, the requirement to distinguish Wider Range and Narrower Range stocks has been abolished. However, the Trustees have maintained equity and fixed interest funds in the accounts. During 2021, fixed interest holdings were reduced with funds realised being transferred to equity investments and the distribution reserve. The assets within the fixed interest and equity funds managed by Quilter Cheviot are registered under the name of Quilter Nominees Limited. In the event of default by Quilter Cheviot, supplemental account protection is offered to eligible claimants by the Financial Services Compensation Scheme.

As disclosed in the 2001 accounts, the Trustees exercised their powers to expend unapplied total return as granted by the Order dated 14th August 2001, on 9th

November 2001. The unapplied total return (UTR) was calculated by establishing the cost of all assets held at 1st January 1999 and adding subsequent endowment receipts. This figure amounted to £2,258,987 and gave an unapplied total return of £1,484,877 as calculated from the audited accounts at 31st December 2000.

At the end of 2020, the UTR before application amounted to £705,462 and the Trustees applied £150,000 to the Endowment Fund and £150,000 to the Distribution Reserve.

At the end of 2021, the Unapplied Total Return (UTR) before application had grown to £1,243,334 and the Trustees decided to apply £300,000 to the Endowment Fund and £300,000 to the Distribution Reserve. This restored the Distribution Reserve to a level considered adequate by the Trustees to sustain the Trust's activities without further transfers for three years.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2021

5. UNAPPLIED TOTAL RETURN (UTR)	2021 £	2020 £
Balance at 1 st January 2021	405,462	301,730
Income in year	88,048	84,159
Gains/(Losses) on investments	749,824	319,573
UTR before application		1,243,334
705,462		
Application to Distribution Reserve	(300,000)	(150,000)
Application to Endowment Fund	(300,000)	(150,000)
UTR at 31 st December 2021	643,334	405,462
Represented by:		
Balance retained in Endowment Fund	643,334	405,462
6. DEBTORS	2021 £	2020 £
Income receivable	11,126	10,918
Other debtors	-	958
	11,126	11,876
7. CASH AT INVESTMENT MANAGER	2021 £	2020 £
Cash held at the year end by Quilter Cheviot is held for the following purposes:		
For reinvestment	-	-
To support Grant Making	8,745	38,740
	8,745	38,740
8. CREDITORS	2021 £	2020 £
Independent Examination	2,550	2,550
Accountancy	600	600
Investment Manager's fees	7,639	6,526
Other creditors, including taxation and social security	362	1,840

Grants	24,835	<u>32,500</u>
<u> </u>	35,986	<u>44,016</u>
<u> </u>		<u> </u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

9. DISTRIBUTION RESERVE FUND

The Trustees have established a reserve fund in which total return allocated for distribution is to be held to protect the interests of current beneficiaries in the event of a substantial fall in investment values. The Trustees agreed to the release of £140,000 from the Distribution Reserve in 2021 to the Distribution Fund which is maintained in readily accessible cash reserves. The assets of the Fund are held within cash and investments managed by the Trust's Investment Managers as detailed in Note 12.

10. OUTSTANDING GRANTS

Grants promised but not taken up during the year and which remained outstanding at 31st December 2021 amounted to £24,835 (2020: £32,500). It is anticipated that a material proportion of these promises will be paid out in 2022 as suitable accommodation becomes available and beneficiaries have the confidence to take up grants previously offered.

11. TRUSTEES' INTERESTS

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2020: £nil). Expenses paid to the Trustees in the year are detailed in Note 2.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Fund 2021 £	Distribution Fund 2021 £	Distribution Reserve 2021 £	Total Funds 2021 £	Total Funds 2020 £
Fixed assets	4,905,009	-	471,636	5,376,645	
4,664,817					
Current assets	-	97,799	116,496	214,295	228,337
Creditors due within one year	(7,639)	(28,347)	-	(35,986)	
(44,016)					
	<u>4,897,370</u>	<u>69,452</u>	<u>588,132</u>	<u>5,561,761</u>	
4,849,138					
	<u><u>4,849,138</u></u>				

13. FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure	5,376,645	
4,664,817		
Financial assets measured at amortised cost		11,126
11,876		

Accounts

VICTORIA CONVALESCENT TRUST

INCORPORATING

VICTORIA CONVALESCENT TRUST FUND

KING EDWARD VII CHILDREN'S

CONVALESCENT TRUST FUND

PRINCESS MARY MEMORIAL TRUST FUND

FINANCIAL STATEMENTS

YEAR ENDED 31ST DECEMBER 2020

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VICTORIA CONVALESCENT TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

REGISTERED CHARITY NUMBER:	1064585
TRUSTEES:	Mr. N.M. Heath (Chairman) Miss H.J. Hipps Mrs. J.M. Morton Miss V. Hipps Mrs. S.K. Wilson Mr. D.J.R. Wells Mr. W.S. Gibbs Mrs. P. Bligaard Miss J.D. Dollimore
GRANTS CO-ORDINATOR:	Mrs. A.J. Perkins (to 31 st December 2020) Ms J. Brand (from 1 st January 2021)
INDEPENDENT EXAMINER:	S. Lescott Lescott Limited 10 Station Court Station Approach Wickford Essex SS11 7AT
INVESTMENT MANAGERS:	Quilter Cheviot Senator House 85 Queen Victoria Street London EC4V 4AB
BANKERS:	National Westminster Bank plc 141 Ebury Street London SW1W 9QP
PRINCIPAL ADDRESS:	5 th Floor 14-16 Dowgate Hill London EC4R 2SU
WEBSITE:	www.victoriaconvalescenttrust.org.uk

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES YEAR ENDED 31ST DECEMBER 2020

The Trustees present their report and the unaudited financial statements for the year ended 31st December 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's trust deeds, the Charities Act 2011 and the provisions of the 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 (FRS102) (effective 1 January 2015).

The Trustees confirm that the Charity Commission's general guidance on public benefit has been considered in relation to the objectives of the Charity. The report below sets out those objectives and describes how they have been met in the current year. Specifically this has been done by the provision of financial support for those with significant health issues requiring convalescence or respite and also the provision of services and equipment in cases of financial hardship.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Trustees' Statement of Responsibility in Relation to the Accounts

The Charities Act 2011 requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the Trustees should follow best practice and:

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

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and which enable them to ascertain the financial position of the charity and ensure that the financial statements comply with applicable law, regulations and the trust schemes. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Constitution

On 9th June 1997, the Charity Commissioners for England and Wales ordered that the charities mentioned below shall be administered and managed together as one charity under the title of Victoria Convalescent Trust.

- 1) The charity called King Edward VII Children's Convalescent Trust Fund, in the County of Surrey and the London Borough of Croydon, regulated by a Scheme of the Charity Commissioners of 23rd September 1982;
- 2) The charity called The Princess Mary Memorial Trust Fund, in Greater London, regulated by a Scheme of the Commissioners of 23rd September 1982;

- 3) The charity called Victoria Convalescent Trust Fund regulated by a Scheme of the Commissioners of 23rd September, 1982 as varied by a Scheme of the Commissioners of 26th April 1983.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

On 14th August 2001, the Charity Commissioners issued an Order that "Being satisfied that it is expedient in the interests of the charity that the Trustees should have the power to do so, the Commissioners authorise the Trustees of the charity to decide, at any time, and from time to time, to their discretion, which part of the unapplied total return belonging to the charity should be held on trust for application (income) for the purposes of the charity."

Structure of Organisation

The Charity is governed by a Board of Trustees which met four times during the year. The Trustees make the policy decisions and review the work of the Grants Co-ordinator who processes all grant applications in consultation with individual trustees. All grants made are reviewed and formally approved by the Board of Trustees.

Appointment of Trustees

The Trustees are appointed by a resolution of the Trustees for a term of three years. Any competent trustee may be re-appointed. No person is entitled to act as a trustee until he or she has signed a declaration of eligibility to act and of acceptance of willingness to act. New trustees are given training as appropriate including an introduction to the availability of Charity Commission guidance.

Since the year end, Mrs A.J. Perkins has been appointed as a Trustee following her retirement from the post of Grants Co-ordinator.

Statement of Risk Management

The Trustees have considered the risks to which the Victoria Convalescent Trust is exposed and believe that these will be mitigated by:

- A body of trustees with the necessary experience and competence to supervise all the aspects of the Trust's work;
- Recruitment of younger trustees with suitable qualifications, cultural diversity and wide-ranging relevant experience to endeavour to ensure the succession of new talent in the trustee body;
- Regular trustees' meetings with effective reporting to ensure proper review of grant making coupled with the consideration and approval by trustees of all grants made;
- Retention of competent investment managers who regularly attend trustees' meetings; and
- An effective system of internal control to ensure the correct operation of the Guidelines for Grant Making and compliance with General Data Protection Regulations (GDPR).

CHARITY OBJECTIVES AND ACTIVITIES FOR THE PUBLIC BENEFIT

Subject to the payment of expenses, the Trustees shall apply the distributable funds of the Charity in accordance with the scheme dated 9th June 1997 as set out below:

- a) As to 10% thereof for providing relief in need either generally or individually of persons, with a preference for women resident in the Greater London area, who are in conditions of need, hardship or distress by making grants of money or

providing or paying for items, services or facilities calculated to reduce the need, hardship or distress of such persons.

- b) As to 90% thereof in or towards providing, in cases of need, convalescence, recuperation and/or respite care, provided that as to one quarter of the said 90% the Trustees shall give preference to persons residing in the County of Surrey or the London Borough of Croydon.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES - continued

The purpose of the Trust is to make grants for:

- (a) convalescence, recuperative holidays and respite care (Category A) in response to standard application forms completed by or supported by an appropriately qualified health or social care worker on behalf of an individual in need; and
- (b) for services and equipment (Category B) on the receipt of standard application forms completed by an appropriately qualified health or social care worker.

Maximum grants are £1,000 for Category A and £400 for Category B.

Procedures are operated by the Trust to ensure confidentiality and a receipt is obtained for each grant made.

GRANT INFORMATION

Due to the exceptional circumstances surrounding the Covid 19 pandemic, fewer grants were made to fund Convalescence, Respite and Recuperative care. During 2020, 124 individual grants were made for this purpose whereas in 2019, 269 were made.

During the year there was continuing demand for funding for essential goods and services. The Trustees approved additional funding as for 2019 and this will be kept under review recognising the potential impact of the pandemic.

Due to the exceptional circumstances surrounding the Covid 19 pandemic, two block grants of £10,000 each were made to Revitalise and a grant of £5,000 was made to Newlife charity to enable these charities to continue their valuable work.

A block grant was made during the year of £15,000 to the Royal Hospital for Neuro-Disability for nurse led patient outings. The Children's Trust, Tadworth continues to make use of previously awarded block grants to help children with highly complex needs. Regular reports are received from the recipients of block grants confirming their use in accordance with the objects of the Trust. Other grants are confirmed by receipt from the provider of convalescence or other services.

REVIEW OF THE YEAR

As explained above, the pandemic has limited certain aspects of the work of the Victoria Convalescent Trust. However, the Charity has continued to make a valuable contribution to the provision of respite and convalescence in England and Wales. The website has continued to be developed to make the Charity more accessible to users and provide information on its purpose. The online application form has enhanced the efficiency of the Charity's operation.

The Trustees have reviewed their operations with reference to GDPR and have implemented policies and procedures to ensure compliance.

The Trust made grants to pay for periods of convalescence, recuperative and respite care for those in need who do not have the financial resources and who have been unable to obtain sufficient assistance from the statutory services or other resources.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

Applications for convalescence, recuperative or respite care grants are usually made by a suitably qualified social worker or health care worker, but consideration can be given to requests from other sources.

All the necessary practical arrangements for convalescence, recuperative or respite care must be made by the referring agency.

The Trustees use letters received from grantees and referrers as a tool to measure outcomes. These are overwhelmingly positive and indicate how our grants have improved the lives of recipients.

Examples of the feedback are given below and more are highlighted on our website.

"I am extremely grateful to the Victoria Convalescent Trust for taking this lady's extremely difficult circumstances into account and responding by offering such an exceptional and generous contribution. It really will make such a huge difference to her mental well-being and help her to relax and focus/benefit from her respite".

"I want to say a massive thank you for this approval and the speed with which the equipment grant has been handled".

"Thank you so much for your donation. My client received the item and she is very happy and able to catch up with her laundry. It really brightened her mood and mental state".

"Revitalise is extremely grateful for the support of the Victoria Convalescent Trust".

"Wow you are amazing!! Thank you so much for the grant; he is a lovely person and I know he will be so grateful and happy about this. Can't thank you enough for your support".

The individual grants approved between 1st January 2020 and 31st December 2020 were classified under the following categories:

Category	Category No.	2020	2019	Grants 2020 (£)	Grants 2019 (£)
AIDS/HIV	1	2	3	440	770
Cancer	2	3	10	1,138	3,577
Children	3	23	45	5,072	10,975
General Medical	4	0	3	0	717
General Surgery	5	1	3	285	531
Mental Health	6	20	28	3,856	10,944
Learning Difficulties	7	4	5	2,185	3,175
Physical Disability	8	37	95	17,179	54,678
Carer	9	31	71	7,712	17,082
Relief in Need	10	91	105	20,863	25,350
Approved - not required	11	2	4	0	-
Totals		214	372	58,700	127,779

During the period 1st January to 31st December 2020, 14 individual grants amounting to £11,380 (2019: 66 grants totalling £56,796) were made to those wishing to use Revitalise centres. Thirty-eight grants amounting to £8,346 (2019: £9,715) were made

to those using Holiday Homes accommodation, with remaining grants being used to fund beneficiaries in a range of independent accommodation suitable to individual needs.

VICTORIA CONVALESCENT TRUST

REPORT OF THE TRUSTEES

- continued

Applications for Relief in Need grants continued at a high level and the Trustees increased the budget to enable people to be supported through the challenging conditions caused by the Covid 19 Pandemic.

The Trustees have continued to develop relationships with new referrers of people in need of respite care, convalescence and services and equipment. The website: www.victoriaconvalescenttrust.org.uk created in 2018 has been a great success and has increased the profile of the Charity and encouraged potential beneficiaries to seek support. However, the ability of people to make use of respite and convalescence facilities was severely restricted and therefore individual grants were limited. The grant to the Royal Hospital for Neuro-Disability and the previous grant to Barnardo's for the benefit of young carers were carried over to 2021 as a result of the pandemic's restrictions curtailing the ability to use the funds.

The Trustees have considered the investment policy at their regular meetings and at meetings with the investment managers who have discretionary management powers. Asset allocation between investment categories has been reviewed in the context of the Benchmarks and Guidelines agreed between the Trustees and the investment managers.

RESERVES

As a result of the implementation of the unapplied total return policy, in accordance with the Order and the Operational Guidance issued by the Charity Commission, the requirements for a specific reserves policy do not apply. The Trustees implement policies and maintain funds such that the even-handed approach is maintained and is reflected appropriately in the investment policy which draws a balance between capital growth and sustainable investment income. This results in an allocation after due consideration of Unapplied Total Return to Endowment and Distribution funds.

PLANS FOR THE FUTURE

As described in note 4, the Trustees have secured grant making for the next three years against any dramatic decline in investment values and dividend income by maintaining a distribution reserve.

The Trustees therefore intend to continue with current grant making policies and to further develop networks of referrers to ensure funds budgeted for grant making are used to provide support as quickly and efficiently as possible throughout the challenging conditions resulting from the Covid-19 pandemic. At a meeting of the Trustees in February, Budgets for 2021 were set at £10,800 per month for Respite/Convalescence and £1,200 per month for Relief in Need, both figures being sustainable for the trust.

N M Heath

.....

Trustee

D J R Wells

.....

Trustee

13th September 2021

INDEPENDENT EXAMINER'S REPORT
TO THE TRUSTEES OF VICTORIA CONVALESCENT TRUST

I report on the accounts of the Victoria Convalescent Trust for the year ended 31st December 2020.

This report is made solely to the Charity's Trustees, as a body, in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. My work has been undertaken so that I might state to the Charity's Trustees those matters I am required to state to them in an Independent examiner's report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the Charity and the Charity's Trustees as a body, for my work or for this report.

Respective Responsibilities of Trustees and Examiner

As the Charity's Trustees you are responsible for the preparation of the accounts; you consider that the audit requirement of section 144 of the Charities Act 2011 (the Act) does not apply. It is my responsibility to state, on the basis of procedures specified in the General Directions given by the Charity Commissioners under Section 145(5)b of the Act, whether particular matters have come to my attention.

Basis of Independent Examiner's Report

My examination was carried out in accordance with the General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the Charity and a comparison of the accounts presented with those records. The examination also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as Trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently, no opinion is given as to whether the accounts present "a true and fair view" and the report is limited to those matters set out in the statement below.

Independent Examiner's Statement

In connection with my examination, no matter has come to my attention:

- 1) which gives me reasonable cause to believe that in any material respect the requirements
 - to keep accounting records in accordance with Section 130 of the Charities Act 2011; or
 - to prepare accounts which accord with the accounting records; comply with the accounting requirements of the 2011 Act;have not been met; or
- 2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Wickford
Essex SS11 7AT

13th September 2021

LESCOTT LIMITED
Chartered Certified Accountants

VICTORIA CONVALESCENT TRUST

STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31ST DECEMBER 2020

	2020					2019				
	Income Fund	Endowment Fund	Distribution Fund	Distribution Reserve	Total	Income Fund	Endowment Fund	Distribution Fund	Distribution Reserve	Total
	£	£	£	£	£	£	£	£	£	£
Income from:										
Investment income:										
Equity Fund	55,447	-	-	-	55,447	70,693	-	-	-	70,693
Fixed Interest Fund	12,525	-	-	-	12,525	16,692	-	-	-	16,692
Special Range: COIF	15,961	-	-	-	15,961	15,631	-	-	-	15,631
Interest	223	-	-	-	223	469	-	-	-	469
Donations	-	-	-	-	-	3,000	-	-	-	3,000
Total Income	84,156	-	-	-	84,156	106,485	-	-	-	106,485
Expenditure on:										
Cost of Generating Funds:										
Investment management fees	-	24,827	-	-	24,827	-	26,206	-	-	26,206
Charitable Expenditure:										
Services and Equipment	-	-	24,298	-	24,298	-	-	24,116	-	24,116
Convalescence and Respite grants	-	-	67,451	-	67,451	-	-	126,906	-	126,906
Support costs (note 2)	-	-	29,656	-	29,656	-	-	30,237	-	30,237
Total Expenditure	-	24,827	121,405	-	146,232	-	26,206	181,259	-	207,465
Net Income/(Expenditure) Before Transfers	84,156	(24,827)	(121,405)	-	(62,076)	106,485	(26,206)	(181,259)	-	(100,980)
Transfer between funds (note 3)	(84,156)	(65,844)	140,000	10,000	-	(106,485)	(203,515)	170,000	140,000	-
Net (Expenditure)/Income (100,980)	-	(90,647)	18,595	10,000	(62,076)	-	(229,721)	(11,259)	140,000	
Other Recognised Gain/(Losses)										
Gains/(Losses) on Investment Assets	-	319,523	-	-	319,523	-	664,003	-	-	664,003
Net Movement in Funds	-	228,902	18,595	10,000	257,497	-	434,282	(11,259)	140,000	563,023
Reconciliation of Funds										
Fund Balances B/Fwd 01.01.20	-	4,159,701	13,808	418,132	4,591,641	-	3,725,419	25,067	278,132	
4,028,618										
Fund Balances C/Fwd 31.12.20	-	4,388,603	32,403	428,132	4,849,138	-	4,159,701	13,808	418,132	
4,591,641										

The Endowment Fund represents the permanent endowment of the fund which has, as a result of the order from the Charity Commission, become a fund including permanent endowment and unapplied total return as detailed in notes 4 and 5. The notes on pages 10 to 15 form part of these financial statements.

BALANCE SHEET

AT 31ST DECEMBER 2020

Approved by the Trustees on 13th September 2021
and signed on their behalf by:

The notes on pages 10 to 15 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102) and the Charities Act 2011.

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

Going Concern

The Trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts relate to estimating the liability for grant commitments. With respect to the next reporting period, 2021, the most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets.

The Trustees have considered the impact of the Covid-19 pandemic on the ability of the Trust to continue grant making. As a result of the policies adopted for the allocation of Unapplied Total Returns, the fall in income did not inhibit current grant making due to the substantial assets in the Distribution Reserve Fund. The Trustees are confident that the Victoria Convalescent Trust is a going concern with substantial investment and cash assets which are regularly reviewed with the Investment Managers.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether in applying the accounting policies required by FRS102 and the Charities SORP FRS102 a restatement of comparative items was needed. No restatements were required.

Income Recognition

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

Donations are recognised when the Trust has been notified in writing of both the amount and settlement date.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been received. The Trustees do not consider the value of dividends declared

but not paid at the balance sheet date to be material to the understanding of the accounts.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST DECEMBER 2020

1. ACCOUNTING POLICIES – continued

Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Trust does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

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

Expenditure Recognition

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

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

Grants payable are payments made to third parties in the furtherance of the charitable objects of the Trust.

Grants are charged in the year in which they become payable.

Expenditure on capital items costing less than £1,000 is written off in the year of acquisition.

Unapplied Total Return Policy

As a result of the implementation of this policy, it is not considered relevant to divide the balance sheet between different funds.

Fund Raising Policy

The Charity does not actively fund raise but accepts donations.

Pension Contributions

The Trust makes contributions to a personal pension plan of one staff member which are charged in the accounts as paid.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2020

2. SUPPORT COSTS	2020 £	2019 £
Grants Co-ordinator salary	19,089	19,589
Grants Office expenses	1,264	1,314
Accounting and administration	5,400	6,600
Governance costs:		
- Independent Examination	2,550	2,500
- Trustees' expenses	40	80
Bank charges	70	119
Sundries	35	35
Computer costs	1,208	-
	<u>29,656</u>	<u>30,237</u>

There was one member of staff throughout the year and no employee received emoluments in excess of £60,000. Pension contributions to a personal defined contribution pension scheme totalling £1,083 (2019: £1,075) are included within salary costs.

One (2019: One) trustee claimed expenses during the year covering training, travel, postage and stationery amounting to £40 (2019: £80).

3. TRANSFERS

Transfers reflect the application of the total return of the Trust to the Distribution Fund and the Distribution Reserve Fund as set out below:

	Income Fund £	Endowment Fund £	Distribution Fund £	Distribution Reserve Fund £
2020				
Unapplied Total Return allocated	-	(150,000)	-	150,000
Annual allocation	-	-	140,000	(140,000)
Income added to endowment	(84,156)	84,156	-	-
	<u>-</u>	<u>(65,844)</u>	<u>140,000</u>	<u>10,000</u>
2019				
Unapplied Total Return allocated	-	(310,000)	-	310,000
Annual allocation	-	-	170,000	(170,000)
Income added to endowment	(106,485)	106,485	-	-
	<u>(106,485)</u>	<u>(203,515)</u>	<u>170,000</u>	<u>140,000</u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2020

4. INVESTMENTS	2020 £	2019 £
Market value at 1 st January 2020	4,321,345	
3,847,972		
Acquisitions at cost	297,479	159,609
Disposal proceeds	(273,580)	(350,239)
Net gains/(losses) on investment assets	319,573	664,003
Market value as at 31st December 2020		4,664,817
4,321,345		
Historical cost as at 31st December 2020		2,419,528
2,328,472		
Investments at Market Value Comprised		2020
2019		
	£	£
Quoted		
Equity Fund	3,577,211	
3,174,530		
Fixed Interest Fund	534,273	626,884
COIF	553,333	519,931
		4,664,817
4,321,345		

All equity shares are UK listed.

Quoted investments comprise investments listed on the London Stock Exchange. At 31st December 2020 there was one holding which is considered material (over 5% of portfolio by value) being the investment in the Findlay Park US Smaller Companies Fund valued at £323,212.

The movements and value of investments are set out on pages 16 to 21 of the accounts. As a result of the Trustee Act 2000, the requirement to distinguish Wider Range and Narrower Range stocks has been abolished. However the Trustees have maintained equity and fixed interest funds in the accounts. The assets within the fixed interest and equity funds managed by Quilter Cheviot are registered under the name of Quilter Nominees Limited. In the event of default by Quilter Cheviot, supplemental account protection is offered to eligible claimants by the Financial Services Compensation Scheme.

As disclosed in the 2001 accounts, the Trustees exercised their powers to expend unapplied total return as granted by the Order dated 14th August 2001, on 9th November 2001. The unapplied total return (UTR) was calculated by establishing the cost of all assets held at 1st January 1999 and adding subsequent endowment

receipts. This figure amounted to £2,258,987 and gave an unapplied total return of £1,484,877 as calculated from the audited accounts at 31st December 2000.

At the end of 2019, the Unapplied Total Return (UTR) before application amounted to £921,730 and the Trustees decided to apply £310,000 to the Endowment Fund and £310,000 to the Distribution Reserve. At the end of 2020, the UTR before application amounted to £705,462 and the Trustees applied £150,000 to the Endowment Fund and £150,000 to the Distribution Reserve. This restored the Distribution Reserve to a level considered adequate by the Trustees to sustain the Trust's activities without further transfers for three years.

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER 2020

5. UNAPPLIED TOTAL RETURN (UTR)	2020 £	2019 £
Balance at 1 st January 2020	301,730	151,242
Income in year	84,159	106,485
Gains/(Losses) on investments	319,573	664,003
UTR before application	705,462	921,730
Application to Distribution Reserve	(150,000)	(310,000)
Application to Endowment Fund	(150,000)	(310,000)
UTR at 31 st December 2020	405,462	301,730
Represented by:		
Balance retained in Endowment Fund	405,462	301,730
6. DEBTORS	2020 £	2019 £
Income receivable	10,918	14,272
Other debtors	958	-
	11,876	14,272
7. CASH AT INVESTMENT MANAGER	2020 £	2019 £
Cash held at the year end by Quilter Cheviot is held for the following purposes:		
For reinvestment	-	7,398
To support Grant Making	38,740	180,000
	38,740	187,398
8. CREDITORS	2020 £	2019 £
Independent Examination	2,550	2,500
Accountancy	600	1,200
Investment Manager's fees	6,526	6,458
Other creditors, including taxation and social security	1,840	1,021

Grants	32,500	<u>7,539</u>
<u> </u>	44,016	<u>18,718</u>
<u> </u>		<u> </u>

VICTORIA CONVALESCENT TRUST

NOTES TO THE FINANCIAL STATEMENTS

- continued

9. DISTRIBUTION RESERVE FUND

The Trustees have established a reserve fund in which total return allocated for distribution is to be held to protect the interests of current beneficiaries in the event of a substantial fall in investment values. The Trustees agreed to the release of £140,000 from the Distribution Reserve in 2021 to the Distribution Fund which is maintained in readily accessible cash reserves. The assets of the Fund are held within cash and investments managed by the Trust's Investment Managers as detailed in Note 12.

10. OUTSTANDING GRANTS

Grants promised but not taken up during the year and which remained outstanding at 31st December 2020 amounted to £32,500 (2019: £7,539).

11. TRUSTEES' INTERESTS

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2019: £nil). Expenses paid to the Trustees in the year are detailed in Note 2.

12. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Endowment Fund 2020 £	Distribution Fund 2020 £	Distribution Reserve 2020 £	Total Funds 2020 £	Total Funds 2019 £
Fixed assets 4,321,345	4,395,129	-	269,688	4,664,817	
Current assets	-	69,893	158,444	228,337	289,014
Creditors due within one year (18,718)	(6,526)	(37,490)	-	(44,016)	
	<u>4,388,603</u>	<u>32,403</u>	<u>428,132</u>	<u>4,849,138</u>	
4,591,641	<u><u>4,591,641</u></u>				

13. FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial assets measured at fair value through income and expenditure 4,321,345	4,664,817	
Financial assets measured at amortised cost 14,272		11,876
Financial liabilities (18,718)	(44,016)	

4,316,899

4,632,677

14. RELATED PARTY TRANSACTIONS

Donations from trustees without conditions amounted to £nil (2019: 3,000).