

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

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Trustee

D J R Wells

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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
	<hr/>	<hr/>
UTR before application	705,462	921,730
Application to Distribution Reserve	(150,000)	(310,000)
Application to Endowment Fund	(150,000)	(310,000)
	<hr/>	<hr/>
UTR at 31 st December 2020	405,462	301,730
		<hr/>
<hr/>		
Represented by:		
Balance retained in Endowment Fund	405,462	301,730
		<hr/>
<hr/>		
6. DEBTORS	2020 £	2019 £
Income receivable	10,918	14,272
Other debtors	958	-
	<hr/>	<hr/>
	11,876	14,272
		<hr/>
<hr/>		
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
	<hr/>	<hr/>
	38,740	187,398
		<hr/>
<hr/>		
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>4,388,603</u></u>			<u><u>4,849,138</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).