

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

CONTENTS:

Page	1	Reference and Administrative Information
	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: 5th 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.

BALANCE SHEET

AT 31ST DECEMBER 2022

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

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

- 14 -

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
	<hr/> 28,751	<hr/> 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
	<hr/>	<hr/>
UTR before application	(73,164)	
1,243,334		
Application to Distribution Reserve	-	(300,000)
Application to Permanent Endowment	-	(300,000)
	<hr/>	<hr/>
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>300,000</u>
	4,254,036	<u><u>4,226,778</u></u>	<u><u>300,000</u></u>

7. DEBTORS

	2022 £	2021 £
Income receivable	11,912	11,126
Other debtors	-	-
	<u>11,912</u>	<u>11,126</u>
	<u><u>11,912</u></u>	<u><u>11,126</u></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>
	<u><u>45,248</u></u>	<u><u>8,745</u></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 24,835

25,293 35,986

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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		

