

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

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 - 17	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:

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

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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><u>5,071,866</u></u>	<u><u>4,683,781</u></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><u>5,071,866</u></u>	<u><u>4,683,781</u></u>	

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

N.M. HEATH

.....)

)

) TRUSTEES

V. HIPPS

.....)

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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

4,886,198	4,501,107
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Historical cost as at 31st December 2023

2,908,719	2,634,972
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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)
	<hr/>	<hr/>
UTR before application	474,893	(73,164)
Application to Distribution Reserve	(100,000)	-
Application to Permanent Endowment	(100,000)	-
	<hr/>	<hr/>
UTR at 31 st December 2023	274,893	(73,164)
	<hr/>	<hr/>
Represented by:		
Balance retained in Endowment Fund	274,893	(73,164)
	<hr/>	<hr/>

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.