

**DELVES CHARITABLE TRUST**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 5 APRIL 2021**

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## LEGAL AND ADMINISTRATIVE INFORMATION

### Trustees

C Breeze  
E Breeze  
G Breeze  
J Breeze  
M Breeze  
W Breeze (Chair)

### Trust Administrator

Luminary Finance LLP  
PO Box 135  
Longfield  
DA3 8WF

This is also the registered address of the Trust

### Auditor

Warner Wilde Ltd  
4 Marigold Drive  
Bisley  
GU24 9SF

### Banker

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

### Investment Adviser

Investec Wealth & Investment Ltd  
30 Gresham Street  
London  
EC2V 7QN

## ANNUAL REPORT OF THE TRUSTEES

The Trustees of the Delves Charitable Trust present their annual report covering the Trust's activities for the year ended 5 April 2021.

### Structure

The Trust was established under a Deed of Appropriation and Appointment of new Trustees, dated 5 October 1955, in respect of an indenture dated 6 March 1922 known as the original Trust deed. A deed of appointment dated 5 October 1946 was also relevant.

The Trust is a registered charity, number 231860.

The Trust deed states the objects as being "for or to such charitable objects, purposes, institutions or societies as the Trustees may in their discretion think fit," with no defined beneficial area.

### Governance and Management

The names of the Trustees who have acted during the year are set out on page 1. One of the Trustees serves as the Chair, elected by the other Trustees, for a 3-year term. There are no term limits on the tenure of Trustees or the number of terms a Chair can serve. The Trustees can appoint new Trustees at any time by deed, up to a maximum of 7.

All Trustees give their time freely; no remuneration is paid. The notes to the financial statements disclose details of Trustee expenses reimbursed (note 5) and related party transactions (note 13).

Trustees are required to disclose all relevant interests and these are recorded on a central register. In accordance with the Trust's policy, they are required to withdraw from any decision where there is a potential conflict of interest.

The Trustees meet annually in June to approve the previous year's accounts and reporting, and to plan their grant making for the coming year. Additional meetings are held during the year as required for specific matters.

Trustees are able to receive training as appropriate.

Luminary Finance LLP is engaged as the Trust Administrator, to support the Trustees and the day-to-day administration of the Trust's affairs.

The Trust is a member of the Association of Charitable Foundations. The ACF provides helpful information on good practice and changes in the law affecting charities. It also acts as an authoritative body to speak for charitable foundations with the government and regulators.

### Objectives and Activities

The Trust supported objectives at the Trustees' discretion, via grants out of the income of the Trust to charitable institutions.

The bulk of the Trust's grants are made by way of defined term programmes (also referred to as subscriptions). The Trust does not have any geographical restriction on the ambit of its activities.

### Applications for funding

The Trust does not accept unsolicited applications for funding.

### Public Benefit

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

The Trustees only release grants to organisations with charitable or Community Interest Company status; in practice almost exclusively UK registered charities. As all UK registered charities are required to operate for the public benefit, the Trustees can have a higher level of confidence that the Trust's resources will be effectively used.

The objective and anticipated outcomes of each proposed grant programme are considered by the Trustees before adoption, progress is reviewed annually, and final outcomes are reviewed on completion of the grant term.

## ANNUAL REPORT [Continued]

**Achievements**

During the year, in furtherance of the Trust's objectives:

- a total of £114,500 was paid to 14 different charities in support of the Trust's adopted grant programmes, and
- a donation of £5,000 was made to 1 charity.

The largest grants made in the year, aggregated by recipient, were:

Charity	Amount	Comprising
Alzheimer's Society	£15,000	2 grants, each to a separate project
Parkinson's UK	£12,500	1 grant to a specific project
SHINE	£12,500	1 grant to a specific project
Tree Aid	£10,000	1 unrestricted grant
Samaritans	£10,000	1 unrestricted grant

Substantial uncertainty over income expectations as the COVID-19 pandemic unfolded meant that grant-making plans for the year had to be significantly restricted.

**Financial Review**

The financial statements have been drawn up under the historical cost convention as modified by the revaluation of investments. The statements have been prepared in accordance with the rules of the Trust and the current Statement of Recommended Practice 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with FRS 102.

Over the last year, there has not been any significant change in the Trust's activities or the manner in which these activities have been carried out.

The investment income for the year was £252,373, a decrease on the previous year of £8,469.

Grants totalling £119,500 (2020 - £219,000) were made in the year. An overview is given in the Achievements section above and details are disclosed in note 4 of the financial statements, starting on page 14 below.

In managing and administering the Trust, investment advisers' fees of £43,581 (2020 - £42,666), costs of grant-making of £2,400 (2020 - £2,600), governance costs of £29,122 (2020 - £25,554), and other support costs of £545 (2020 - £558) were incurred in the year.

The value of the Trust's investments increased by £2,129,336 during the year, comprised of £210,552 of net realised gains and £1,918,784 of net unrealised gains (2020 – the value decreased by £1,403,300, comprised of £73,375 of net realised losses and £1,329,925 of net unrealised losses).

The overall surplus for the year of £2,186,561 was added to reserves brought forward from the previous year (2020 - £1,432,836 deficit deducted from reserves).

**Investment policy**

The Trustees' investment powers are defined by the general power of investment granted by the Trustee Act 2000. The Trustees are empowered to use the investments in the same manner as income and there is therefore no fixed endowment fund and no restricted investment.

The Trust's investment portfolio is professionally managed by their investment adviser, Investec Wealth and Investment, on a discretionary basis.

The investment adviser operates under a written mandate, the Trustees' Statement of Investment Principles, which is reviewed regularly.

As the Trustees' working presumption is for the Trust to continue in perpetuity, they seek a diversified portfolio, which over the long term maintains the real terms value (or better) of the investments and annual income, in a balanced way and without taking undue risk.

The Trustees' Socially Responsible Investment policy forms part of the investment adviser's written mandate and limits investments in companies significantly engaged in armaments, environmental damage, the manufacture or irresponsible marketing of alcohol, gambling, the manufacture or sale of tobacco, or human rights abuses.

**ANNUAL REPORT [Continued]**

Each quarter the Trust's investment adviser reports on the performance of the investments. Twice a year, representatives of the Board of Trustees meet with the investment adviser to review strategy, policy and performance, and discuss developments.

The Trustees use a number of measures to appraise the investment adviser's financial performance:

- The primary measure, considered the benchmark, is the value added compared to market returns. A bespoke metric is used, the total return before fees of the weighted-average performance of representative indices for each relevant asset class, where the weighting is determined by the Trust's strategic asset allocation;
- To highlight if any undue risk is taken to deliver the returns, monitoring the volatility expected of the strategic asset allocation versus the actual volatility of the portfolio;
- Monitoring performance versus the manager's principal peer group, by comparison to the Teknometry CIG Charity Fund Universe; and
- Over the long term, achievement of the core mandate objective: maintaining the real terms value of the investments and annual income.

The Trust's investments out-performed the benchmark during the year: while the Trust's portfolio recorded a total return of 28.9%, the benchmark return was 27.8%.

The Trust's investments are held in nominee accounts of the Trust's investment adviser with Rensburg Client Nominees Ltd, Ferlim Nominees Ltd, CREST and Euroclear.

**Designated funds**

Designated funds are amounts that have been put aside out of unrestricted funds at the discretion of the Trustees for particular purposes. The designation is for administrative purposes only and does not legally restrict the Trustees' discretion to apply the funds.

The Trustees have created a designated Investment fund, principally comprising the investments held in the Trust's investment portfolio, to provide the resources necessary to maintain the Trust's charitable activities.

The remaining funds of the Trust comprise a General fund, representing unrestricted income expendable at the discretion of the Trustees in the furtherance of the objects of the Trust.

Such funds may be held in order to finance both working capital and capital investments.

Details of movements in the funds are set out in note 10 on page 18.

**Reserves**

The Trustees' policy is to maintain free reserves at a level that would cover approximately 1 month's anticipated average expenditure. This policy is formed with regard to the designated Investment fund available, the nature of the Trust's operations and expenditure commitments, and experience of the requirement to draw on reserves. This policy means that the Trustees would wish to hold free reserves of £20,000 at 5 April 2021.

The actual free reserves at 5 April 2021 were £75,217 (the balance on the unrestricted General fund.)

The excess arose during the year, from income significantly exceeding expectations. During 2020/21, the impact of the COVID-19 pandemic made it very difficult to accurately predict income with any confidence. The Trust also received an unexpected special dividend from one of its investments of over £30,000.

The Trustees' expenditure plans for the year ahead take account of the excess reserves.

The Trustees are satisfied that sufficient reserves are held. The Trustees note the strength of the Trust's Investment Fund and lack of other commitments or liabilities. At 5 April 2021, the Trust's funds stood at £10,524,918, comprising an Investment fund of £10,449,701 and a General fund of £75,217.

**Risk Management**

Having regard to the Trust's organisation and activities, it is the Trustees' view that the major risks to which the Trust may be exposed are largely financial in nature. Primary among these would be events causing a significant reduction in the return generated by the investments. Regular meetings and contact are maintained with the Trust's investment adviser to understand, prepare for, and react to such events. In addition, the Trustees seek to maintain free reserves at the levels indicated above.

**ANNUAL REPORT [Continued]**

To mitigate risks to effective grant-making, the Trustees dedicate time to understanding the progress of the Trust's grant programmes. Each programme has to pass an annual review before any further grant is authorised for payment. The Trustees also voluntarily limit the number of grant programmes in progress at any one time.

The Trustees review the major risks that the Trust faces on a regular basis.

The Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future.

**Future Plans**

The Trustees intend to continue to make grants, out of the resources provided by the Investment fund, to pursue the Trust's objectives.

The Trustees have recently simplified their statement of objectives. Future grant programmes will seek to maximise the impact the grants have on outcomes. This will often lead to supporting smaller charities.

At 5 April 2021, there were planned grants to existing grant programmes totalling £69,500 for 2021/22, with a further £10,000 planned for the one programme which continues into 2022/23. New grant programmes were adopted at the 2021 AGM.

**Trustees' responsibilities in relation to the financial statements**

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Statement of Recommended Practice 'Accounting and Reporting by Charities';
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the applicable Charity (Accounts and Reports) Regulations and the provisions of the Trust Deed. 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.

**Auditor**

A resolution to re-appoint Warner Wilde Ltd as the Trust's auditor was passed at the Annual General Meeting.

Approved by the Board of Trustees and signed on its behalf by

W Breeze  
Chair of the Board of Trustees  
20.01.22

## INDEPENDENT AUDITOR'S REPORT

Warner Wilde Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006. We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

### Opinion

We have audited the financial statements of Delves Charitable Trust (the 'Trust') for the year ended 5 April 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows, and the Notes to the financial statements including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 5 April 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



**AUDITOR'S REPORT [Continued]****Matters on which we are required to report by exception**

The Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

We have nothing to report in this respect.

**Responsibilities of Trustees**

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

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

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Engagement Partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Trust through discussions with Trustees and other management, and from our knowledge and experience of the charity and faith sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Trust, including the Charities Act 2011 and taxation, data protection, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- we identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;

**AUDITOR'S REPORT [Continued]**

- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- testing controls with walk through procedures and substantive transaction testing.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining any accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and relevant regulators such as the Charity Commission

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

F J Wilde  
For and on behalf of Warner Wilde Ltd  
Chartered Certified Accountants  
Statutory Auditor  
Bisley  
28.01.22

**STATEMENT OF FINANCIAL ACTIVITIES**  
**Year ended 5 April 2021**

	Note	2021 £	2020 £
<b>Income from</b>			
Investments	3	<u>252,373</u>	<u>260,842</u>
<b>Expenditure on</b>			
Raising funds: investment adviser's fees		43,581	42,666
Charitable activities	4	<u>151,567</u>	<u>247,712</u>
Total expenditure		<u>195,148</u>	<u>290,378</u>
<b>Net income/(expenditure) before gains and losses on investments</b>		57,225	(29,536)
Net gains/(losses) on investments	7	<u>2,129,336</u>	<u>(1,403,300)</u>
<b>Net movement in funds</b>		2,186,561	(1,432,836)
<u>Reconciliation of funds</u>			
Total funds brought forward		8,338,357	9,771,193
Total funds carried forward	10	<u><u>10,524,918</u></u>	<u><u>8,338,357</u></u>

All activities derive from continuing operations.

All of the funds are unrestricted and designated.

There was no recognised gain or loss other than as shown in this statement.

**BALANCE SHEET**  
**As at 5 April 2021**

	Note	£	2021 £	£	2020 £
<b>Fixed Assets</b>					
Investments	7		10,496,335		8,295,565
<b>Current Assets</b>					
Debtors	8	26,368		24,480	
Bank balances and deposits		18,417		31,375	
		<u>44,785</u>		<u>55,855</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	9	(16,202)		(13,063)	
Net Current Assets			28,583		42,792
Net Assets			<u>10,524,918</u>		<u>8,338,357</u>
<b>The funds of the charity</b>					
Unrestricted designated Investment fund			10,449,701		8,320,365
Unrestricted General fund			75,217		17,992
Unrestricted income funds	10		<u>10,524,918</u>		<u>8,338,357</u>

Approved by the Board of Trustees on and signed on its behalf by

W Breeze  
Chair of the Board of Trustees  
20.01.22

J Breeze  
Trustee  
20.01.22

**STATEMENT OF CASH FLOWS**  
**Year ended 5 April 2021**

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	11	(258,239)	(264,785)
<b>Cash flows from investing activities</b>			
Dividends and interest from investments		245,281	274,322
Change in cash and cash equivalents in the year		(12,958)	9,537
Cash and cash equivalents at the beginning of the year		31,375	21,838
Cash and cash equivalents at the end of the year		18,417	31,375

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 5 April 2021

#### 1. General information

Delves Charitable Trust is a charity registered with the Charity Commission for England & Wales. Its registered address is The Trust Administrator, Luminary Finance LLP, PO Box 135, Longfield, DA3 8WF.

#### 2. Accounting policies

##### Basis of preparation

The financial statements have been prepared in accordance with:

- the Charities Act 2011;
- United Kingdom Generally Accepted Accounting Practice ('GAAP') as it applies from 1 January 2015, in particular the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'); and
- the Statement of Recommended Practice 'Accounting and Reporting by Charities' applicable to charities preparing their accounts in accordance with FRS 102, which was published in October 2019 and effective for periods commencing on or after 1 January 2019 ('Charities SORP FRS 102').

The financial statements have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Charities SORP FRS 102, rather than the equivalent Statement of Recommended Practice effective from 1 April 2005 but which has since been withdrawn.

The financial statements have been drawn up under the historical cost convention as modified by the revaluation of investments.

The functional currency of the Trust is considered to be Pounds Sterling and amounts are rounded to the nearest whole pound.

The Trust constitutes a public benefit entity as defined by FRS 102.

##### Fund accounting

Designated funds are amounts which have been put aside out of unrestricted funds. The Trustees have created a designated Investment fund, principally comprising the investments held in the Trust's investment portfolio, to provide the resources necessary to maintain the Trust's charitable activities. The remaining funds of the Trust comprise a General fund, representing unrestricted income expendable at the discretion of the Trustees in the furtherance of the objects of the Trust. Such funds may be held in order to finance both working capital and capital investments.

##### Income recognition

Income is recognised when the conditions for receipt have been met, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Therefore:

- dividends are accrued when the security is quoted as being ex-dividend; and
- interest is accounted for when receivable.

##### Expenditure recognition

Expenditure is accounted for on an accruals basis. Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably.

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

## NOTES [Continued]

## 2. Accounting policies [Continued]

Charitable activities

The expenditure on charitable activities comprises grants plus support costs.

Grants

Financial grants are made to third parties to undertake work that contributes to the Trust's objectives.

Grants comprise programme grants and donations. Programme grants are the predominant form of grant-making, intended to support a particular project or activity; the Trust's grant-making is supplemented by one-off donations.

The grants made in the year are shown in note 4.

Support costs

Costs are incurred in facilitating the Trust's charitable activity and are divided into 3 categories:

- Costs of grant making. These are an apportionment of trust administration costs based on the estimated time spent on grant-making matters, plus any specific costs related to a grant. Most of the time on grant-making activities is spent by Trustees and therefore has no financial cost to the Trust.
- Governance. These include all costs involving the public accountability of the Trust and its compliance with regulation and good practice. They are principally trust administration costs relating to matters such as Trustee meetings, preparation of the financial statements and administrative support provided to the Trustees. Administration costs are apportioned to this category based on the estimated time spent on governance matters. Governance costs also include the cost of the independent audit, and expenses incurred by the Trustees in the performance of their duties.
- Other support costs. These are the remaining support costs, such as professional subscriptions and bank charges.

The analysis of the Trust's support costs between these categories is shown in note 5.

Investments

Listed investments are stated at the closing middle market price immediately prior to the end of the financial year. For fixed interest securities, the market value shown includes accrued interest. All movements in value are shown in the Statement of Financial Activities.

Financial Instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Amounts receivable and payable

Debtors and creditors with no interest rate and receivable or payable within one year are recorded at transaction price.

## 3. Investment Income

	2021 £	2020 £
Dividends and interest from quoted investments	252,363	259,970
Interest on deposits	10	872
	<hr/>	<hr/>
	252,373	260,842
	<hr/>	<hr/>

## NOTES [Continued]

## 4. Charitable activities

	2021 £	2020 £
<u>Grant programmes</u>		
Action Medical Research	8,000	8,000
Alzheimer's Society, for the UK Dementia Research Institute	10,000	10,000
Alzheimer's Society	5,000	5,000
CHEM Trust	5,000	5,000
Crisis	5,500	5,500
Freedom From Torture	8,000	8,000
Motivation	5,000	5,000
National Star	8,000	8,000
Parkinson's UK	12,500	12,500
Practical Action	5,000	5,000
Samaritans	10,000	10,000
Society for the Protection of Ancient Buildings	4,000	4,000
SHINE	12,500	12,500
Tree Aid	10,000	11,000
Woodland Trust	6,000	6,000
British Museum	-	6,000
David Sheldrick Wildlife Trust	-	1,500
Forgiveness Project	-	6,000
Friendship Works, part of Family Action	-	3,000
Lifebox	-	3,000
MacMillan Cancer Support	-	8,000
Macular Disease Society	-	10,000
Medecins Sans Frontieres	-	8,000
Orangutan Foundation	-	3,000
Oxford Research Group	-	10,000
Place2Be	-	500
Plantlife	-	4,000
Trees for Cities	-	7,500
World Land Trust	-	10,000
Total expenditure on grant programmes	<u>114,500</u>	<u>196,000</u>



## NOTES [Continued]

## 4. Charitable activities [Continued]

	2021 £	2020 £
<u>Donations</u>		
British Red Cross – Beirut emergency appeal	5,000	-
Avoncroft Museum of Historic Buildings	-	5,000
Disasters Emergency Committee Emergency Fund	-	8,000
Medecins Sans Frontieres	-	8,000
The Sequal Trust	-	2,000
Total expenditure on donations	5,000	23,000
<u>Grants</u>		
Grant programmes (as above)	114,500	196,000
Donations (as above)	5,000	23,000
Total Grants	119,500	219,000
<u>Support costs (note 5)</u>		
Costs of grant making	2,400	2,600
Governance	29,122	25,554
Other support costs	545	558
Total Support costs	32,067	28,712
<u>Charitable activities</u>		
Grants (as above)	119,500	219,000
Support Costs (as above)	32,067	28,712
Total Charitable activities	151,567	247,712

All grants were made to institutions.

Included above are 2 separate grant programmes supporting the Alzheimer's Society. The total grants in the year to the Alzheimer's Society were £15,000 (2020 - £15,000).

There were no grants to Medecins Sans Frontieres in the year, but in 2020 there was a grant programme and a donation totaling £16,000.

## NOTES [Continued]

**5. Support costs**

The Trust's support costs of £32,067 (2020 - £28,712) are allocated between Costs of grant-making, Governance, and Other support costs as follows:

	<u>Costs of grant making</u>		<u>Governance</u>		<u>Other support</u>	
	2021	2020	2021	2020	2021	2020
	£	£	£	£	£	£
Trust administration	2,400	2,600	24,982	22,500	-	-
Auditor's remuneration	-	-	4,140	3,000	-	-
Trustees' expenses	-	-	-	54	-	-
Professional subscriptions	-	-	-	-	475	470
Bank charges	-	-	-	-	70	88
	<u>2,400</u>	<u>2,600</u>	<u>29,122</u>	<u>25,554</u>	<u>545</u>	<u>558</u>

Trust administration costs are apportioned between Costs of grant-making and Governance on the basis of estimated time spent.

The Trustees, as listed on page 1, did not receive any emoluments during the year or the preceding year.

Trustees' expenses represent reimbursement of the out-of-pocket expenses incurred by Trustees when travelling on Trust business.

The Trust has no employees (2020 - none).

**6. Auditor's remuneration**

	2021	2020
	£	£
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	<u>4,140</u>	<u>3,000</u>

## NOTES [Continued]

## 7. Investments

<u>Quoted Investments</u>	2021 £	2020 £		
Market value at the start of the year	8,186,229	9,439,518		
Additions	1,677,457	1,234,252		
Disposals	(1,643,086)	(1,084,241)		
Net realised investment gains/(losses)	210,552	(73,375)		
Net unrealised investment gains/(losses)	1,918,784	(1,329,925)		
Market value at the end of the year	10,349,936	8,186,229		
Uninvested cash	146,399	109,336		
	<u>10,496,335</u>	<u>8,295,565</u>		
Historical cost	<u>6,851,395</u>	<u>6,594,358</u>		
The market value is divided:	2021 £	2020 £	2021 %	2020 %
UK Government Bonds	97,432	274,204	0.9	3.3
UK Corporate Bonds	654,603	691,642	6.3	8.4
Non-UK Government Bond funds	293,796	215,306	2.8	2.6
Non-UK Corporate Bonds	-	264,912	-	3.2
UK Equities	3,223,969	2,281,554	31.2	28.0
UK Unit & Investment Trusts	2,003,346	1,381,605	19.4	16.9
Europe (ex UK) Unit & Investment Trusts	346,749	274,551	3.4	3.4
North America Unit & Investment Trusts	1,663,561	1,228,421	16.1	15.0
Rest of World Unit & Investment Trusts	1,130,676	716,814	10.9	8.8
Property funds	532,907	542,606	5.1	6.6
Infrastructure funds	324,260	314,614	3.1	3.8
Commodity funds	78,637	-	0.8	-
	<u>10,349,936</u>	<u>8,186,229</u>	<u>100</u>	<u>100</u>

There were 22 disposals during the year producing the net gain of £210,552 (2020 – net loss of £73,375).

No investment in the portfolio exceeds 5% of the total portfolio value.

## NOTES [Continued]

**8. Debtors**

	2021 £	2020 £
Accrued investment income	<u>26,368</u>	<u>24,480</u>

**9. Creditors: amounts falling due within one year**

	2021 £	2020 £
Accrued expenses	<u>16,202</u>	<u>13,063</u>

**10. Statement of movements on unrestricted funds**

Designation	Balance at 6 April 2020 £	Income £	Transfers £	Expenditure £	Gains/ (losses) £	Balance at 5 April 2021 £
Investment fund	8,320,365	252,363	(208,782)	(43,581)	2,129,336	10,449,701
General fund	17,992	10	208,782	(151,567)		75,217
Unrestricted funds	<u>8,338,357</u>	<u>252,373</u>	<u>-</u>	<u>(195,148)</u>	<u>2,129,336</u>	<u>10,524,918</u>

In 2020 the movements were as follows:

Designation	Balance at 6 April 2019 £	Income £	Transfers £	Expenditure £	Gains/ (losses) £	Balance at 5 April 2020 £
Investment fund	9,723,665	260,810	(218,144)	(42,666)	(1,403,300)	8,320,365
General fund	47,528	32	218,144	(247,712)	-	17,992
Unrestricted funds	<u>9,771,193</u>	<u>260,842</u>	<u>-</u>	<u>(290,378)</u>	<u>(1,403,300)</u>	<u>8,338,357</u>

## NOTES [Continued]

**11. Reconciliation of net income to net cash flow from operating activities**

	2021 £	2020 £
Net income/(expenditure) before gains on investments for the reporting period, as per the Statement of Financial Activities	57,225	(29,536)
Net gains/(losses) on investments	2,129,336	(1,403,300)
Net income/(expenditure) for the reporting period as per the Statement of Financial Activities	2,186,561	(1,432,836)
<u>Adjustments for</u>		
(Gains)/losses on investments	(2,129,336)	1,403,300
Deduction of dividends and interest from investments	(252,373)	(260,842)
(Increase)/decrease in debtors	(1,888)	15,135
Increase/(decrease) in creditors	3,139	(862)
Transfers between funds	(64,342)	11,320
Net cash provided by/(used in) operating activities	<u>(258,239)</u>	<u>(264,785)</u>

**12. Taxation**

Delves Charitable Trust is a registered charity and as such is exempt from tax on income and gains falling within Part 10 Income Tax Act 2007 and Section 256 Taxation of Chargeable Gains Act 1992 respectively, to the extent that they are applied to its charitable objectives.

**13. Related Parties**Luminary Finance LLP

Luminary Finance LLP is a related party of the Trust by virtue of the family relationship between a Member of the firm and the Trustees.

Luminary Finance LLP provides administration services to the Trust on an arm's length basis under a standard letter of engagement and terms of business.

The Trust administration costs in note 5 above include £27,382 relating to services provided by Luminary Finance LLP in the year, comprised of £22,818 of fees and £4,564 of irrecoverable VAT (2020 - £25,100 total, being £20,917 of fees and £4,183 of VAT). The balance due to Luminary Finance LLP at the end of the year was £1,500 (2020 - £500).

**14. Going concern**

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