

DELVES CHARITABLE TRUST

TRUSTEES' ANNUAL REPORT and FINANCIAL STATEMENTS

YEAR-ENDED 5 APRIL 2023

CONTENTS

Legal and Administrative Information	I
Trustees' Annual Report	2
Independent Auditor's Report	6
Statement of Financial Activities	9
Balance Sheet	10
Statement of Cash Flows	11
Notes to the Financial Statements	12

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 Limited
4 Marigold Drive
Bisley
GU24 9SF

Banker

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

Investment Adviser

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

TRUSTEES' ANNUAL REPORT

The Trustees of the Delves Charitable Trust present their annual report covering the Trust's activities for the year ended 5 April 2023.

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 14).

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 for 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 supports objectives at the Trustees' discretion, via grants to charitable institutions.

The bulk of the Trust's grants are made by way of defined term programmes (also referred to as subscriptions.) Grant programmes seek to maximise the impact the Trust's grants have on outcomes. This will often lead to supporting smaller charities.

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 £214,000 was paid to 19 different charities in support of the Trust's adopted grant programmes, and
- a donation of £10,000 was made to Médecins Sans Frontières.

The largest grants made in the year were:

Charity	Amount	Comprising
ClientEarth	£16,500	1 grant to a specific area of work
Macular Disease Society	£16,500	1 grant to a specific service provision
QUNO Geneva	£16,500	1 unrestricted grant
Samaritans	£16,500	1 grant towards general costs
World Land Trust	£16,500	1 grant to a specific project
British Museum	£15,400	1 grant to a specific programme

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 £207,013, a decrease on the previous year of £21,424.

Grants totalling £224,000 (2022 - £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 £43,708 (2022 - £47,841), costs of grant-making of £6,100 (2022 - £2,800), governance costs of £27,135 (2022 - £27,869), and other support costs of £205 (2022 - £357) were incurred in the year.

The value of the Trust's investments decreased by £714,586 during the year, comprised of £278,077 of net realised losses, £440,830 of net unrealised losses, and £4,321 of foreign exchange gains on uninvested cash (2022 – the value increased by £509,402, comprised of £334,960 of net realised gains, £174,117 of net unrealised gains, and £325 of foreign exchange gains on uninvested cash).

The overall deficit for the year of £808,721 was deducted from reserves brought forward from the previous year (2022 - £439,972 surplus added to 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.

The Trustees' working premise is that the Trust will continue in perpetuity and hence they take a long term perspective.

A total return approach to investment returns has been adopted: the Trustees are indifferent whether the investment return arises from income or capital, and the Trust's charitable activities can be funded from income or capital.

ANNUAL REPORT [Continued]

The Trustees seek a sustainable annual drawdown which, net of the investment adviser's fees, allows it to fund the Trust's charitable activities. The drawdown and the value of investments should at least maintain their values in real terms over the long term. They seek this from a diversified portfolio which does not take 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.

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 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. This is the primary measure and considered the performance benchmark;
- Monitoring the volatility expected of the strategic asset allocation versus the actual volatility of the portfolio, to highlight if any undue risk is taken to deliver the returns;
- Monitoring the ARC Charities Steady Growth index, to be cognisant of the performance of peer portfolios under the care of the manager's peers; and
- Over the long term, achievement of the core mandate objective: maintaining the real terms value of the investments, after drawdowns.

The Trust's investments under-performed the benchmark during the year: while the Trust's portfolio recorded a total return of -4.4% before fees, the benchmark return was -3.6%.

The Trust's investments are held in nominee accounts of the Trust's investment adviser at Rensburg Client Nominees Limited, Ferlim Nominees Limited, CREST or Euroclear, or to the investment adviser's order at the Bank of New York.

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 11 on page 18.

Reserves

The Trustees' policy is to maintain free reserves of £20,000. This policy is formed with regard to the nature of the Trust's operations and expenditure commitments, experience of the requirement to draw on reserves, and the designated Investment fund available.

The actual free reserves at 5 April 2023 were £21,038 (the balance on the unrestricted general fund.)

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 2023, the Trust's funds stood at £10,156,169, comprising an Investment fund of £10,135,131 and a general fund of £21,038.

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

ANNUAL REPORT [Continued]

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.

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 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.

There are a number of grant programmes in progress. At 5 April 2023, the phasing of planned future grants to those programmes is, in aggregate:

- £192,000 in 2023/24
- £145,500 in 2024/25
- £65,000 in 2025/26, and
- £55,000 in 2026/27

Further grant programmes were adopted at the 2023 AGM.

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing the Trustees' Annual 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 Limited 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
11.11.23

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 2023 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 2023 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 Limited
Chartered Certified Accountants
Statutory Auditor
Bisley
14.11.23

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 5 April 2023

	Note	2023 £	2022 £
Income from			
Investments	3	<u>207,013</u>	<u>228,437</u>
Expenditure on			
Raising funds: investment adviser's fees		43,708	47,841
Charitable activities	4	<u>257,440</u>	<u>250,026</u>
Total expenditure		<u>301,148</u>	<u>297,867</u>
Net (expenditure) before gains and losses on investments		(94,135)	(69,430)
Net (losses)/gains on investments	7	<u>(714,586)</u>	<u>509,402</u>
Net movement in funds		(808,721)	439,972
<u>Reconciliation of funds</u>			
Total funds brought forward		<u>10,964,890</u>	<u>10,524,918</u>
Total funds carried forward	11	<u><u>10,156,169</u></u>	<u><u>10,964,890</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 2023

	Note	£	2023 £	£	2022 £
Fixed Assets					
Investments	8		10,120,952		10,930,739
Current Assets					
Debtors	9	25,075		28,387	
Bank balances and deposits		27,256		21,494	
			<u>52,331</u>	<u>49,881</u>	
Liabilities					
Creditors: amounts falling due within one year	10	(17,114)		(15,730)	
Net Current Assets			35,217		34,151
Net Assets			<u>10,156,169</u>		<u>10,964,890</u>
The funds of the charity					
Unrestricted designated Investment fund			10,135,131		10,947,596
Unrestricted general fund			21,038		17,294
			<u>10,156,169</u>		<u>10,964,890</u>
Unrestricted income funds	11		<u>10,156,169</u>		<u>10,964,890</u>

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

W Breeze
Chair of the Board of Trustees
11.11.23

J Breeze
Trustee
11.11.23

STATEMENT OF CASH FLOWS
Year ended 5 April 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	12	(203,925)	(214,674)
Cash flows from investing activities			
Dividends and interest from investments		209,687	217,751
Change in cash and cash equivalents in the year		5,762	3,077
Cash and cash equivalents at the beginning of the year		21,494	18,417
Cash and cash equivalents at the end of the year		27,256	21,494

NOTES TO THE FINANCIAL STATEMENTS

Year ended 5 April 2023

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:

- Grant making. These are an apportionment of trust administration costs based on the 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 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. 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.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All exchange differences 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.

NOTES [Continued]

3. Investment Income

	2023 £	2022 £
Dividends and interest from quoted investments	202,462	228,422
Interest on deposits	4,551	15
	<hr/>	<hr/>
	207,013	228,437
	<hr/>	<hr/>

4. Charitable activities

	2023 £	2022 £
<u>Grant programmes</u>		
Alzheimer's Society, for the UK Dementia Research Institute	11,000	10,000
British Museum	15,400	10,000
ChemTrust	11,000	10,000
ClientEarth	16,500	15,000
Crisis	6,100	5,500
The Forgiveness Project	11,000	8,000
Freedom From Torture	11,000	8,000
Gloucestershire Action for Refugees and Asylum Seekers	8,250	-
Macular Disease Society	16,500	15,000
Practical Action	5,500	5,000
Quaker United Nations Office Geneva	16,500	-
Royal Horticultural Society	5,500	5,000
Samaritans	16,500	10,000
Society for the Protection of Ancient Buildings	6,600	6,000
Supporting Sick Newborn And their Parents	9,900	-
Survival International	11,000	-
Tree Aid	8,250	10,000
Trees for Cities	11,000	10,000
World Land Trust	16,500	-
Médecins Sans Frontières	-	8,000
Motivation	-	5,000
National Star	-	8,000
SHINE	-	12,500
Sightsavers	-	10,000
Woodland Trust	-	6,000
	<hr/>	<hr/>
Total expenditure on grant programmes	214,000	177,000
	<hr/>	<hr/>

NOTES [Continued]

4. Charitable activities [Continued]

	2023 £	2022 £
<u>Donations</u>		
Médecins Sans Frontières	10,000	18,500
Disasters Emergency Committee - Emergency Fund	-	18,500
Fine Cell Work	-	5,000
Total expenditure on donations	10,000	42,000
<u>Grants</u>		
Grant programmes (as above)	214,000	177,000
Donations (as above)	10,000	42,000
Total Grants	224,000	219,000
<u>Support costs (note 5)</u>		
Grant making	6,100	2,800
Governance	27,135	27,869
Other	205	357
Total Support costs	33,440	31,026
<u>Charitable activities</u>		
Grants (as above)	224,000	219,000
Support costs (as above)	33,440	31,026
Total Charitable activities	257,440	250,026

All grants were made to institutions.

In the prior year, there was a grant programme and a donation to Médecins Sans Frontières. The total grants in the year to the Médecins Sans Frontières were £10,000 (2022 – £26,500).

NOTES [Continued]

5. Support costs

The Trust's support costs of £33,440 (2022 - £31,026) are allocated between Grant-making, Governance, and Other as follows:

	Grant making		Governance		Other	
	2023	2022	2023	2022	2023	2022
	£	£	£	£	£	£
Trust administration	6,100	2,800	22,700	23,600	-	-
Auditor's remuneration	-	-	4,230	4,248	-	-
Trustees' expenses	-	-	205	21	-	-
Professional subscriptions	-	-	-	-	128	258
Bank charges	-	-	-	-	77	99
	<u>6,100</u>	<u>2,800</u>	<u>27,135</u>	<u>27,869</u>	<u>205</u>	<u>357</u>

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

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

Trustees' expenses: when Trustees incur out-of-pocket expenses for travel on Trust business, they can claim reimbursement by the Trust.

The Trust has no employees (2022 - none).

6. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Trust's auditor for the audit of the Trust's annual accounts	<u>4,230</u>	<u>4,248</u>

7. Net (losses)/gains on investments

	2023	2022
	£	£
Net foreign exchange gains on translation of uninvested cash	4,321	325
Net realised investment (losses)/gains (note 8)	(278,077)	334,960
Net unrealised investment (losses)/gains (note 8)	(440,830)	174,117
	<u>(714,586)</u>	<u>509,402</u>

NOTES [Continued]

8. Investments

<u>Quoted Investments</u>	2023 £	2022 £		
Market value at the start of the year	10,048,043	10,349,936		
Additions	4,178,134	4,962,676		
Disposals	(3,570,930)	(5,773,646)		
Net realised (losses)/gains	(278,077)	334,960		
Net unrealised (losses)/gains	(440,830)	174,117		
	<hr/>	<hr/>		
Market value at the end of the year	9,936,340	10,048,043		
Uninvested cash	184,612	882,696		
	<hr/>	<hr/>		
	<u>10,120,952</u>	<u>10,930,739</u>		
	<hr/>	<hr/>		
Historical cost	<u>9,327,553</u>	<u>7,835,381</u>		
	<hr/>	<hr/>		
The market value is divided:	2023 £	2022 £	2023 %	2022 %
UK government bonds	51,616	-	0.5	-
UK corporate bonds	409,453	518,053	4.1	5.2
Non-UK government bond funds	247,337	358,399	2.5	3.6
Non-UK corporate bonds	233,046	-	2.3	-
UK equities	1,997,385	2,465,642	20.1	24.5
UK equity funds	-	774,384	-	7.7
European (ex UK) equities	741,920	277,036	7.5	2.8
European (ex UK) equity funds	143,466	275,053	1.4	2.7
North American equities	3,046,173	2,228,947	30.7	22.2
North American equity funds	-	883,450	-	8.8
Rest of World equity funds	1,058,253	579,635	10.6	5.7
Global thematic equity funds	494,551	480,248	5.0	4.8
Property funds	526,759	615,401	5.3	6.1
Infrastructure funds	472,691	499,453	4.8	5.0
Commodity funds	213,690	92,342	2.2	0.9
Short term money market funds	300,000	-	3.0	-
	<hr/>	<hr/>	<hr/>	<hr/>
	9,936,340	10,048,043	100	100

There were 34 disposals during the year producing the net losses of £278,077 (2022 – net gains of £334,960).

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

NOTES [Continued]

9. Debtors

	2023 £	2022 £
Accrued investment income	<u>25,075</u>	<u>28,387</u>

10. Creditors: amounts falling due within one year

	2023 £	2022 £
Accrued expenses	<u>17,114</u>	<u>15,730</u>

11. Statement of movements on unrestricted funds

Designation	Balance at 6 April 2022 £	Income £	Transfers £	Expenditure £	Gains/ (losses) £	Balance at 5 April 2023 £
Investment fund	10,947,596	206,829	(261,000)	(43,708)	(714,586)	10,135,131
General fund	17,294	184	261,000	(257,440)	-	21,038
Unrestricted funds	<u>10,964,890</u>	<u>207,013</u>	<u>-</u>	<u>(301,148)</u>	<u>(714,586)</u>	<u>10,156,169</u>

In 2022 the movements were as follows:

Designation	Balance at 6 April 2021 £	Income £	Transfers £	Expenditure £	Gains/ (losses) £	Balance at 5 April 2022 £
Investment fund	10,449,701	228,434	(192,100)	(47,841)	509,402	10,947,596
General fund	75,217	3	192,100	(250,026)	-	17,294
Unrestricted funds	<u>10,524,918</u>	<u>228,437</u>	<u>-</u>	<u>(297,867)</u>	<u>509,402</u>	<u>10,964,890</u>

NOTES [Continued]

12. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income/(expenditure) before gains on investments for the reporting period, per the Statement of Financial Activities	(94,135)	(69,430)
Net (losses)/gains on investments	(714,586)	509,402
Net income for the reporting period as per the Statement of Financial Activities	(808,721)	439,972
<u>Adjustments for</u>		
Losses/(gains) on investments	714,586	(509,402)
Deduction of dividends and interest from investments	(207,013)	(228,437)
Decrease/(increase) in debtors	3,312	(2,019)
Increase/(decrease) in creditors	1,384	(472)
Transfers between funds	92,527	85,684
Net cash provided by/(used in) operating activities	(203,925)	(214,674)

13. 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.

14. Related PartiesLuminary 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 £28,800 relating to services provided by Luminary Finance LLP in the year, comprised of £24,000 of fees and £4,800 of irrecoverable VAT (2022 - £26,400 total, being £22,000 of fees and £4,400 of VAT). The balance due to Luminary Finance LLP at the end of the year was £1,680 (2022 - £nil).

15. Going concern

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