

Valentine Charitable Trust

Financial Statements

30 September 2019

Valentine Charitable Trust

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Valentine Charitable Trust

Legal and Administrative Information

Trustees The trustees who served during the year were:
Mr D J E Neville-Jones
Mrs S C K Patterson
Mr R A Gregory
Mrs D Tory
Mr P Leatherdale
Wing Commander D A Jack
Mrs S J Ridley
Mrs F Normington-Smith

Principal Address Hinton House
Hinton Road
Bournemouth
BH1 2EN

Auditors Saffery Champness LLP
Midland House
2 Poole Road
Bournemouth
BH2 5QY

Bankers Lloyds Bank Plc
45-47 Old Christchurch Road
Bournemouth
BH1 1ED

Solicitors Preston Redman
Hinton House
Hinton Road
Bournemouth
BH1 2EN

Investment Managers Charles Stanley & Co. Limited
2 Westover Road
Bournemouth
Dorset
BH1 2BY

Investec Wealth & Investment Limited
Midland House
2 Poole Road
Bournemouth
BH2 5QY

Valentine Charitable Trust

Trustees' report

For the year ending 30 September 2019

The Trustees are pleased to present their report together with the financial statements of the Trust for the year ending 30 September 2019. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Trust Deed and the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

The Valentine Charitable Trust is a registered charity (no 1001782).

STRUCTURE, GOVERNANCE, MANAGEMENT

The Trust was started by the late Miss Ann Cotton and is governed by its Trust deed dated 10 December 1990, last updated 1 November 1995.

Decisions are made by the board of Trustees, present and voting at duly constituted meetings. The Trustees meet once a quarter. The day to day administration of the charity is delegated to Preston Redman Solicitors under terms of reference issued by the Board of Trustees.

A full list of Trustees can be found on page 1. All Trustees served throughout the year and to the date of this report.

Policy and procedures for recruiting, induction and training of Trustees

The Trustees have the power to appoint new trustees. The Trustees have identified the need to be aware of the fact that the present Trustees will not remain in place indefinitely and that they should consider the recruitment of replacement or additional Trustees from time to time to ensure future continuity.

They will endeavour to identify likely candidates and try to recognise the qualities in them, which might benefit the future administration of the Trust. If suitable people are suggested and agreed by the Trustees they will be approached to ask whether they are willing and able to be considered for trusteeship.

When a new Trustee is appointed the existing Trustees will do their best to provide them with all background information on the Trust. They will also assist with any necessary guidelines and other education as required, on the duties, responsibilities and requirements which must be taken on by trustees. A review after 6 – 9 months will be conducted to establish whether additional information, help or advice is required by a new Trustee.

If further and continuing education is required, all Trustees will help ensure that they perform their duties appropriately the Trust will endeavor to make this available to them if considered necessary.

New Trustees, when appointed, will be asked to sign a self-declaration of willingness and eligibility to act and a list of appointments and positions which may give rise to conflicts of interest.

Risk assessment

The Trustees have examined the major strategic, business and operational risks which the Trust faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.

OBJECTIVES AND ACTIVITIES

The charity's objectives as laid down in the charity's trust deed are to apply income and capital towards such charitable purposes as the Trustees may in their absolute discretion think fit. In particular, (but without limitation), (i) the provision of such amenities and facilities for the benefit of the public as are not provided from public funds and (ii) the protection and safeguarding of the countryside and wildlife and the control and reduction of pollution.

The main objective for the year was:

- (i) to maintain the real value of the investment and obtain income of greater than £750,000. These have been achieved.

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

GRANT MAKING POLICY

The Trustees' donation policy is that they will aim to distribute the whole of the income each year to charitable organisations of their choice with a view to helping and supporting favoured charities on a regular basis whilst also making one-off donations for specific appeals, subject to the availability of funds and charitable requirements.

The Trustees have over recent years operated a policy of not considering applications unless they have what they consider to be an established relationship with the applicant. Despite that there have been occasions when the Trustees have been able to make grants outside that policy, particularly in the case of local applicants.

The likely income of the Trust after expenses is estimated to be in excess of £700,000 a year. That figure will vary from year to year but the Trustees aim to make distributions on a quarterly basis. The income cash flow may not be uniform over the year but capital cash can be used to iron out fluctuations.

The Trustees have identified the following general aims: -

The Trustees have been entrusted with the Charity's substantial assets and they propose to try and manage those to produce as large an income as reasonably possible commensurate with preserving the real value of the Charity's capital assets. They then propose to distribute the resulting income of the Charity after expenses by way of grants to other charities or organisations of an equivalent status.

The Trustees have concluded that to achieve the vision of the Charity they should adopt the following criteria when making grants. In setting out these criteria the Trustees are demonstrating how they propose to apply the vision of the Charity as its mission.

Grants to local charities

Miss Cotton lived most of her life in Dorset, first at Broadstone and latterly at Canford Cliffs in Poole. Involvement in local projects appealed to her as she demonstrated while she was a Trustee of the Charity. The Trustees do not propose to set a physical limit on what they consider to be local but when dealing with charities with limited areas of interest, they will be likely to give preference to those which operate in Dorset.

The Trustees will also consider making grants to charities which, while not based in the local area, operate there.

Grants to charities which have traditionally received small grants

Over the years (the Charity was formed in 1991) the Charity has been in the habit of making relatively small grants to a number of charities on a regular basis. Many of these originated in Miss Cotton's time or are a direct reflection of her thoughts. The Trustees propose to continue these subject to appropriate review at the time each is considered to be repeated. The Trustees do however appreciate that circumstances change so the mere fact that a charity has received grants on a regular basis in the past does not mean there is an automatic decision to continue to do so.

Grants to objects in other parts of the world

The Charity has supported a number of small initiatives in the third and undeveloped world. The Trustees particularly like to look for projects which offer sustainability to local communities.

Grants to one off appeals

There are regularly one off appeals to provide funding for specific projects and the Trustees have regularly made donations to such appeals where they are for local facilities. However the Trustees are not keen on village halls or the fabric of church buildings.

Grants for medical research and hospitals

The Charity has made regular donations in these areas but, as a matter of policy, the Trustees look for guarantees that any donations the Charity makes to bodies or objects related to the National Health Service are for projects or equipment which have no likelihood of being provided out of central funds in the foreseeable future.

Grants for core funding

One of the themes of comments made to the Trustees by applicants concerns the problems of obtaining core funding. Apparently many grant making trusts have a policy of not providing core funding. The Trustees have decided that they are prepared to make donations towards the core funding of charities and make such grants on a repeat basis. However any repeat donations require a report from the applicant charity and a new application so that the Trustees can review the position. They take the view that if it has been right to support a particular charity once then, unless something changes, that motive can be followed again.

Matched funding and pledges

The Trustees regularly use the device of offering funding to a project conditional upon the applicant raising other funds before the donation will be forthcoming. Similarly offers of donations are sometimes made on the basis that they will only be made once the project actually proceeds. All such offers are subject to review up until the time they are actually made.

Valentine Charitable Trust

Trustees' report

For the year ending 30 September 2019 (continued)

Social Investment funding

Following Miss Cotton's death the Charity's assets were invested in a very narrow range of investments. To assist with diversification the Trustees developed what they term social investment funding. This involves either the purchase of premises which are then leased to an operating charity for its use; the lease is usually at a modest or nominal rent and for a relatively limited term, or the provision of a loan with an interest rate of between 0% and base rate to an operating charity to allow it to acquire property.

Administration

All applications will be acknowledged with standard letters, even those that are not appropriate for receiving a grant. This responsibility is delegated to D J E Neville-Jones who then provides a report to the next trustees' meeting.

The following general comments summarise some of the considerations the Trustees seek to apply when considering applications for funding.

The Trustees look for value for money. While this concept is difficult to apply in a voluntary sector it can certainly be used on a comparative basis and subjectively.

If the Trustees have competing applications they will usually decide to support just one of them as they believe that to concentrate the Charity's donations is more beneficial than to dilute them.

Regular contact with the charities to which donations are made is considered essential. Reports and accounts are also requested from charities which are supported and the Trustees consider those at their meetings.

The Trustees take great comfort from the fact that they employ the policy of only making donations to other charities or similar bodies. However they are not complacent about the need to review all donations made and the objects to which those have been given.

The Trustees are conscious that, particularly with the smaller and local charities, the community of those working for and with the charity is an important consideration.

The Trustees regularly review the classifications to which donations have been made so that they can obtain an overview of the Charity's donations and assess whether their policies are being implemented in practice. They are conscious that when dealing with individual donations it is easy to lose sight of the overall picture.

ACHIEVEMENTS AND PERFORMANCE

Financial review

The attached accounts show total incoming income resources for the year of £1,227,252 (2018: £1,092,683) and resources expended of £1,240,092 (2018: £997,393) resulting in a deficit for the year, before considering movements in investments, of £12,840 (2018: £95,290 (surplus)).

The investment portfolio had realised gains of £51,369 (2018: £138,239) and unrealised gains arising in the year of £515,485 (2018: £627,486). This contributed to the increase in the value of the overall trust fund from £36,437,598 to £36,991,612.

Valentine Charitable Trust

Trustees' report

For the year ending 30 September 2019 (continued)

Activities in furtherance of charitable objects.

During the year the charity made grants totalling £1,068,500 to 137 charities (2018: £808,300 to 97 charities). These are detailed in note 4. It should be noted that the September 2018 meeting was deferred until October 2018 which has contributed to the increase seen in grants paid. These meetings are typically where grants are approved.

The value of market rent not charged on the properties rented is approximately £60,000, which, although not a direct grant of cash, released funds to these charities for their core objectives.

Investments

The trustees believe the performance of the fund has been adequate and has met their objectives under the terms of their investment policy. The income from investments was sufficient to meet their obligations during the year. The capital value of the investments decreased due to reduced investment of cash funds from £33,859,913 to £33,632,768.

The investment management fees (as opposed to commissions on dealings) have decreased from £108,646 to £107,642.

INVESTMENT POLICY

Under the terms of the trust deed the Trustees have wide powers of investment over the assets of the Trust.

The Trustees have delegated the investment management to Charles Stanley and Company Limited and Investec Wealth and Management Limited who are required to select investments which will give equal consideration to the production of an annual income and a level of capital growth to maintain the real value of the trust fund for the future. This strategy should produce a total return that allows the Trust to pursue its charitable objectives as fully as possible. The investment strategy should be one of medium risk.

The Trustees also reserve the right to invest capital monies in property or other investments.

The Trustees have agreed an ethical investment policy and instructed the Charity's brokers to follow that.

RESERVES POLICY

The Trustees' policy is to review reserve levels on a regular basis and to maintain a level of reserves which will provide a stable base for the Trust's continuing activities while at the same time ensuring excessive funds are not accumulated.

There is generally, in the normal course of administration, a substantial cash balance of income in bank accounts which can be utilised to facilitate large donations for charitable purposes should the need arise. The Trustees meet quarterly and aim to maintain a cash balance of approximately £150,000 in the income fund to meet the commitments falling due in each forthcoming quarter. The income reserves at 30 September 2019 were £281,992 (2018: £364,952). The decrease is namely due to the September 2018 meeting being deferred thus impacting the timing of grants made.

PLANS FOR FUTURE PERIODS

- To maintain the real value of the investment portfolio and of the income from it in the long term, with a current target income of £750,000.
- To continue to meet its primary objectives as stated on page 3.

TRUSTEES' RESPONSIBILITY AND INTERNAL CONTROL

Law applicable to charities requires the trustees to prepare financial statements, which give a true and fair view of the state of affairs of the Trust at the end of the financial year and of its incoming resources and application of resources for the year then ended. In doing so, the trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- Prepare the financial statements on a going concern basis unless it becomes inappropriate to presume that the Trust will continue in the foreseeable future
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

The Trustees have overall responsibility for ensuring that the Trust has appropriate systems of internal controls, financial and otherwise. They are also responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Trust, and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:

- The Trust is operating efficiently and effectively;
- Its assets are safeguarded against unauthorised use or disposition;
- Proper records are maintained and the financial information used within the Trust is reliable; and
- The Trust complies with relevant laws and regulations.

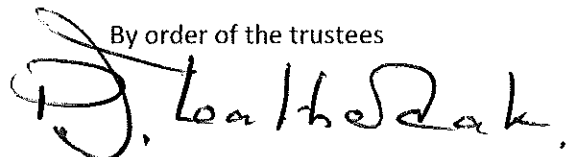
Valentine Charitable Trust

Trustees' report
For the year ending 30 September 2019 (continued)

AUDITORS

A resolution to re-appoint Saffery Champness will be submitted to the Annual General Meeting.

By order of the trustees

A handwritten signature in black ink, appearing to read 'P J Leatherdale', written over the printed name below.

Mr P J Leatherdale

Date 30 June 2020

Valentine Charitable Trust

Independent auditors' report to the Trustees For the year ended 30 September 2019

Opinion

We have audited the financial statements of the Valentine Charitable Trust for the year ended 30 September 2019 which comprise the statement of financial activities, balance sheet, cash flow statement and 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 charity's affairs as at 30 September 2019 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' 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.

**Independent auditors' report to the Trustees
For the year ended 30 September 2019**

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 7, the trustees are responsible for the preparation of the financial statements and this has been delegated to Saffery Champness and 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 charity'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 liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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 auditors' 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.

Valentine Charitable Trust

Independent auditors' report to the Trustees For the year ended 30 September 2019

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery Champness LLP
Chartered Accountants
Statutory Auditors

Midland House
2 Poole Road
Bournemouth
Dorset
BH2 5QY

Date: 10 July 2020

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Valentine Charitable Trust

Statement of financial activities
For the year ended 30 September 2019

	Note	Unrestricted capital fund 2019 £	Unrestricted income fund 2019 £	Unrestricted funds total 2019 £	Unrestricted funds total 2018 £
INCOME					
Investment income	2	-	1,103,311	1,103,311	1,092,683
Other income	3	123,941	-	123,941	-
Total income		<u>123,941</u>	<u>1,103,311</u>	<u>1,227,252</u>	<u>1,092,683</u>
EXPENDITURE					
Charitable activities					
Grants awarded in the year	4	-	1,068,500	1,068,500	808,300
Support costs	5	-	63,950	63,950	80,447
Cost of raising funds					
Investment management fees (excluding commissions)		53,821	53,821	107,642	108,646
Total expenditure		<u>53,821</u>	<u>1,186,271</u>	<u>1,240,092</u>	<u>997,393</u>
Realised gain on investment assets	9	51,369	-	51,369	138,239
Unrealised gains on investment assets	9	515,485	-	515,485	627,486
Net movement in funds		<u>636,974</u>	<u>(82,960)</u>	<u>554,014</u>	<u>861,015</u>
Total funds brought forward	13	36,072,646	364,952	36,437,598	35,576,583
Total funds carried forward	13	<u><u>36,709,620</u></u>	<u><u>281,992</u></u>	<u><u>36,991,612</u></u>	<u><u>36,437,598</u></u>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The notes on pages 15 to 25 form part of these financial statements.

Valentine Charitable Trust

Balance sheet

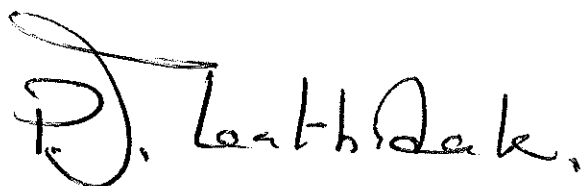
As at 30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible fixed assets	8	1,059,058	970,116
Investments	9	33,632,768	33,859,913
		<u>34,691,826</u>	<u>34,830,029</u>
Current assets			
Other debtors and prepayments	10	447,324	458,985
Cash at bank		1,896,115	1,182,511
		<u>2,343,439</u>	<u>1,641,496</u>
Creditors: amounts falling due within one year			
Other creditors and accruals	11	(43,653)	(33,927)
Net current assets		<u>2,299,786</u>	<u>1,607,569</u>
Net assets		<u>36,991,612</u>	<u>36,437,598</u>
Funds			
Unrestricted capital fund	12	36,709,620	36,072,646
Unrestricted income fund	12	281,992	364,952
		<u>36,991,612</u>	<u>36,437,598</u>

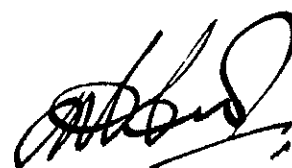
The notes on pages 15 to 25 form part of these financial statements

Approved by the Board on 30 June 2020 and signed on its behalf by:

Trustee



Trustee



Valentine Charitable Trust

Statement of cash flows
For the year ended 30 September 2019

	2019 £	2018 £
Net cash absorbed by operating activities (see note)	(115,395)	122,846
Cash flows from investing activities		
Purchase of investments	(4,748,803)	(4,870,452)
Disposal proceeds of investments	5,542,802	5,109,609
Purchase of property	(415,000)	-
Disposal of property	450,000	-
Net cash provided by investing activities	<u>713,604</u>	<u>239,157</u>
Change in cash and cash equivalents in the year	<u>713,604</u>	<u>362,003</u>
Cash and cash equivalents at 1 October 2018	<u>1,182,511</u>	<u>820,508</u>
Cash and cash equivalents at 30 September 2019	<u><u>1,896,115</u></u>	<u><u>1,182,511</u></u>
NOTE		
Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period as per the statement of financial activities	554,014	861,015
Adjustments for		
Decrease in debtors	11,660	27,843
Increase/ (decrease) in creditors	9,726	(287)
Realised gains on investment assets	(51,369)	(138,239)
Gain on disposal of tangible fixed assets	(123,941)	-
Unrealised gains on investment assets	(515,485)	(627,486)
Net cash provided by operating activities	<u>(115,395)</u>	<u>122,846</u>
Cash and cash equivalents		
Cash at bank and on instant access deposit accounts	<u><u>1,896,115</u></u>	<u><u>1,182,511</u></u>

1 Accounting Policies

a) Basis of preparation

The accounts (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 (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015.

The Charity constitutes a public benefit entity as defined by FRS102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been under the historical cost convention, with the exception of the investments which are held at market value.

b) Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

c) Fund accounting

All funds are unrestricted. Unrestricted funds are available for the Trustees to use in accordance with the charitable objectives.

d) Income

All incoming resources are included in the statement of financial activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

e) Expenditure

Resources expended are included in the statement of financial activities on an accruals basis, inclusive of any VAT, which cannot be recovered. Grants payable are accounted for when a legal or constructive obligation arises. A constructive obligation arises when the other party has a reasonable expectation of receipt.

f) Conditional grants

Where payment of a grant is subject to a condition which is under the control of the Trust no commitment is recognised until the condition has been fulfilled. Where a grant is payable subject to a condition which is not under the Trust's control, a liability is recognised for the payment of the grant as soon as the Trust informs the recipient that the grant has been approved subject to condition. Such commitments are only reversed if and when it becomes clear that the condition will not be fulfilled.

g) Tangible fixed assets and depreciation

Tangible fixed assets comprise of freehold land and buildings and are stated at cost.

h) Investments

Investments are included at market value, as at the balance sheet date. Any investments where there has been a permanent diminution in value since the balance sheet date are included at the impaired value. Realised gains are calculated as the difference between market value at the date of disposal and market value at the previous balance sheet date (or date of acquisition if later). Unrealised gains are calculated as the difference between the market value at the balance sheet date and the market value at the previous balance sheet date (or date of acquisition if after).

i) Allocation of support costs

Support costs are allocated on the basis of time spent on particular activities.

j) Social Investments

Social investments are included at cost.

k) Financial instruments

The charity has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are recognised initially in the accounts at transaction price, including any transaction costs. At the end of each accounting period, basic financial instruments are recognised at amortised cost. For debt instruments this is calculated using the effective interest rate method.

l) Critical estimate and judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2019 (continued)

2 Investment income

	2019	2018
	£	£
Dividends	1,021,166	984,279
Interest on cash deposits	61,220	75,401
Other income	12,952	25,533
Rental income	7,973	7,470
	<u>1,103,311</u>	<u>1,092,683</u>

3 Other income

	2019	2018
	£	£
Gain on disposal of tangible fixed asset	<u>123,941</u>	-
	<u>123,941</u>	-

4 Charitable activities

Grants awarded in the year

	2019	2018
	£	£
1851 Marine Trust	7,500	-
Access Dorset	7,000	-
Activate Performing Arts	-	5,000
Age Concern North Dorset	4,000	-
AIMCommunity FYT	-	10,000
Alabare Homes for Veterans Dorset	10,000	-
Alcohol Education Trust	5,000	-
Alive!	5,000	-
AMECA Trust (The)	5,000	-
Andrew Simpson Sailing Foundation	-	10,000
Anti-Slavery International	-	5,000
The Ark Child Okeford	4,000	-
Arts Development Company (The)	10,000	-
Artsreach	5,000	5,000
Bag Books	5,000	-
Beaufort Community Association	3,000	-
Bipolar UK	5,000	10,000
Blandford Food Bank	-	3,000
Blandford Opportunity Group	5,000	5,000
Bournemouth & Poole Citizens Advice Bureau	-	10,000
Bournemouth Christians Alongside Rough Sleepers	10,000	-
Bournemouth Foodbank	-	6,000
Bournemouth Hospital Charity	<u>10,000</u>	<u>10,000</u>
Carried Forward	<u>100,500</u>	<u>79,000</u>

Valentine Charitable Trust

Notes to the financial statements
For the year ended 30 September 2019 (continued)

4 Grants awarded in the year (continued)	2019 £	2018 £
Brought forward	100,500	79,000
Bournemouth Nightclub Outreach Work	10,000	10,000
Bournemouth Parks Foundation	5,000	-
Bournemouth People First	-	10,000
Bournemouth Town Centre Detached Youth Work Project	6,000	6,000
Bournemouth University	-	5,000
Bourne Academy	5,000	-
Bowel Cancer UK	5,000	5,000
Brainwave Centre (The)	6,000	-
Breast Cancer Haven	-	6,000
Bridport & District Citizens' Advice Bureau	7,000	-
British Forces Foundation	5,000	-
Burnbake Trust	10,000	-
Burngate Stone Craving Centre	5,000	-
8 th Christchurch (Burton) Scout Group	10,000	-
Bus Stop Club	5,000	-
Changing Tunes	10,000	10,000
Chase Africa	10,000	10,000
Chernobyl Children in Need	5,000	-
Chesil Sailability	4,000	4,000
Chesil Sailing Trust	5,000	5,000
Child in Need India	-	-
Child of Hope	4,000	5,000
Christchurch Activities for Young People	7,000	-
Children of Fiji	-	4,000
Compass Learning Centre	5,000	-
Criminon UK	7,500	-
Crumbs	10,000	10,000
DEMAND	10,000	-
Dentaid	20,000	15,000
Diverse Abilities Plus	15,000	15,000
Dorchester Arts	5,000	-
Dorchester Sherborne & Districts CAB	-	5,000
Dorset Blind Association	15,000	15,000
Dorset County Museum	-	50,000
Dorset Mind	10,000	-
Dorset Natural History Museum	25,000	-
Dorset Opera	10,000	10,000
Dorset Parent & Infant Partnership	5,000	-
Dorset Reading Partners	3,000	-
Dorset Youth Association	10,000	15,000
East Dorset Citizen's Advice Bureaux	10,000	-
Ellen MacArthur Cancer Trust	10,000	10,000
Carried forward	<u>395,000</u>	<u>304,000</u>

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2019 (continued)

4 Grants awarded in the year (continued)

	2019	2018
	£	£
Brought forward	395,000	304,000
Excellent Development	-	5,000
Faithworks Wessex	10,000	10,000
Families for Children	10,000	7,000
Family Counselling Trust	-	5,000
Fearnheath Play Association	12,000	12,000
Fernheath Community Sports Association	20,000	-
Fine Cell Work	5,000	-
Footprints Project	20,000	-
Friends of Guys Marsh	5,000	-
Frontier Youth Trust	10,000	-
Game & Wildlife Conservation Trust	-	10,000
Gateway Church Poole	5,000	-
Gillingham Community Church	5,000	5,000
Green Island Holiday Trust	-	5,000
Grow Peace	5,000	-
Happy Days Children's Charity	-	4,000
Home-Start North Dorset	10,000	10,000
Home-Start West Dorset	5,000	-
Home-Start South East Dorset	10,000	10,000
Hope & Homes for Children	-	3,000
Honeypot Children's Charity	5,000	-
Hope Housing Training & Support Ltd	10,000	7,500
Horsecourse (The)	10,000	10,000
Huntington's Disease Association	5,000	5,000
Hurting 2 Healing	8,000	7,000
Immanuel United Reformed Church	4,000	-
Independent Arts	5,000	-
Inspire Foundation	15,000	10,000
International Care Network	15,000	15,000
Island Community Action	10,000	-
Jubilee Sailing Trust	5,000	-
Koestler Trust	-	10,000
Lewis-Manning Hospice	20,000	-
Life Education Wessex	-	5,000
Listening Books	6,000	5,000
Link Visiting Swanage	3,000	4,000
Live Music Now	-	5,000
Living Paintings	5,000	5,000
Lyme Regis Development Trust	5,000	-
MacDougall Trust	20,000	10,000
Macmillan Cancer Support	6,000	-
Carried forward	684,000	488,500

Valentine Charitable Trust
Notes to the financial statements
For the year ended 30 September 2019 (continued)

4 Grants awarded in the year (continued)	2019	2018
	£	£
Brought forward	684,000	488,500
Magdalen Environmental Trust	-	8,000
Marine Conservation Society	10,000	20,000
MEMO	-	15,000
MARS Trust (The)	10,000	-
Mediation Dorset	3,000	-
Medical Aid for Palestinians	10,000	-
Michaels Limited	30,000	-
Montacute School	-	20,000
Monty's Community Hub	10,000	10,000
MOSAIC	15,000	10,000
MyTime	10,000	-
Naomi House	5,000	-
New Opportunities for Community & Support	6,000	-
Ombetja Yehinga Organisation Trust	10,000	10,000
Opportunities R Unlimited	5,000	-
Orbis	10,000	-
Pathways for All People	5,000	5,000
Poole Communities Trust	-	10,000
Poole Forum	5,000	5,000
Poole Museum Foundation	10,000	-
Poole Town Pastors	500	-
Poole Youth Conservation	-	800
PramaLIFE	10,000	-
Prisoners Abroad	5,000	5,000
Purbeck Art Weeks Festival	2,000	1,500
Purbeck Citizens Advice Bureau	10,000	10,000
Purbeck Strings	500	1,000
Purbeck Youth & Community Foundation	5,000	5,000
Rainbow Centre	10,000	10,000
React	3,500	3,000
Read Easy	10,000	11,000
Recoop	5,000	5,000
Recovery Two	5,000	5,000
Refresh Weymouth & Portland	-	-
Revitalise (formerly Vitalise)	10,000	-
RNLI	5,000	-
Routes to Roots	-	3,500
SA-Yes	-	10,000
Safe Partnership Limited	5,000	5,000
Safewise	15,000	-
Salisbury Cathedral	5,000	-
Salisbury Hospice Charity	1,000	-
Schoolreaders	5,000	-
Second Chance	-	10,000
Carried forward	950,500	687,300

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2019 (continued)

4	Grants awarded in the year (continued)	2019 £	2018 £
	Brought forward	950,500	687,300
	Sedcat	3,000	-
	Shine	-	5,000
	Shine Project	10,000	15,000
	SMILE Connect	-	5,000
	Somerford Alliance Resource Centre	5,000	5,000
	Species Recovery Trust	5,000	-
	Sports Forum for the Disabled	-	11,000
	Springhead Trust	5,000	5,000
	SSAFA Forces Help	-	5,000
	St John of Jerusalem Eye Hospital	-	10,000
	Stable Family Home Trust	-	15,000
	Swanage & Purbeck Development Trust	3,000	-
	SWOP	10,000	-
	Tall Ships Youth Trust	5,000	-
	Tax Help for Older People	10,000	5,500
	Training & Learning Company (The)	-	7,000
	Turn2us	5,000	-
	Waterfall Trust	5,000	-
	Wessex Cancer Trust	5,000	-
	The Wheelyboat Trust	8,000	-
	Wheels for Freedom	10,000	7,500
	Whizz-Kidz	4,000	-
	World Medical Fund for Children	10,000	10,000
	WOTS Project (Coach in the Community)	-	5,000
	YMCA (Bournemouth)	5,000	-
	Young Dorset	-	10,000
	Youth Resources Services (RendezVous Sherborne)	10,000	-
		1,068,500	808,300
		1,068,500	808,300
5	Support Costs		
		2019 £	2018 £
	Administrative costs	53,823	71,230
	Bank audit fee letter	30	30
	Professional fees	450	-
	Governance costs	9,647	9,187
		6	9,647
		63,950	80,447
		63,950	80,447

Valentine Charitable Trust
Notes to the financial statements
For the year ended 30 September 2019 (continued)

6 Governance costs

	2019 £	2018 £
Audit and advisory fees	8,340	8,160
Trustees' indemnity insurance	1,307	1,027
	<u>9,647</u>	<u>9,187</u>

7 Staff costs

Expenses of £nil were paid to the trustees during the year (2018: £nil). No trustees received any remuneration during the year for their services as trustees (2018: £nil).

There were no employees in the year (2018: nil).

8 Tangible fixed assets

	Freehold land and buildings £
Cost:	
As at 1 October 2018	970,116
Disposals	(326,058)
Additions	415,000
	<u>1,059,058</u>
As at 30 September 2019	<u>1,059,058</u>

In the trustee's opinion the net book value of the functional freehold land and buildings is not impaired. All the functional freehold land and buildings are used for charitable purposes.

9 Investments

	2019 £	2018 £
Listed share portfolio		
Market value as at 1 October 2018	33,859,913	33,333,345
Additions	4,748,803	4,870,452
Disposal proceeds	(5,542,802)	(5,109,609)
Realised gains on disposal	51,369	138,239
Unrealised gains on revaluation	515,485	627,486
	<u>33,632,768</u>	<u>33,859,913</u>
Market value as at 30 September 2019	<u>33,632,768</u>	<u>33,859,913</u>

The share portfolio was valued by Charles Stanley and Company Limited and Investec Wealth & Investment Limited based on the mid-market price at 30 September 2019.

	2019 £	2018 £
Original cost as at 30 September 2019	<u>25,668,297</u>	<u>25,437,015</u>

Notes to the financial statements
For the year ended 30 September 2019 (continued)

9 Investments (continued)

Analysis of listed investments

	2019 £	2018 £
Fixed interest securities	5,068,475	5,895,492
Unit trusts	5,989,214	6,093,065
Equity shares	19,684,415	19,228,995
Other	2,890,664	2,642,361
	<u>33,632,768</u>	<u>33,859,913</u>

Included in the listed investments above are the following individual holdings at 30 September 2019, which are considered to be material.

	2019 Market Value £	2018 Market Value £
Treasury Stock 2.5% Index Linked 2024	282,045	542,040
L&G Global Inflation Linked Bond Index C ACC	576,300	542,100

Unlisted Investments

The Trust holds £25 ordinary £1 shares in The Dorset Golf Club Broadstone Limited. These shares were gifted to the Trust and have no cost value.

10 Debtors

	2019 £	2018 £
Social investment funding	412,500	412,500
Prepayments and accrued income	34,824	46,485
	<u>447,324</u>	<u>458,985</u>

An amount of £412,500 (2018: £412,500) included in debtors is due for repayment in more than one year.

11 Creditors

	2019 £	2018 £
Amounts falling due within one year:		
Accruals	43,653	33,927
	<u>43,653</u>	<u>33,927</u>

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2019 (continued)

12 Unrestricted funds

	Balances 1 October 2018 £	Incoming resources £	Resources expended £	Gains on investments £	Balances 30 September 2019 £
Capital fund	36,072,646	123,941	(53,821)	566,854	36,709,620
Income fund	364,952	1,103,311	(1,186,271)	-	281,992
	<u>36,437,598</u>	<u>1,227,252</u>	<u>(1,240,092)</u>	<u>566,854</u>	<u>36,991,612</u>

13 Related parties

D J E Neville-Jones, a trustee, is a consultant in Preston Redman solicitors. During the year Preston Redman provided administrative services amounting to £53,164 (2018: £70,621) inclusive of VAT.

R A Gregory, a trustee, is also a trustee of the MacDougall Trust. During the year the MacDougall Trust received a grant of £20,000 (2018: £10,000) from the Valentine Charitable Trust.

14 Commitments

In addition the Trustees have approved annual grants which are subject and conditional to a final review before the grants will be paid. These grants have not been provided in the accounts and the aggregate value of these grants is as follows:-

	2019 £	2018 £
One off pledges	<u>66,000</u>	<u>40,000</u>

15 Events after the reporting period

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has impacted the stock market. As such the value of investments included in note 9 has fallen since the balance sheet date. Despite this the Trustees consider the Charity to be a going concern.

16 Statement of financial activities comparative information for 2018

	Unrestricted capital fund 2018 £	Unrestricted income fund 2018 £	Unrestricted funds total 2018 £
INCOME			
Investment income	-	1,092,683	1,092,683
Total income	-	1,092,683	1,092,683
EXPENDITURE			
Charitable activities			
Grants awarded in the year	-	808,300	808,300
Support costs	-	80,447	80,447
Cost of raising funds			
Investment management fees (excluding commissions)	54,323	54,323	108,646
Total expenditure	54,323	943,070	997,393
Realised gain on investment assets	138,239	-	138,239
Unrealised gains on investment assets	627,486	-	627,486
Net expenditure and net movement in funds	711,402	149,613	861,015
Fund balances brought forward	35,361,244	215,339	35,576,583
Fund balances carried forward	36,072,646	364,952	36,437,598

This page does not form part of the accounts on which the auditors have reported.

