

VALENTINE CHARITABLE TRUST

FINANCIAL STATEMENTS

30 SEPTEMBER 2016

Saffery Champness
CHARTERED ACCOUNTANTS

VALENTINE CHARITABLE TRUST

CONTENTS

	Page
Legal and administrative information	1
Trustees' report	2
Independent auditors' report to the trustees	9
Statement of financial activities	11
Balance sheet	12
Cash flow statement	13
Notes to the financial statements	14

VALENTINE CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDING 30 SEPTEMBER 2016

The Trustees are pleased to present their report together with the financial statements of the Trust for the year ending 30 September 2016. 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 for all Trustees to help ensure that they perform their duties appropriately the Trust will endeavour 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.

VALENTINE CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDING 30 SEPTEMBER 2016 (continued)

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 objectives for the year were:

- (i) to maintain the real value of the investment and obtain income of greater than £750,000. This has been achieved.
- (ii) to obtain a more balanced investment portfolio by reduction of shareholdings value of greater than 5% of whole portfolio. This has 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 cashflow 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.

VALENTINE CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDING 30 SEPTEMBER 2016 (continued)

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 2016 (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

To respond to applicants for funding at the Trustees' discretion. 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 £986,571 (2015: £819,461) and resources expended of £1,086,160 (2015: £907,241) resulting in a deficit for the year of £99,589 (2015: deficit of £87,780).

The investment portfolio had realised gains of £85,705 (2015: £272,658), unrealised gains arising in the year of £2,981,028 (2015: losses of £617,691), contributing to the increase in the value of the overall trust fund from £30,510,447 to £33,477,591.

VALENTINE CHARITABLE TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDING 30 SEPTEMBER 2016 (continued)

Activities in furtherance of charitable objects.

During the year the charity made grants totalling £915,200 to 142 charities (2015: £697,488 to 119 charities). These are detailed in note 3.

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.

The Trustees have made Social Investments to two charities of loans for £162,500 and £250,000 respectively. The loans are secured but carry interest of up to 0.5% and 0% respectively.

Trustees

No trustees have been recruited during the year.

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, and the capital value of the investments increased due to investment growth and further investment of cash funds from £24,396,637 to £31,241,881.

The investment management fees (as opposed to commissions on dealings) have decreased from £148,256 to £99,428. Ruffer took over the management of part of the Trust's portfolio in March 2011 and they charge higher management fees but lower commissions. As Investec have now taken over the management of this portfolio, we have seen a reduction in the management fees this year.

In 2015, the Trustees appointed Investec Wealth & Investment Limited to take over management of the portfolio held by Ruffer LLP. As had been anticipated, the majority of the Ruffer LLP portfolio was transferred during the 2015/16 financial year.

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, Ruffer LLP 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.

VALENTINE CHARITABLE TRUST

TRUSTEES' REPORT FOR THE YEAR ENDING 30 SEPTEMBER 2016 (continued)

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 2016 were £232,769 (2015: £282,644).

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 2016 (continued)**

AUDITORS

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

By order of the trustees

R A Gregory



6 July 2017

VALENTINE CHARITABLE TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES FOR THE YEAR ENDED 30 SEPTEMBER 2016

We have audited the financial statements of The Valentine Charitable Trust for the year ended 30 September 2016 set out on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard FRS102.

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 auditors' 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.

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charity's affairs as at 30 September 2016 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.

VALENTINE CHARITABLE TRUST

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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.

Saffery Champness LLP

Saffery Champness LLP

Statutory Auditors

Midland House

2 Poole Road

Bournemouth

BH2 5QY

11 July 2017

VALENTINE CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	Unrestricted capital fund 2016 £	Unrestricted income fund 2016 £	Unrestricted funds total 2016 £	Unrestricted funds total 2015 £
INCOME					
Investment income	2	-	986,571	986,571	819,461
Total income		-	986,571	986,571	819,461
EXPENDITURE					
Charitable activities					
Grants awarded in the year	3	-	915,200	915,200	697,488
Support costs	4	-	71,532	71,532	61,497
Cost of raising funds					
Investment management fees (excluding commissions)		49,714	49,714	99,428	148,256
Total expenditure		49,714	1,036,446	1,086,160	907,241
Net expenditure		(49,714)	(49,875)	(99,589)	(87,780)
Realised gain on investment assets	8	85,705	-	85,705	272,658
Unrealised gains/(losses) on investment assets	8	2,981,028	-	2,981,028	(617,691)
Net income/(expenditure) and net movement in funds		3,017,019	(49,875)	2,967,144	(432,813)
Fund balances brought forward	12	30,227,803	282,644	30,510,447	30,943,260
Fund balances carried forward	12	33,244,822	232,769	33,477,591	30,510,447

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 14 to 26 form part of these financial statements.

VALENTINE CHARITABLE TRUST

**BALANCE SHEET
AS AT 30 SEPTEMBER 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible fixed assets	7	970,116	970,116
Investments	8	31,241,881	24,396,637
		32,211,997	25,366,753
Current assets			
Other debtors and prepayments	9	465,600	449,509
Cash at bank		834,576	4,727,284
		1,300,176	5,176,793
Creditors: amounts falling due within one year			
Other creditors and accruals	10	(34,582)	(33,099)
Grant creditors	11	-	-
		1,265,594	5,143,694
Net current assets		33,477,591	30,510,447
Net assets		33,477,591	30,510,447
Funds			
Unrestricted capital fund	12	33,244,822	30,227,803
Unrestricted income fund	12	232,769	282,644
		33,477,591	30,510,447

The notes on pages 14 to 26 form part of these financial statements

Approved by the Board on 6 July 2017 and signed on its behalf by:



R A Gregory
Trustee



Trustee

VALENTINE CHARITABLE TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	2016 £	2015 £
Net cash absorbed by operating activities (see note)	(114,197)	(94,189)
Cash flows from investing activities		
Purchase of investments	(6,929,466)	(8,673,523)
Disposal proceeds of investments	<u>3,150,955</u>	<u>12,520,943</u>
Net cash provided by investing activities	(3,778,511)	3,847,420
Change in cash and cash equivalents in the year	<u>(3,892,708)</u>	<u>3,753,231</u>
Cash and cash equivalents at 1 October	<u>4,727,284</u>	<u>974,053</u>
Cash and cash equivalents at 30 September	<u>834,576</u>	<u>4,727,284</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	2,967,144	(423,813)
Adjustments for		
(Increase)/decrease in debtors	(16,091)	19,702
Increase/(decrease) in creditors	1,483	(26,111)
Realised gains on investment assets	(85,705)	(272,658)
Unrealised losses/(gains) on investment assets	<u>(2,981,028)</u>	<u>617,691</u>
Net cash provided by operating activities	<u>(114,197)</u>	<u>(94,189)</u>
Cash and cash equivalents		
Cash at bank and on instant access deposit accounts	<u>834,576</u>	<u>4,727,284</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

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) Transition to FRS102

The date of transition to FRS102 is 1 October 2014, and these are the first financial statements the charity has prepared in accordance with this FRS.

Adoption of the new FRS has required the following changes to the accounting policies:

- Incoming resources are recognised when receipt is probable rather than virtually certain.
- As detailed in note 4, support costs allocated to other activities now include governance costs

In accordance with FRS102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/(losses) as a component of reported income.

Reconciliation of reported net income:	£
Net income/(expenditure) as previously stated	(87,780)
Gains/losses on investments	<u>(345,033)</u>
	<u>(432,813)</u>

VALENTINE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2016

d) Fund accounting

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

e) 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.

f) 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.

g) 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.

h) Tangible fixed assets and depreciation

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

i) 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).

j) Allocation of support costs

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

k) Social Investments

Social investments are included at cost.

l) 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.

VALENTINE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

m) 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 effects both current and future periods.

2 Investment income

	2016	2015
	£	£
Dividends	937,496	772,813
Gain on forward exchange contracts	-	32,378
Interest on cash deposits	41,378	2,165
Other income	1,005	6,191
Rental income	6,692	5,914
	<u>986,571</u>	<u>819,461</u>

3 Charitable activities

Grants awarded in the year

	2016	2015
	£	£
1 st Beaminster Scout Group	-	2,000
Access Dorset	-	5,000
AIMCommunity FYT	5,000	-
Age Concern North Dorset	2,000	-
Age Concern Poole	5,000	10,000
Alive	10,000	-
Alcohol Concern	-	3,000
Alzheimer's Research UK	5,000	5,000
Andrew Simpson Sailing Foundation	7,500	-
Anti-Slavery International	5,000	-
Artsreach	2,500	2,500
Asthma Relief	-	3,000
Autism Wessex	-	10,000
Awaken Love for Africa	-	3,000
Bag Books	-	5,000
Bipolar UK	7,500	5,000
Blandford Food Bank	1,500	-
Blandford Opportunity Group	5,000	-
Body Positive	-	5,000
Bourne Academy	5,000	-
Bourne Spring Trust	5,000	5,000
Bournemouth Foodbank	5,000	-
Bournemouth Hospital Charity	5,000	-
Bournemouth Nightclub Outreach Work	10,000	10,000
	<u>86,000</u>	<u>73,500</u>
Carry forward	<u>86,000</u>	<u>73,500</u>

VALENTINE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

3 Grants awarded in the year (continued)

	2016	2015
	£	£
Brought forward	86,000	73,500
Bournemouth Symphony Orchestra	30,000	15,000
Bournemouth Town Centre Detached Youth	5,000	5,000
Bournemouth University	5,000	-
Bowel Cancer UK	5,000	5,000
Brainwave Centre (The)	6,000	-
Bridport & District Citizens' Advice Bureau	-	3,000
Bridport Sea Cadets	1,000	-
British Forces Foundation	10,000	-
Build Africa	5,000	5,000
Build IT International	10,000	5,000
Burnbake Trust	5,000	5,000
Burngate Stone Craving Centre	2,500	-
Butterfly Conservation	-	1,000
Bus Stop Club	7,500	-
Canine Partners for Independence	10,000	5,000
Changing Tunes	-	5,000
Chernobyl Children in Need	3,000	3,000
Chesil Sailability	-	4,000
Chesil Sailing Trust	5,000	-
Child in Need India	5,000	-
Colehill & Wimborne Youth & Community Centre	-	20,000
Christchurch Activities for Young People	5,000	4,000
Christchurch Community Partnership Limited	10,000	-
Christ Church Creekmoor	2,000	-
Combat Stress	-	10,000
Community of the Holy Fire	-	5,000
Criminon UK	8,000	-
Crumbs	8,000	6,000
Deafblind UK	1,000	-
DEMAND	25,000	10,000
Dentaid	10,000	10,000
Destination Education Group	10,000	-
Diverse Abilities Plus	10,000	10,000
Dorchester Poverty Action Group	2,500	-
Dorset Action on Abuse	3,000	4,500
Dorset Archives Trust	-	10,000
Dorset Blind Association	5,000	10,000
Dorset ME Support Group	5,000	8,000
Dorset Child & Family Counselling Trust	-	5,000
	<hr/>	<hr/>
Carry forward	305,500	247,000

VALENTINE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)

3 Grants awarded in the year (continued)

	2016 £	2015 £
Brought forward	305,500	247,000
Dorset Community Association	-	5,000
Dorset County Hospital Charity	25,000	-
Dorset Scrapstore	5,000	-
Dorset Youth Association	10,000	10,000
DT2 Productions	3,000	-
Elizabeth Finn Care	-	5,000
Ellen MacArthur Cancer Trust	5,000	5,000
Excellent Development	-	5,000
Faithworks	25,000	-
Families for Children	5,000	5,000
Family Counselling Trust	5,000	-
Father's House	10,000	-
Fearnheath Play Association	10,000	-
Fine Cell Work	10,000	-
Fledglings	2,500	-
Footprints Project	15,000	10,000
Friends of Guys Marsh	5,000	-
Frontier Youth Trust	-	5,000
Four Leaf Clover Club	-	5,000
Future Faces	-	2,000
Game & Wildlife Conservation Trust	10,000	10,000
Gateway Church Poole	10,000	10,000
Gillingham Community Church	5,000	5,000
Goedaedacht Trust (The)	7,000	-
Green Island Holiday Trust	4,000	-
Hadland Foundation	-	2,000
Hamworthy Money Advice Project	5,000	-
Happy Days Children's Charity	4,000	3,000
Harbour Challenge Outdoor Education Centre	15,000	-
Haven	5,000	-
Headway Dorset	10,000	-
Heritage Coast Canoe Club	1,000	-
Home-Start North Dorset	5,000	5,000
Home-Start South East Dorset	5,000	-
Hope & Homes for Children	2,500	2,500
Honeypot Children's Charity	5,000	5,000
Hope Housing Training & Support Ltd	5,000	5,000
Hope UK	5,000	-
Huntington's Disease Association	-	2,500
Independence at Home	-	3,000
Independent Arts	3,000	-
Inspire Foundation	5,000	5,000
Carried forward	<u>552,500</u>	<u>362,000</u>

VALENTINE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)

3 Grants awarded in the year (continued)

	2016	2015
	£	£
Brought forward	552,500	362,000
Medical Aid for Palestinians	5,000	-
International Care Network	-	10,000
Island Community Action	-	7,000
Jubilee Sailing Trust	5,000	5,000
Koestler Trust	10,000	10,000
Lewis-Manning Cancer Trust (The)	15,000	10,000
Lewis-Manning Hospice	10,000	-
Leukaemia & Lymphoma Research	-	10,000
Listening Books	3,000	5,000
Live Music Now	4,000	-
Living Paintings	2,000	5,000
LV Streetwise Safety Centre	-	10,000
Lyme Regis Development Trust	3,000	5,000
MacDougall Trust	5,000	5,000
Macmillan Cancer Support	10,000	5,000
Magdalen Environmental Trust	5,000	-
Marine Conservation Society	-	5,000
MARS Trust (The)	15,000	5,000
Montacute School	-	20,000
Monty's Community Hub	10,000	-
MOSAIC	7,500	7,500
Multiple Sclerosis Society	-	1,000
Myaware	2,000	-
MyTime	10,000	-
National Coastwatch Institution	-	5,000
Oak Tree Clubhouse	4,000	5,000
Ombetja Yehinga	10,000	9,988
Opportunites R Un Limited	10,000	-
Orbis	10,000	-
Orchestra of the Age of Enlightenment	1,000	-
Parkstone Sports & Arts Centre	-	5,000
Perthes Association	2,000	2,000
Poole Gig Rowing Club	4,500	-
Poole Harbour Canoe Club	-	5,000
Poole Hospital NHS Trust (Gully's Place)	-	5,000
Prince's Trust	-	6,000
Prisoners Abroad	5,000	5,000
Purbeck Art Weeks Festival	1,000	1,000
Purbeck Citizens Advice Bureau	5,000	5,000
Purbeck School Development Trust	3,000	-
Purbeck Strings	500	500
Rainbow Centre	7,500	-
Carried forward	737,500	541,988

VALENTINE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)**

3 Grants awarded in the year (continued)

	2016	2015
	£	£
Brought forward	737,500	541,988
React	2,000	2,000
Read Easy	5,000	10,000
Recoop	5,000	5,000
Refresh Weymouth & Portland	7,500	-
Restored Eating Disorders Services	5,000	-
Revitalise (formerly Vitalise)	10,000	10,000
RNLI	2,000	-
Routes to Roots	-	5,000
Royal Agricultural Benevolent Institution	5,000	-
Salisbury Cathedral Trust (The)	5,000	5,000
Salvation Army	-	3,000
SA-Yes	-	5,000
Safe Partnership Limited	5,000	-
Salisbury Hospice Charity	2,000	-
Second Chance	10,000	10,000
Shine	5,000	5,000
Shine Project	10,000	-
South Dorset Community Sports Trust	-	5,000
Sports Forum for the Disabled	5,000	5,000
SSAFA Forces Help	5,000	5,000
St Giles Trust	10,000	-
St John of Jerusalem Eye Hospital	10,000	10,000
St John's Hall Lunch Club (Portland Parish)	-	10,000
Steven James Counselling	-	10,000
Tall Ships Youth Trust	2,000	2,000
Tax Help for Older People	5,000	2,500
Traffic of the Stage	-	1,000
Training & Learning Company (The)	7,500	-
Trees for Dorset	-	2,000
Turn2us	5,000	-
Vision Wimborne Dial-a-Ride	5,000	5,000
Wareham & District Development Trust	3,000	-
Wareham Scout and Guide Hut	-	2,000
Water Lily Project	-	3,000
Wessex Cancer Trust	-	5,000
Wessex Chernobyl Children's Lifeline	1,200	-
Wessex Festival	500	-
Weymouth Amateur Boxing Club	2,000	-
Weymouth Community Volunteers	5,000	-
Wheels for Freedom	10,000	5,000
	<u>892,200</u>	<u>674,488</u>

VALENTINE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)

3 Grants awarded in the year (continued)

	2016	2015
	£	£
Brought forward	892,200	674,488
Whizz-Kidz	3,000	3,000
Windrose Rural Media Trust	5,000	-
World Medical Fund for Children	5,000	5,000
Y-Axis (SK8)	-	10,000
Youth Resources Services (RendezVous Sherborne)	10,000	5,000
	<u>915,200</u>	<u>697,488</u>

4 Charitable activities

	Note	2016	2015
		£	£
Administrative costs		61,852	53,371
Bank audit fee letter		30	30
Bank charges		24	-
Governance costs	5	<u>9,626</u>	<u>8,096</u>
		<u>71,532</u>	<u>61,497</u>

VALENTINE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)

5 Governance costs

	2016	2015
	£	£
Audit and advisory fees	8,640	7,140
Trustees' indemnity insurance	986	956
Trustees' expenses	-	-
	<u>9,626</u>	<u>8,096</u>

6 Staff costs

Expenses of £nil were paid to the trustees during the year (2015: £nil). No trustees received any remuneration during the year for their services as trustees (2015: £nil).

There were no employees in the year (2015: nil).

7 Tangible fixed assets

	Freehold land and buildings £
Cost:	
As at 1 October 2015	970,116
Additions	-
As at 30 September 2016	<u>970,116</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.

VALENTINE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)

8 Investments	2016 £	2015 £
Listed share portfolio		
Market value as at 1 October 2015	24,396,637	28,589,090
Additions	6,929,466	8,673,523
Disposal proceeds	(3,150,955)	(12,520,943)
Realised gains on disposal	85,705	272,658
Unrealised gains/(losses) on revaluation	2,981,028	(617,691)
Market value as at 30 September 2016	31,241,881	24,396,637

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 2016.

	2016 £	2015 £
Original cost as at 30 September 2016	24,970,003	20,770,558

Analysis of listed investments

	£	£
Fixed interest securities	5,715,292	4,528,663
Unit trusts	4,421,411	4,130,872
Equity shares	18,153,370	14,768,465
Other	2,951,808	968,637
	31,241,881	24,396,637

Included in the listed investments above are the following individual holdings at 30 September 2016, which are considered to be material.

	2016 Market Value £	2015 Market Value £
Treasury Stock 2.5% Index Linked 2024	1,110,060	1,020,900

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.

VALENTINE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)

9 Debtors

	2016 £	2015 £
Social investment funding	412,500	412,500
Prepayments and accrued income	53,100	37,009
	<u>465,500</u>	<u>449,509</u>

Included within debtors £412,500 is due greater than one year.

10 Creditors

	2016 £	2015 £
Amounts falling due within one year:		
Accruals	32,892	31,448
Rent in advance	1,690	1,651
	<u>34,582</u>	<u>33,099</u>

11 Grants creditors

	2016 £	2015 £
Grant creditor 1 October 2015	-	-
Grants awarded in the year	915,200	697,488
Less paid in year	(915,200)	(697,488)
Amount carried forward	<u>-</u>	<u>-</u>

12 Unrestricted funds

	Balances 1 October 2015 £	Incoming resources £	Resources expended £	Gains on investments £	Balances 30 September 2016 £
Capital fund	30,227,803	-	(49,714)	3,066,733	33,244,822
Income fund	282,644	986,571	(1,036,446)	-	232,769
	<u>30,510,447</u>	<u>986,571</u>	<u>(1,086,160)</u>	<u>3,066,733</u>	<u>33,477,591</u>

VALENTINE CHARITABLE TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)**

13 Related parties

D J E Neville-Jones, a trustee, is a partner in Preston Redman solicitors. During the year Preston Redman provided administrative services amounting to £58,810 (2015: £53,371) 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 £5,000 (2015: £5,000) 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:-

	2016	2015
	£	£
One off pledges	-	30,000
Expiring in less than one year	-	-
Ongoing (per annum)	10,000	10,000

VALENTINE CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2016 (continued)

15 Statement of financial activities comparative information for 2015

	Unrestricted capital fund 2015	Unrestricted income fund 2015 £	Unrestricted funds total 2015 £
INCOME			
Investment income	-	819,461	819,461
Total income	-	819,461	819,461
EXPENDITURE			
Charitable activities			
Grants awarded in the year	-	697,488	697,488
Support costs	-	61,497	61,497
Cost of raising funds			
Investment management fees (excluding commissions)	74,128	74,128	148,256
Total expenditure	74,128	833,113	907,241
Net expenditure	(74,128)	(13,652)	(87,780)
Realised gain on investment assets	272,658	-	272,658
Unrealised losses on investment assets	(617,691)	-	(617,691)
Net expenditure and net movement in funds	(419,161)	(13,652)	(432,813)
Fund balances brought forward	30,646,964	296,296	30,943,260
Fund balances carried forward	30,227,803	282,644	30,510,447

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