

Valentine Charitable Trust

Financial Statements

30 September 2018

Saffery Champness
CHARTERED ACCOUNTANTS

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 Ms F Normington-Smith (appointed 22 January 2019)
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 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 2018

The Trustees are pleased to present their report together with the financial statements of the Trust for the year ending 30 September 2018. 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 (except Ms Normington-Smith).

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.

Trustees' report

For the year ending 30 September 2018 (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 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.

Trustees' report

For the year ending 30 September 2018 (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.

Trustees' report

For the year ending 30 September 2018 (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 £1,092,683 (2017: £1,082,837) and resources expended of £997,393 (2017: £1,152,832) resulting in a surplus for the year of £95,290 (2017: £69,995 (deficit)).

The investment portfolio had realised gains of £138,239 (2017: £136,326), unrealised gains arising in the year of £627,486 (2017: £2,032,661), contributing to the increase in the value of the overall trust fund from £35,576,583 to £36,437,598. Since the year end it has been noted the investment portfolio has strengthened which has improved the unrealised gain position.

Trustees' report

For the year ending 30 September 2018 (continued)

Activities in furtherance of charitable objects.

During the year the charity made grants totalling £808,300 to 97 charities (2017: £989,500 to 145 charities). These are detailed in note 3. It should be noted that the September meeting was deferred until October hence the decrease 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.

Trustees

Ms F Normington-Smith was appointed a trustee on the 22 January 2019.

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 £33,333,345 to £33,859,913.

The investment management fees (as opposed to commissions on dealings) have decreased from £105,130 to £83,359.

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.

Trustees' report

For the year ending 30 September 2018 (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 2018 were £364,952 (2017: £215,339). The increase is mainly due to the September 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

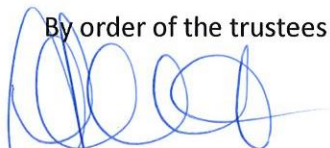
Trustees' report

For the year ending 30 September 2018 (continued)

AUDITORS

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

By order of the trustees



F Normington-Smith



10 July 2019

**Independent auditors' report to the Trustees
For the year ended 30 September 2018**

Opinion

We have audited the financial statements of the Valentine Charitable Trust for the year ended 30 September 2018 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 2018 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.

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

Valentine Charitable Trust

Independent auditors' report to the Trustees For the year ended 30 September 2018

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.

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.

Valentine Charitable Trust

**Independent auditors' report to the Trustees
For the year ended 30 September 2018**

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.


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18 July 2019

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Midland House
2 Poole Road
Bournemouth
BH2 5QY
Date:

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 2018

	Note	Unrestricted capital fund 2018 £	Unrestricted income fund 2018 £	Unrestricted funds total 2018 £	Unrestricted funds total 2017 £
INCOME					
Investment income	2	-	1,092,683	1,092,683	1,082,837
Total income		-	1,092,683	1,092,683	1,082,837
EXPENDITURE					
Charitable activities					
Grants awarded in the year	3	-	808,300	808,300	989,500
Support costs	4	-	80,447	80,447	58,202
Cost of raising funds					
Investment management fees (excluding commissions)		54,323	54,323	108,646	105,130
Total expenditure		54,323	943,070	997,393	1,152,832
Net (expenditure)/ income		(54,323)	149,613	95,290	(69,995)
Realised gain on investment assets	8	138,239	-	138,239	136,326
Unrealised gains on investment assets	8	627,486	-	627,486	2,032,661
Net income and net movement in funds		711,402	149,613	861,015	2,098,992
Fund balances brought forward	12	35,361,244	215,339	35,576,583	33,477,591
Fund balances carried forward	12	36,072,646	364,952	36,427,598	35,576,583

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 26 form part of these financial statements.

Valentine Charitable Trust

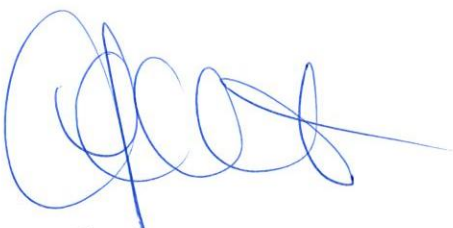
Balance sheet

As at 30 September 2018

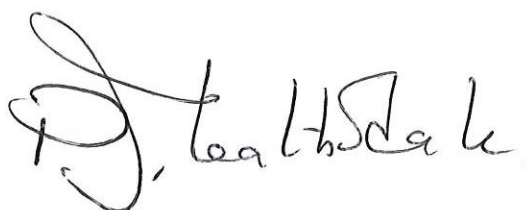
	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	7	970,116	970,116
Investments	8	33,859,913	33,333,345
		<u>34,830,029</u>	<u>34,303,461</u>
Current assets			
Other debtors and prepayments	9	458,985	486,828
Cash at bank		1,182,511	820,508
		<u>1,641,496</u>	<u>1,307,336</u>
Creditors: amounts falling due within one year			
Other creditors and accruals	10	(33,927)	(34,214)
Grant creditors	11	-	-
		<u>1,607,569</u>	<u>1,273,122</u>
Net current assets		<u>1,607,569</u>	<u>1,273,122</u>
Net assets		<u>36,437,598</u>	<u>35,576,583</u>
Funds			
Unrestricted capital fund	12	36,072,646	35,361,244
Unrestricted income fund	12	364,952	215,339
		<u>36,437,598</u>	<u>35,576,583</u>

The notes on pages 15 to 26 form part of these financial statements

Approved by the Board on 10 July 2019 and signed on its behalf by:



Trustee



Trustee

Valentine Charitable Trust

Cash flow statement

For the year ended 30 September 2018

	2018 £	2017 £
Net cash absorbed by operating activities (see note)	122,846	(91,591)
Cash flows from investing activities		
Purchase of investments	(4,870,452)	(3,807,352)
Disposal proceeds of investments	5,109,609	3,884,875
Net cash provided by investing activities	239,157	77,523
 Change in cash and cash equivalents in the year	 362,003	 (14,068)
Cash and cash equivalents at 1 October 2017	820,508	834,576
Cash and cash equivalents at 30 September 2018	1,182,511	820,508

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	861,015	2,098,992
Adjustments for		
Decrease/(Increase) in debtors	27,843	(21,228)
(Decrease)/increase in creditors	(278)	(368)
Realised gains on investment assets	(138,239)	(136,326)
Unrealised gains on investment assets	(627,486)	(2,032,661)
Net cash provided by operating activities	122,846	(91,591)
Cash and cash equivalents		
Cash at bank and on instant access deposit accounts	1,182,511	820,508

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 2018 (continued)

2 Investment income

	2018	2017
	£	£
Dividends	984,279	1,013,990
Interest on cash deposits	75,401	59,188
Other income	25,533	2,883
Rental income	7,470	6,776
	<u>1,092,683</u>	<u>1,082,837</u>

3 Charitable activities

Grants awarded in the year

	2018	2017
	£	£
Access Dorset	-	5,000
Activate Performing Arts	5,000	
AIMCommunity FYT	10,000	5,000
Alive	-	5,000
AMECA Trust	-	10,000
Ancient Tree Forum	-	2,500
Andrew Simpson Sailing Foundation	10,000	-
Anti-Slavery International	5,000	-
Artsreach	5,000	5,000
Arts 4 Dementia	-	10,000
Association of Wheelchair Children (Go Kids Go)	-	1,000
Asthma Relief	-	5,000
Bag Books	-	5,000
Bipolar UK	10,000	-
Blandford Food Bank	3,000	-
Blandford Opportunity Group	5,000	5,000
Bourne Academy	-	10,000
Bournemouth & Poole Citizens Advice Bureau	10,000	-
Bournemouth Foodbank	6,000	-
Bournemouth Hospital Charity	10,000	5,000
Bournemouth Nightclub Outreach Work	10,000	10,000
Bournemouth People First	10,000	5,000
Bournemouth Symphony Orchestra	-	15,000
Bournemouth Town Centre Detached Youth Work Project	6,000	5,000
Bournemouth University	5,000	5,000
Bowel Cancer UK	5,000	5,000
Carried forward	<u>115,000</u>	<u>118,500</u>

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2018 (continued)

3 Grants awarded in the year (continued)

	2018	2017
	£	£
Brought forward	115,000	118,500
Breast Cancer Haven	6,000	-
British Forces Foundation	-	5,000
Build Africa	-	5,000
Build IT International	-	5,000
Burnbake Trust	-	5,000
Butterfly Conservation	-	1,000
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	-	5,000
Child of Hope	5,000	-
Christchurch Activities for Young People	-	7,000
Children of Fiji	4,000	-
Criminon UK	-	5,000
Crumbs	10,000	4,000
DEMAND	-	10,000
Dentaïd	15,000	15,000
Diverse Abilities Plus	15,000	15,000
Dorchester Sherborne & Districts CAB	5,000	2,000
Dorset Action on Abuse	-	6,000
Dorset Advocacy	-	5,000
Dorset Blind Association	15,000	15,000
Dorset Community Foundation	-	(5,000)
Dorset County Hospital Charity	-	25,000
Dorset County Museum	50,000	-
Dorset Children's Foundation	-	6,000
Dorset Mind	-	5,000
Dorset Opera	10,000	-
Dorset Reading Partners	-	3,000
Dorset Youth Association	15,000	10,000
DT2 Productions	-	4,000
East Dorset Antiquarian Society	-	1,000
Ebenezer Church	-	5,000
Ellen MacArthur Cancer Trust	10,000	10,000
Carried forward	304,000	326,500

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2018 (continued)

3 Grants awarded in the year (continued)

	2018	2017
	£	£
Brought forward	304,000	326,500
Excellent Development	5,000	5,000
Faithworks Wessex	10,000	24,500
Families for Children	7,000	7,000
Family Counselling Trust	5,000	-
Father's House	-	5,000
Fearnheath Play Association	12,000	12,000
Fine Cell Work	-	5,000
Fledglings	-	5,000
Footprints Project	-	15,000
Friends of Guys Marsh	-	5,000
Frome Piddle & West Dorset Fisheries Association	-	5,000
Game & Wildlife Conservation Trust	10,000	-
Gateway Church Poole	-	10,000
Gillingham Community Church	5,000	5,000
Green Island Holiday Trust	5,000	-
Happy Days Children's Charity	4,000	5,000
Haven	-	6,000
Health and Local Food for Families	-	5,000
Home-Start North Dorset	10,000	-
Home-Start South East Dorset	10,000	-
Hope & Homes for Children	3,000	-
Honeypot Children's Charity	-	5,000
Hope Housing Training & Support Ltd	7,500	5,000
Hope in the Community	-	5,000
Hope UK	-	5,000
Horsecourse (The)	10,000	-
Huntington's Disease Association	5,000	-
Hurting 2 Healing	7,000	-
Independent Arts	-	3,000
Inspire Foundation	10,000	10,000
International Care Network	15,000	10,000
Island Community Action	-	10,000
Jubilee Sailing Trust	-	5,000
Kerala India	-	10,000
Koestler Trust	10,000	10,000
Lewis-Manning Cancer Trust (The)	-	20,000
Lewis-Manning Hospice	-	-
Carried forward	454,500	544,000

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2018 (continued)

3 Grants awarded in the year (continued)

	2018	2017
	£	£
Brought forward	454,500	544,000
Life Education Wessex	5,000	-
Listening Books	5,000	4,000
Link Visiting Swanage	4,000	-
Live Music Now	5,000	-
Living Paintings	5,000	5,000
Longmead Community Farm	-	5,000
MacDougall Trust	10,000	7,500
Macmillan Cancer Support	-	5,000
Magdalen Environmental Trust	8,000	10,000
Marine Conservation Society	20,000	-
MEMO	15,000	-
MARS Trust (The)	-	8,500
Mediation Dorset	-	3,000
Medical Aid for Palestinians	-	5,000
Montacute School	20,000	-
Monty's Community Hub	10,000	-
MOSAIC	10,000	8,000
MyTime	-	10,000
New Forest Bike Project	-	5,000
Oak Tree Clubhouse	-	4,000
Ombetja Yehinga Organisation Trust	10,000	10,000
Orbis	-	10,000
Pathways for All People	5,000	3,500
Perthes Association	-	2,000
Poole Christian Fellowship Trust	-	5,000
Poole Communities Trust	10,000	-
Poole Forum	5,000	10,000
Poole Museum Foundation	-	10,000
Poole Sailability	-	10,000
Poole Youth Conservation	800	-
PramaLIFE	-	15,000
Priest's House Museum & Garden	-	15,000
Prisoners Abroad	5,000	5,000
Purbeck Art Weeks Festival	1,500	1,500
Purbeck Citizens Advice Bureau	10,000	10,000
Purbeck Strings	1,000	500
Purbeck Youth & Community Foundation	5,000	-
Rainbow Centre	10,000	7,500
React	3,000	3,000
Read Easy	11,000	-
Recoop	5,000	5,000
Recovery Two	5,000	-
Carried forward	658,800	747,000

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2018 (continued)

3 Grants awarded in the year (continued)

	2018	2017
	£	£
Brought forward	658,800	747,000
Refresh Weymouth & Portland	-	-
Revitalise (formerly Vitalise)	-	10,500
RNLI	-	5,000
Rona Sailing Project	-	5,000
Rope Charitable Trust	-	2,000
Routes to Roots	3,500	10,000
Royal Agricultural Benevolent Institution	-	-
Salisbury Cathedral Trust (The)	-	-
SA-Yes	10,000	5,000
Safe Partnership Limited	5,000	5,000
Safewise	-	7,500
Salisbury Cathedral	-	5,000
Second Chance	10,000	10,000
Shine	5,000	5,000
Shine Project	15,000	10,000
SMILE Connect	5,000	5,000
Somerford Alliance Resource Centre	5,000	-
Sports Forum for the Disabled	11,000	5,000
Springhead Trust	5,000	5,000
SSAFA Forces Help	5,000	5,000
St Giles Trust	-	15,000
St John of Jerusalem Eye Hospital	10,000	10,000
Stable Family Home Trust	15,000	-
Steven James Counselling	-	10,000
Sturts Community Trust	-	5,000
Tall Ships Youth Trust	-	3,000
Tax Help for Older People	5,500	-
Traffic of the Stage	-	1,000
Training & Learning Company (The)	7,000	5,000
Trees for Dorset	-	1,500
Turn2us	-	5,000
Vision Wimborne Dial-a-Ride	-	5,000
Wareham Explorer Scouts	-	2,000
Wave Project	-	5,000
Wessex Cancer Trust	-	5,000
Weymouth Community Volunteers	-	10,000
Wheels for Freedom	7,500	5,000
Whizz-Kidz	-	3,500
Wide Horizons	-	4,000
Willing and Abel	-	5,000
Carried forward	783,300	947,000

Notes to the financial statements

For the year ended 30 September 2018 (continued)

3 Grants awarded in the year (continued)

	2018	2017
	£	£
Brought forward	783,300	947,000
Woofability Assistance Dogs Limited	-	10,000
World Medical Fund for Children	10,000	10,000
WOTS Project (Coach in the Community)	5,000	7,500
You Trust	-	5,000
Young Dorset	10,000	-
Youth Resources Services (RendezVous Sherborne)	-	10,000
	<u>808,300</u>	<u>989,500</u>

4 Support costs

	Note	2018	2017
		£	£
Administrative costs		71,230	47,642
Bank audit fee letter		30	30
Bank charges		-	-
Governance costs	5	<u>9,187</u>	<u>10,530</u>
		<u>80,447</u>	<u>58,202</u>

5 Governance costs

	2018	2017
	£	£
Audit and advisory fees	8,160	9,540
Trustees' indemnity insurance	<u>1,027</u>	<u>990</u>
	<u>9,187</u>	<u>10,530</u>

6 Staff costs

Expenses of £nil were paid to the trustees during the year (2017: £nil). No trustees received any remuneration during the year for their services as trustees (2017: £nil).

There were no employees in the year (2017: nil).

7 Tangible fixed assets

	Freehold land and buildings £
Cost:	
As at 1 October 2017	970,116
Additions	-
As at 30 September 2018	970,116

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.

8 Investments

	2018 £	2017 £
Listed share portfolio		
Market value as at 1 October 2017	33,333,345	31,241,881
Additions	4,870,452	3,807,352
Disposal proceeds	(5,109,609)	(3,884,875)
Realised gains on disposal	138,239	136,326
Unrealised gains on revaluation	627,486	2,032,661
Market value as at 30 September 2018	33,859,913	33,333,345

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 2018.

	2018 £	2017 £
Original cost as at 30 September 2018	25,437,015	25,440,767

Notes to the financial statements
For the year ended 30 September 2018 (continued)

8 Investments (continued)**Analysis of listed investments**

	£	£
Fixed interest securities	5,895,492	5,576,895
Unit trusts	6,093,065	4,850,363
Equity shares	19,228,995	20,050,411
Other	2,642,361	2,855,676
	<u>33,859,913</u>	<u>33,333,345</u>

Included in the listed investments above are the following individual holdings at 30 September 2018, which are considered to be material.

	2018 Market Value £	2017 Market Value £
Treasury Stock 2.5% Index Linked 2024	<u>542,040</u>	<u>1,093,800</u>

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.

9 Debtors

	2018 £	2017 £
Social investment funding	412,500	412,500
Prepayments and accrued income	46,485	74,328
	<u>458,985</u>	<u>486,828</u>

An amount of £412,500 (2017: £412,500) included in debtors is due for repayment in more than one year.

10 Creditors

	2018 £	2017 £
Amounts falling due within one year:		
Accruals	33,927	33,526
Rent in advance	-	688
	<u>33,927</u>	<u>34,214</u>

Valentine Charitable Trust

Notes to the financial statements

For the year ended 30 September 2018 (continued)

11 Grant creditors

	2018 £	2017 £
Grant creditor 1 October 2017	-	-
Grants awarded in the year	808,300	994,500
Less cheques returned in year	-	(5,000)
Less paid in year	(808,300)	(989,500)
Amount carried forward	-	-

12 Unrestricted funds

	Balances 1 October 2017 £	Incoming resources £	Resources expended £	Gains on investments £	Balances 30 September 2018 £
Capital fund	35,361,244	-	54,323	765,725	36,072,646
Income fund	215,339	1,092,683	943,070	-	364,952
	<u>35,576,583</u>	<u>1,092,683</u>	<u>997,393</u>	<u>765,725</u>	<u>36,437,598</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 £70,621 (2017: £47,077) 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 £10,000 (2017: £7,500) 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:-

	2018 £	2017 £
One off pledges	40,000	65,000
Expiring in less than one year	-	-
Ongoing (per annum)	-	11,000

15 Statement of financial activities comparative information for 2017

	Unrestricted capital fund 2017 £	Unrestricted income fund 2017 £	Unrestricted funds total 2017 £
INCOME			
Investment income	-	1,082,837	1,082,837
Total income	-	1,082,837	1,082,837
EXPENDITURE			
Charitable activities			
Grants awarded in the year	-	989,500	989,500
Support costs	-	58,202	58,202
Cost of raising funds			
Investment management fees (excluding commissions)	52,565	52,565	105,130
Total expenditure	52,565	1,100,267	1,152,832
Net expenditure	(52,565)	(17,430)	(69,995)
Realised gain on investment assets	136,326	-	136,326
Unrealised losses on investment assets	2,032,661	-	2,032,661
Net expenditure and net movement in funds	2,116,422	(17,430)	2,098,992
Fund balances brought forward	33,244,822	232,769	33,477,591
Fund balances carried forward	35,361,244	215,339	35,576,583

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