

Company registration number: 05494157

Charity registration number: 1110890

THE VCT CHARITABLE TRUST
(A COMPANY LIMITED BY SHARE CAPITAL)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019



Hazlewoods LLP
Windsor House
Bayshill road
Cheltenham
Gloucestershire
GL50 3AT

THE VCT CHARITABLE TRUST

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THE VCT CHARITABLE TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	R Blears R S Reed N K Spedding
Secretary	C Surridge
Principal Office	RW Blears LLP 29 Lincoln's Inn Fields London WC2A 3EG The charity is incorporated in England and Wales.
Company Registration Number	05494157
Charity Registration Number	1110890
Independent Examiner	Hazlewoods LLP Windsor House Bayshill road Cheltenham Gloucestershire GL50 3AT

THE VCT CHARITABLE TRUST

TRUSTEES' REPORT

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2019.

Structure, governance and management

The charity was incorporated in England on 29 June 2005 as a company limited by guarantee under registration number 05494157 and registered as a charity under number: 1110890. Its registered office is c/o RW Blears LLP, solicitors, 29 Lincoln's Inn Fields, London WC2A 3EG.

The Trustees are Roger William Blears, solicitor; Richard Selby Reed, solicitor; and Nigel Keith Spedding chartered accountant; and the secretary is Charlotte Louise Surridge. All trustees give of their time freely and no trustee has received remuneration since incorporation. The only costs incurred by the Charity are £1,500 per annum for the services of the secretary, audit costs when necessary and bank charges.

Objectives and activities

Objects and aims

The objective of the charity is to support the education and training of young people in the UK and overseas. It does this by making grant awards to operating charities concerned with the education and training of young people or in making direct grant awards to young people where appropriate. The trustees have no set criteria but make donations to those beneficiaries which they come across in their daily business and which appear to them to be worthy of support.

The charity has relationships with venture capital trusts (VCTs) and holds a small proportion of the shares and other securities issued by companies in which investments are also held by venture capital trust clients of RW Blears LLP, solicitors, a firm of which Roger Blears is the senior partner. At 31 March 2019, the Trust held investments valued at £25,459 (2018: £4,460).

Public benefit

The trustees confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Achievements and performance

Since incorporation, as at the date of this report, 17 December 2019, the charity has raised approximately £276,047 and has made the following donations:

Beneficiary	Donation (£)
UK - Sports and outward bound	
Castle Vale School	12,000
Rockingham Forrest Trust	500
Give Youth a Break	7,500
Ahoy Centre	8,400
Cardigan Bay Water Sports	5,000
The Lenches Sports and Recreational Club	1,250
UK Youth	1,000
Brierley Hill Project	8,000
Leys Youth Programme	9,400
Birmingham Boys and Girls Union	5,850
Mayfield School	2,500

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TRUSTEES' REPORT

	Donation (£)
Stephen Lawrence Charitable Trust	2,500
Welsh House Farm	5,000
Extreme Feat for CHASE	5,000
The Island Trust	12,500
Tom ap Rhys Price Memorial Trust	5,000
BSES expeditions	11,500
Changing Tunes (education of prisoners)	2,500
St Andrew's Club	1,000
Wye & Usk Foundation	9,250
Tanzania Charity Challenge	250
Virgin Money London Marathon 2017	500
PHAB	750
Raphael Chinwuko	2,500
Pershore Plum Plodders	500
Wye & Usk Foundation	2,500
Malachi Community Trust	5,000
BoxUp Crime	1,000
	<hr/> 128,650
Overseas	
Paxos festival trust	33,700
Musical instruments for children	10,000
Community Welfare Foundation - library for children	5,000
Orphans in the Wild	2,700
	<hr/> 51,400
UK - dance	
Birmingham Hippodrome	8,700
Birmingham Royal Ballet	5,000
Yorkshire Dance	5,000
	<hr/> 18,700
UK - music	
Ex Cathedra - Sing Up schools programme	10,000
Midlands Fretted Orchestra	500
Sound It Out Community Music	7,000
Pembroke Academy of Music	5,000
Elgar School of Music	5,000
London Chamber Orchestra - Music Junction Programme	7,500
Worcester Classical Guitar Society	500
Gloucestershire music makers	1,000
St James PCC	4,450

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TRUSTEES' REPORT

	Donation (£)
London Guildhall School of Music, part fees - Jack Welch flute	3,180
Royal Academy of Music, part fees - Katie Smith trumpet	3,620
St James - 2020 Bish Bash Bosh	500
	<hr/> 48,250 <hr/>
Bank account current cash	<hr/> 29,047 <hr/>
Total funds raised, donated and to be donated	<hr/> 276,047 <hr/>
Commitments	
Founders schools - Virginia Slater schools initiative	5,000
Available cash	<hr/> 24,047 <hr/>
Financial instruments	

Objectives and policies

The charity's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the charity's policies approved by the board of trustees, which provide written principles on the use of financial derivatives to manage these risks. The charity does not use derivative financial instruments for speculative purposes.

Cash flow risk

The charity's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The charity uses foreign exchange forward contracts and interest rate swap contracts to hedge these exposures.

Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows.

Credit risk

The charity's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The charity's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The charity has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the charity uses a mixture of long-term and short-term debt finance.

Further details regarding liquidity risk can be found in the Statement of accounting policies in the financial statements.

Small companies provision statement

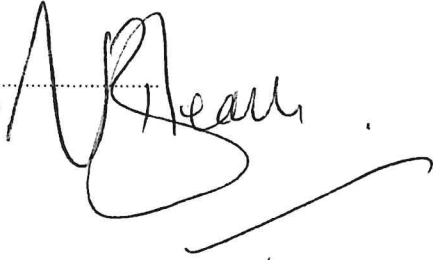
This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

THE VCT CHARITABLE TRUST

TRUSTEES' REPORT

The annual report was approved by the trustees of the charity on 17 December 2019 and signed on its behalf by:

.....
R Blears
Trustee

A handwritten signature in black ink, appearing to read 'R Blears', with a long horizontal flourish extending to the right.

THE VCT CHARITABLE TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of The VCT Charitable Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

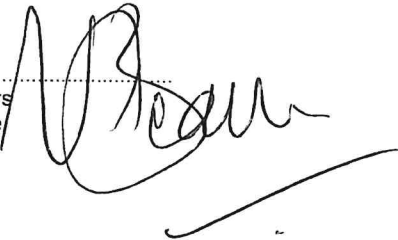
Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the trustees of the charity on 17 December 2019 and signed on its behalf by:

R Bleas
Trustee

A handwritten signature in black ink, appearing to read 'R Bleas', is written over a dotted line. The signature is cursive and extends below the line.

**CHARTERED ACCOUNTANTS' REPORT TO THE TRUSTEES ON THE PREPARATION OF THE
UNAUDITED STATUTORY ACCOUNTS OF
THE VCT CHARITABLE TRUST
FOR THE YEAR ENDED 31 MARCH 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of The VCT Charitable Trust for the year ended 31 March 2019 as set out on pages 8 to 15 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of The VCT Charitable Trust, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of The VCT Charitable Trust and state those matters that we have agreed to state to the Board of Directors of The VCT Charitable Trust, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The VCT Charitable Trust and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that The VCT Charitable Trust has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and results of The VCT Charitable Trust. You consider that The VCT Charitable Trust is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of The VCT Charitable Trust. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Maclowds 118

17 December 2019

THE VCT CHARITABLE TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2019 (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

	Note	Unrestricted funds £	Total 2019 £
Income and Endowments from:			
Donations and legacies	3	<u>22,557</u>	<u>22,557</u>
Total income		<u>22,557</u>	<u>22,557</u>
Expenditure on:			
Charitable activities	4	<u>(5,790)</u>	<u>(5,790)</u>
Other expenditure	5	<u>(2,703)</u>	<u>(2,703)</u>
Total expenditure		<u>(8,493)</u>	<u>(8,493)</u>
Net income		<u>14,064</u>	<u>14,064</u>
Net movement in funds		14,064	14,064
Reconciliation of funds			
Total funds brought forward		<u>36,351</u>	<u>36,351</u>
Total funds carried forward	11	<u><u>50,415</u></u>	<u><u>50,415</u></u>

	Note	Unrestricted funds £	Total 2018 £
Income and Endowments from:			
Donations and legacies	3	<u>33,592</u>	<u>33,592</u>
Total income		<u>33,592</u>	<u>33,592</u>
Expenditure on:			
Charitable activities	4	<u>(12,024)</u>	<u>(12,024)</u>
Other expenditure	5	<u>(1,619)</u>	<u>(1,619)</u>
Total expenditure		<u>(13,643)</u>	<u>(13,643)</u>
Net income		<u>19,949</u>	<u>19,949</u>
Net movement in funds		19,949	19,949
Reconciliation of funds			
Total funds brought forward		<u>16,402</u>	<u>16,402</u>
Total funds carried forward	11	<u><u>36,351</u></u>	<u><u>36,351</u></u>

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2018 is shown in note 11.

THE VCT CHARITABLE TRUST

(REGISTRATION NUMBER: 05494157)
BALANCE SHEET AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	9	25,459	4,460
Current assets			
Cash at bank and in hand		39,899	32,691
Creditors: Amounts falling due within one year	10	<u>(14,943)</u>	<u>(800)</u>
Net current assets		<u>24,956</u>	<u>31,891</u>
Net assets		<u>50,415</u>	<u>36,351</u>
Funds of the charity:			
Unrestricted income funds			
Unrestricted funds		<u>50,415</u>	<u>36,351</u>
Total funds	11	<u>50,415</u>	<u>36,351</u>

For the financial year ending 31 March 2019 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

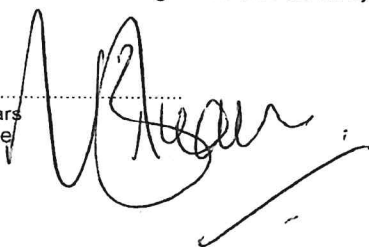
Trustees' responsibilities:

- The trustees have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements on pages 8 to 15 were approved by the trustees, and authorised for issue on 17 December 2019 and signed on their behalf by:

.....
R Blears
Trustee



THE VCT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Charity status

The charity is limited by share capital, incorporated in England and Wales.

These financial statements were authorised for issue by the trustees on 17 December 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

Basis of preparation

The VCT Charitable Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement

The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

Donations and legacies

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance by the charity before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that these conditions will be fulfilled in the reporting period.

THE VCT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fixed asset investments

Fixed asset investments, other than programme related investments, are included at market value at the balance sheet date. Realised gains and losses on investments are calculated as the difference between sales proceeds and their market value at the start of the year, or their subsequent cost, and are charged or credited to the Statement of Financial Activities in the period of disposal.

Unrealised gains and losses represent the movement in market values during the year and are credited or charged to the Statement of Financial Activities based on the market value at the year end.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Fund structure

Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Financial instruments

Classification

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

THE VCT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the charity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the charity transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the charity, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

3 Income from donations and legacies

	Unrestricted funds		
	General £	Total 2019 £	Total 2018 £
Donations and legacies;			
Donations from companies, trusts and similar proceeds	22,557	22,557	33,592
	<u>22,557</u>	<u>22,557</u>	<u>33,592</u>

4 Expenditure on charitable activities

	Unrestricted funds		
	General £	Total 2019 £	Total 2018 £
Grant funding of activities	5,790	5,790	12,024
	<u>5,790</u>	<u>5,790</u>	<u>12,024</u>

THE VCT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

5 Other expenditure

	Unrestricted funds	Total 2019	Total 2018
	General £	£	£
Other resources expended	83	83	69
Allocated support costs	1,500	1,500	750
Independent Examiner's remuneration	1,120	1,120	800
	<u>2,703</u>	<u>2,703</u>	<u>1,619</u>

6 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

7 Independent examiner's remuneration

	2019 £	2018 £
Examination of the financial statements	<u>1,120</u>	<u>800</u>

8 Taxation

The charity is a registered charity and is therefore exempt from taxation.

THE VCT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

9 Fixed asset investments

	2019 £	2018 £
Other investments	<u>25,459</u>	<u>4,460</u>
Other investments		
	Unlisted investments £	Total £
Cost or Valuation		
At 1 April 2018	4,460	4,460
Additions	21,000	21,000
Disposals	<u>(1)</u>	<u>(1)</u>
At 31 March 2019	<u>25,459</u>	<u>25,459</u>
Net book value		
At 31 March 2019	<u>25,459</u>	<u>25,459</u>
At 31 March 2018	<u>4,460</u>	<u>4,460</u>

10 Creditors: amounts falling due within one year

	2019 £	2018 £
Other creditors	13,983	-
Accruals	<u>960</u>	<u>800</u>
	<u>14,943</u>	<u>800</u>

11 Funds

	Balance at 1 April 2018 £	Incoming resources £	Resources expended £	Balance at 31 March 2019 £
Unrestricted funds				
General	<u>(36,351)</u>	<u>(22,557)</u>	<u>8,493</u>	<u>(50,415)</u>
	Balance at 1 April 2017 £	Incoming resources £	Resources expended £	Balance at 31 March 2018 £
Unrestricted funds				
General	<u>(16,402)</u>	<u>(33,592)</u>	<u>13,643</u>	<u>(36,351)</u>

THE VCT CHARITABLE TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

12 Analysis of net assets between funds

	Unrestricted funds General £	Total funds £
Fixed asset investments	25,459	25,459
Current assets	39,899	39,899
Current liabilities	<u>(14,943)</u>	<u>(14,943)</u>
Total net assets	<u><u>50,415</u></u>	<u><u>50,415</u></u>

13 Analysis of net funds

	At 1 April 2018 £	Cash flow £	At 31 March 2019 £
Cash at bank and in hand	32,691	7,208	39,899
Net debt	<u><u>32,691</u></u>	<u><u>7,208</u></u>	<u><u>39,899</u></u>