



*Quintin Hogg Trust  
Quintin Hogg Memorial Fund  
Since 1903*

# *Quintin Hogg Trust*

*(Charity Number 1010404)*

## *Report & Financial Statements*

*Year Ended  
31 July 2021*

THE VISION  
AND ENERGY  
OF ONE MAN  
CONTINUES TO  
INFLUENCE THE  
ACHIEVEMENTS  
OF MANY

## **CONTENTS**

<b>CONTENTS</b>	<b>Page</b>
Reference and administrative details	4
Report of the Trustee	5
Independent Auditor's report to the Trustee of the Quintin Hogg Trust	10
Statement of financial activities	13
Balance sheet	14
Statement of cash flows	15
Notes to the accounts	17

## REFERENCE AND ADMINISTRATIVE DETAILS

### TRUSTEE

Quintin Hogg Trustee Company (QHTC) - a company limited by guarantee

### Patron

The Hon Dame Mary Hogg DBE (Appointed 13 April 2021)

### Directors and Members (Board of Trustees, QHTC)

Victoria Batten  
Godfrey Cole CBE (Resigned 13 April 2021)  
Dr Geoffrey Copland CBE  
Paula Doyle (Appointed 13 April 2021)  
Joanna Embling  
Tracey Hartley  
The Hon Dame Mary Hogg DBE (Resigned 13 April 2021)  
Richard Law  
Paul Millett  
Dr Bina Rawal (Appointed 15 December 2020)  
Dr Ann Rumpus  
Andrew Saunders-Davies (Appointed 15 December 2020)  
William Weston  
Don Wood CBE

### SECRETARY TO THE BOARD OF TRUSTEES (QHTC)

John Gibbons

### AUDITORS

Saffery Champness LLP  
71 Queen Victoria Street  
London EC4V 4BE

### BANKERS

National Westminster Bank PLC  
135 Bishopsgate  
London EC2M 3UR

Lloyds Bank PLC  
25 Gresham Street,  
London EC2V 7HN

### SOLICITORS

Farrer & Co LLP  
66 Lincolns Inn Fields  
London WC2A 3LH

Clyde & Co LLP  
138 Houndsditch  
London EC3A 7AR

### INVESTMENT MANAGERS & ADVISORS

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

### ACCOUNTANT

SPX Oxford Ltd  
Peace House  
19 Paradise Street  
Oxford OX1 1LD

### QHTC REGISTERED OFFICE AND QUINTIN HOGG TRUST PRINCIPAL OFFICE

66 Lincolns Inn Fields  
London WC2A 3LH

### CHARITY NUMBER

1010404

## **REPORT OF THE TRUSTEE**

The Trustee presents its report and the audited financial statements for the year ended 31 July 2021 of Quintin Hogg Trust (the Trust), a registered charity no. 1010404. The financial statements have been prepared in accordance with the Trust's governing document and the requirements of 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).

The information on page 4 forms part of this report.

### **Structure, Governance and Management**

Quintin Hogg was a Victorian philanthropist most remembered for starting in the late 19<sup>th</sup> century what became known as the Regent Street Polytechnic (now the University of Westminster (the University)). Trusts in Quintin Hogg's name were first set up in the early 1900s, with the current Trust being established in 1990.

The Trust is administered by Quintin Hogg Trustee Company (QHTC), as Trustee. Its Board (the Board) currently has twelve directors, known as Trustees, all of whom are members and each of whom is appointed to serve for three years with options to renew for up to nine years.

QHTC has one employee (2020: none), its secretary, who undertakes administrative functions. It has engaged an accountant to undertake the accounting functions. The Trust is related to one other charitable trust, Quintin Hogg Memorial Fund (QHMF). These two trusts share the same Trustee and therefore common control exists. Details of transactions with related parties are disclosed in note 22 to the financial statements.

The Trustee is in the process of consulting stakeholders about a proposed scheme to merge the two charities. This consultation was initiated in mid-2020 with the intention of making a formal application for merger to the Charity Commission.

A number of Trustees are alumni and/or have other past connections with the University. One of the Trustees, a member of the Hogg family, retired as a Trustee during the year and agreed to become the Patron of QHTC.

QHTC, as the parent of this group, has taken advantage of the exemption under section 398 of the Companies Act 2006 regarding the preparation of consolidated financial statements.

### **Objects and activities**

The object of the Trust is the advancement of education. QHTC allows the land and buildings belonging to the Trust at 307-311 Regent Street, at other central London locations and at Chiswick to be used by the University. Income remaining after deduction of appropriate expenditure has to be applied for the benefit of the University and its students. The Trust does this in the main by awarding grants on an annual basis. Further details of the process are set out later in this report.

The Trust owns the beneficial interest in a number of long leasehold properties in central London with leases expiring between 11 October 2919 and 11 October 2933, as well as the freehold to some seven acres of land at Chiswick that forms part of the Quintin Hogg Memorial Sports Ground.

QHTC confirms that it has complied with the duty in section 4 of the Charities Act 2011 to have regard to the Charity Commission's general guidance on public benefit. The Trust's public benefit is realised through the provision of properties and by the awarding of grants for the benefit of University students.

The Trustee takes its responsibility under The Charities (Protection and Social Investment) Act 2016 seriously. The Trust does not engage in any fundraising with the general public and therefore does not have a formal fundraising policy in place. It can accept donations but it does not actively seek them. No donations were received during the year (2020: £nil) nor any complaints regarding fundraising.

### **Development of the Chiswick Site**

The Trustee regards the Trust's landholdings at Chiswick, together with those of QHMF (which owns the larger part of the Quintin Hogg Memorial Sports Ground, including land on which a boathouse stands), as part of a unique legacy to be preserved and maintained for the benefit of students of the University and of other young people. QHTC has a long-term ambition to create a centre of sporting excellence on the site for athletes of all abilities, with modern 21<sup>st</sup> century facilities. The first stage of this masterplan, more details of which are set out below, is almost complete.

QHTC's Chiswick Committee oversees the planned redevelopment of the Chiswick site. Comprising four Trustees, together with another non-Trustee member, the Committee keeps under review all matters relating to Chiswick, including the development programme, and reports regularly to the Board.

Having obtained planning permission in 2019 to redevelop the land to the South of Hartington Road (being land owned by both QHT and QHMF), work began in Autumn 2020 on the QHT land, starting with a new service road and car park. A new floodlit full-sized all-weather pitch, dual marked for soccer and rugby, together with a smaller all-weather training pitch and changing facilities, have now also been completed in time for the season starting in Autumn 2021. Ten electric vehicle charging points have been installed in the car park (the cost of which has been subsidised by a government grant). An application to name the new access road is with Hounslow Council.

A third-party commissioning manager has been appointed to manage the pitch facilities and an independent consultant has conducted a 'soft' market test as a precursor to selecting a longer-term third-party manager. An operating company, 1903 Limited, wholly owned by QHT, was set up in September 2021 to operate the pitch and related facilities. Two of QHTC's Trustees have been appointed to the Board of 1903 Limited, together with an independent director.

The Trustee has been working closely with the third-party manager throughout the year and has reached agreement with a number of third-party schools and sports clubs to share use of the ground with the University for the 2021/22 season. Officers of the University of Westminster Students Union (UWSU) have described the new facilities as 'transformational' in terms of the sporting offer to students.

Expenditure by QHT on the project during the year amounted to £216k (2020: £26k) of revenue costs and £2,478k (2020: £69k) of expenditure that has been capitalised. £50k (2020: £68k) of the revenue costs were recharged to QHT by QHMF, being expenditure on its elements of the project. QHT also recharged to QHMF costs of £1k (2020: £65k) being expenditure incurred on QHMF's behalf.

### **Grant Funding Process**

QHT's Grants Committee, comprising 4 Trustees (5 during the year's submission process), receives from the University an annual submission of grant applications, reviews each one and makes recommendations to the Board as to which ones should succeed. The Committee keeps all aspects of the Trust's grant funding programme under review in light of the Trust's available resources and funding priorities, evaluating the outcomes and liaising with successful and unsuccessful applicants through the University's Development team. It reviews spending against approved applications and supervises the release of funds to the University. Members of the Grants Committee meet with members of the University Executive Board (UEB) and the UWSU at least once each year to discuss their priorities.

### **Grant Funding Submission for 2021/22**

A revised bidding process has been developed for bids submitted in the year 2020/21 (for delivery starting in the year 2021/22) to help address some of the difficulties presented by the pandemic. Rather than inviting a wide range of applications from across the University, the University (in close consultation with the Grants Committee), has developed proposals for 5 major projects, each with a number of sub-stands, which engage widely across the University. Each project reflects one of the University's strategic aims and objectives, tailored in particular to support student learning in the post-Covid world. There is an emphasis on student wellbeing, mixed modes of study and aiding students with their career choices and opportunities. Additionally, six very successful current projects have been granted funding to continue their work. The Trust is committed to funding initiatives that will make a real difference to the student experience and although the process has been much more selective than in previous years, the amount of funding provided continues to be determined by the quality of the applications received.

In March 2021, the University submitted its ideas in skeleton form for the Trust's approval in principle. There then followed two further submission phases in May and June 2021, with feedback from the Grants Committee to the University on the developing projects after each submission and with meetings between the Grants Committee and UEB members after phase 1 and phase 2. This more consultative approach, with the Trust contributing its views to the process at each stage, has enabled the Trust to provide feedback throughout the development process, providing the University with the confidence to shape developments and potentially avoiding a considerable amount of work being wasted, should the Trust ultimately reject a bid.

A total request to the value of £8,616,982 was received from the University in March 2021, for projects due to start in 2021/22. However, the Trust considered that this sum was too large to commit and

recommended shortening the proposed length of the projects. Successful work can seek continuation funding in the future. A total award of £5,381,939 was made, with all 11 projects receiving a significant portion of the funding originally sought. Although none of the applications were put forward by UWSU (unlike in previous years), UWSU has taken a lead role in the 'promoting student wellbeing' project and students will be central to its delivery. They are significantly involved in other projects too.

The Grants Committee and UEB are considering together how the good practice developed through the 'consultative and staged' submission process can continue in the future without the loss of the smaller and often highly creative project proposals from across the University.

The full amount of the approved awards is included as a creditor in the financial statements for that year. During the next year, the University reports as to how much has been spent and QHTC confirms what the Trust will pay (on recommendation of the Grants Committee). Any underspend by the University is recognised by reduction of the creditor. Early in the following year, payment is made and the creditor is reduced accordingly.

A full list of the awards made for the year 2021/22, together with a description of each, as well as details of selected past projects, can be found on the QHT website (<http://www.quintinhoggtrust.org>).

### **Grant Funding programmes - Progress in 2020/21**

There was one cycle of project bidding (March-June 2021 in the year under review) and two cycles of reporting and drawdown of funds (September-October 2020 for expenditure on projects delivered in 2019/20 and September-October 2021 for expenditure on projects delivered in 2020/21).

Actual spend by the University on projects for which grants were awarded in prior years and for which final approval was given in 2020/21 for payment at the beginning of 2021/22 was £3,293k (2020/21 £3,038k),

The project programme during 2020-21 continued to be subject to considerable disruption due to the Covid-19 pandemic. Although many projects were completed successfully, this led to a write back of grants previously awarded of £375k (2020: £815k). This represented amounts not spent and not deferred on projects previously approved.

The University's International Programme, which includes an extensive field trip programme, and the popular Westminster Working Cultures Programme, which allows many students to gain essential employability skills through experience of working practices in other countries, both remain on hold. In the meantime, the University is successfully developing its virtual field trip programme and its domestic 'working cultures' programme with QHT funding.

In May 2021, QHT agreed to extend the Emergency Covid-19 Hardship Fund (£250K awarded in June 2020) by £175k to enable the University to support students until the end of the financial year 2020-21.

### **The effect of the Covid-19 pandemic**

The effect of the Covid-19 pandemic on the Trust's grant programme is summarised above. The effect of the pandemic on the Trust otherwise remains limited. Trustee and other meetings have been held as planned, using an online platform, instead of face-to-face, with a consequent decrease in trustee expenses.

More significant has been the disruption to the activities of the University, as tenant of the Trust's properties and its primary beneficiary. The medium and long-term consequences of this disruption to the University and any effect on the Trust continue to remain uncertain.

### **Financial review**

QHTC reports net expenditure for the Trust of £764k (2020: £251k net income) on unrestricted funds, before gains/losses on investments and disposals, decreasing to a net deficit of £63k (2020: £98k net surplus) after investment gains (2020: losses). A deficit of £438k arose on endowment funds (2020: 987k surplus). A surplus of £1921k (2020: £741k) was recorded after investment gains (2020: losses).

At the year end, the Trust had retained unrestricted funds amounting in total to £7.0m (2020: £7.0m) and retained endowment funds of £21.8m (2020: £20.9m).

QHTC considers that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Trust

are the level of investment return and the performance of investment markets. Nevertheless, in the judgement of QHTC, the Trust's level of reserves and low level of non-discretionary expenditure provide adequate assurance that the Trust is able to continue as a going concern over at least 24 months.

### **Reserves Policy and resources**

As a grant awarding charity, QHT has control of a large part of its future expenditure. The Trust maintains cash and short-term investments to enable it to continue awarding grants in the event of an unexpected drop in income and to provide a buffer in the event of a fall in value of investment assets.

The Trustee has decided that, dependent upon the impact of the Trust's activities, it should aim to hold at least £5m of free unrestricted reserves, an amount approximately equivalent to the value of grants awarded in one year. Free unrestricted reserves at the end of the year were £6.9m (2020: £7.0m). In addition, the Trust had endowment reserves of £21.8m (2020: £20.9m).

Of the resources available to the Trust, fixed asset endowment investments amounting to £9.4m (2020: £8.1m) result from the disposal of an endowment property in a prior year. Under the terms of the trust's governing document, such funds are required to be invested and, accordingly, are available for the purposes of the Trust, subject to that condition. The Trustee understands that "investment" for this purpose could include the purchase of land and buildings.

The Trust's other available resources comprise fixed asset investments £4.5m (2020: £3.6m) and cash, after allowing for current liabilities, of £10.9m (2020: £7.4m). In 2020, the Trust also had current asset investments of £5m, but these converted to cash during 2021. These resources are available for the purposes of the Trust, subject to cash flow constraints, such as those arising from commitments to pay grants to the University and to UWSU in future periods, amounting to £9.7m (2020: £7.4m).

Further consideration of the cash flow implications for the Trust's resources will be required as the Chiswick development referred to above proceeds and if the merger proposal is carried through.

### **Investment Policy**

The aims of QHTC's investment policy are to maintain investments from which the income can be used for the furtherance of the Trust's aims.

The Trust holds investment portfolios with Investec Wealth and Investment Ltd (Investec), with which it agrees a suitable risk profile for the investments in each fund. QHTC has resolved that it does not wish to invest in companies that engage in the arms trade, tobacco, animal exploitation, gambling, pornography or pay-day loans. It also considers long term sustainability important and has asked that this principle is taken into account when the Trust's funds are being invested. The investment policy is kept under review in consultation with Investec.

During the year, the Trust's investment portfolio provided income of £292k (2020: £288k). As reported by Investec, the endowment fixed asset investment produced a total return of 20% (2020: -1.0%) and the unrestricted fixed asset investment produced a total return of 19% (2020: -2.4%), net of fees. The performance of each fund is measured against a bespoke benchmark comprising elements of various indices and interest rates appropriate to the Trust's portfolio. Investec reported that, during the year, the benchmark for the endowment fixed asset investment produced a total return before fees of 15% (2020: -3.3%) and that for the unrestricted fixed asset investment produced a total return of 20% (2020: -6.2%).

### **Management of conflicts of interest**

QHTC maintains a formal conflicts of interest policy. All Trustees complete a declaration of interests and a register of interests is maintained by the secretary and reviewed annually by the Board.

### **Risk management**

QHTC is committed to undertaking a regular review of the significant strategic and operational risks affecting the Trust. A risk management policy was agreed in March 2020 and a risk register is maintained which is reviewed regularly by the Board. Major risks to which the Trust may be exposed include fluctuation in the performance of its investments and the uncertain situation created by the Covid-19 pandemic. Actions taken to mitigate these risks include regular review of investment portfolios to ensure appropriate

levels of risk for investments, in consultation with the fund managers, and maintaining close relationships with the University Vice-Chancellor and other officers.

### **Auditors**

Saffery Champness LLP has indicated its willingness to continue in office and, in accordance with the provisions of the Charities Act 2011, it is proposed that it be re-appointed as auditor to the Trust for the ensuing year.

### **Statement of Trustee's responsibilities in respect of the trustee's annual report and the financial statements**

The Trustee is responsible for preparing the Report of the Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources of the Trust for that period. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the Trust's governing document. The Trustee is 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.

The Trustee is responsible for the maintenance and integrity of the Trust and financial information included on the Trust's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by QHTC and signed on behalf of the Trust

  
.....

William Weston  
Chair, Board of Trustees, QHTC

Date:

7/12/2021.

## **QUINTIN HOGG TRUST**

### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE**

#### **Opinion**

We have audited the financial statements of Quintin Hogg Trust for the year ended 31 July 2021 which comprise the statement of financial activities, balance sheet, statement of cash flows and notes to the financial statements, including 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 31 July 2021 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 Auditor's 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**

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustee with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Trustee's 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 the Trustee**

As explained more fully in the Trustee's Responsibilities Statement set out on page 10 the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee 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 trustee is 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 trustee either intends to liquidate the charity or to cease operations, or has 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustee, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with the trustee and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial

statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the charity's trustee, 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 trustee 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 trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP.

Saffery Champness LLP

Chartered Accountants	71 Queen Victoria Street
Statutory Auditors	London
	EC4V 4BE

Date: 7 December 2021

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

## STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 JULY 2021

		Unrestricted Funds	Endowment Funds	Total Funds 2021	Total Funds 2020
		£	£	£	£
	Note				
<b>INCOME FROM:</b>					
Charitable activities	4	4,750,000	-	4,750,000	4,897,256
Investment income	5	300,861	-	300,861	373,393
Other	6	12,875	-	12,875	1,528,747
<b>TOTAL INCOME</b>		<u>5,063,736</u>	<u>-</u>	<u>5,063,736</u>	<u>6,799,396</u>
<b>EXPENDITURE ON:</b>					
Raising Funds	7	18,017	40,797	58,814	52,641
Charitable activities	8	5,593,882	397,349	5,991,231	5,481,943
Other costs	11	215,948	-	215,948	26,239
<b>TOTAL EXPENDITURE</b>		<u>5,827,847</u>	<u>438,146</u>	<u>6,265,993</u>	<u>5,560,823</u>
<b>NET EXPENDITURE/INCOME BEFORE GAIN/LOSS ON INVESTMENTS</b>		(764,111)	(438,146)	(1,202,257)	1,238,573
Net gains/(losses) on investments	14	<u>701,567</u>	<u>1,359,160</u>	<u>2,060,727</u>	<u>(399,123)</u>
<b>NET MOVEMENT IN FUNDS</b>		(62,544)	921,014	858,470	839,450
<b>RECONCILIATION OF FUNDS</b>					
Total funds brought forward		<u>7,033,461</u>	<u>20,887,619</u>	<u>27,921,080</u>	<u>27,081,630</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>	19	<u>6,970,917</u>	<u>21,808,633</u>	<u>28,779,550</u>	<u>27,921,080</u>

All of the above results derive from the continuing activities of the Trust

There are no gains or losses other than as included above.

The notes on pages 17 to 29 form part of these financial statements

## BALANCE SHEET

AS AT 31 JULY 2021

		2021		2020	
		£	£	£	£
	<b>Note</b>				
<b>FIXED ASSETS</b>					
Tangible assets	<b>12</b>		13,503,055		11,390,481
Investments	<b>13</b>		13,936,705		11,642,540
			<u>27,439,759</u>		<u>23,033,021</u>
<b>CURRENT ASSETS</b>					
Debtors	<b>15</b>	74,094		150,059	
Current asset investments	<b>16</b>	-		5,000,000	
Cash at bank		<u>15,621,106</u>		<u>11,644,193</u>	
		15,695,200		16,794,252	
<b>LIABILITIES</b>					
Creditors falling due within one year	<b>17</b>	<u>(4,680,468)</u>		<u>(4,466,576)</u>	
<b>NET CURRENT ASSETS</b>			11,014,732		12,327,676
Creditors: amounts falling due after more than one year	<b>18</b>		<u>(9,674,941)</u>		<u>(7,439,617)</u>
<b>NET ASSETS</b>			<u>28,779,550</u>		<u>27,921,080</u>
<b>FUNDS</b>					
Endowment funds	<b>19</b>		11,271,175		9,985,113
Endowment revaluation reserve	<b>17</b>		10,537,458		10,902,506
Unrestricted funds	<b>19</b>		<u>6,970,917</u>		<u>7,033,461</u>
			<u>28,779,550</u>		<u>27,921,080</u>

The notes on pages 17 to 28 form part of these financial statements.

Approved by QHTC  
and signed on behalf of the Trust

  
.....

William Weston  
Chair, Board of Trustees, QHTC

Date: 7/12/2021

**STATEMENT OF CASH FLOWS**  
**YEAR ENDED 31 JULY 2021**

	2021		2020	
	£	£	£	£
Cash inflow from operating activities		1,387,110		1,035,006
<b>Cash flows from investing activities</b>				
Reduction (increase) in fixed term cash investments	5,000,000		(2,500,000)	
Interest and investment income	300,862		373,393	
Proceeds from sale of investments	1,654,411		2,200,249	
Purchase of fixed assets	(2,477,622)		(68,856)	
Purchase of investments	(2,068,110)		(2,337,925)	
Cash provided by (used in) investing activities		<u>2,409,542</u>		<u>(2,333,139)</u>
Increase (decrease) in cash and cash equivalents in the year		3,796,652		(1,298,133)
Cash and cash equivalents at the beginning of the year		12,169,809		13,467,942
Total cash and cash equivalents at the end of the year		<u><u>15,966,461</u></u>		<u><u>12,169,809</u></u>

See notes to the cash flow on the next page.

The notes on pages 17 to 28 form part of these financial statements.

**Notes to the cash flow statement**

**Reconciliation of Net Income to Net Cash Flow from Operating Activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net movement in funds for the year	858,470	839,450
Interest and investment income receivable	(300,861)	(373,393)
Depreciation and amortisation	365,048	454,286
(Gains)/ losses on investments	(2,060,727)	399,123
Decrease/(increase) in debtors	75,965	(112,223)
Increase/(decrease)/ in creditors	2,449,215	(172,237)
	<u>1,387,110</u>	<u>1,035,006</u>

**Analysis of Cash and Cash Equivalents**

Cash at bank and in hand	15,621,105	11,644,193
Cash held by investment managers	<u>345,356</u>	<u>525,616</u>
	<u>15,966,461</u>	<u>12,169,809</u>

The Trust has no overdrafts, loans or finance lease obligations

**Analysis of change in net debt**

	<b>01 Aug 2020</b>	<b>Cash flows</b>	<b>31 Jul 2021</b>
Cash at bank and in hand	11,644,193	3,976,912	15,621,105
Cash held by investment managers	<u>525,616</u>	<u>(180,260)</u>	<u>345,356</u>
Cash	<u>12,169,809</u>	<u>3,796,652</u>	<u>15,966,461</u>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **YEAR ENDED 31 JULY 2021**

#### **1. TRUST STATUS**

The Trust was registered as a charity on 11 April 1990.

#### **2. BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The 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), and the Charities Act 2011. The Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following 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), rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

#### **Going concern basis**

QHTC considers that there are no material uncertainties about the Trust's ability to continue as a going concern. The most significant areas of uncertainty that affect the carrying value of assets held by the Trust are the level of investment return and the performance of investment markets. Nevertheless, in the judgement of QHTC, the Trust's level of unrestricted reserves and low level of non-discretionary expenditure provide adequate assurance that the Trust is able to continue as a going concern for at least 24 months.

#### **ACCOUNTING POLICIES**

##### **Income Tax and Corporation Tax**

The Trust is a registered charity and is not liable to income tax to the extent that income and gains are applied exclusively to charitable activities.

Amounts of expenditure are shown including irrecoverable VAT, where appropriate.

##### **Fund Accounting**

The Trust maintains two types of fund:

- Permanent Endowment Funds – where the capital needs to be held indefinitely. Income arising from the capital is treated as an addition to unrestricted funds.
- Unrestricted Funds – where the funds are available for use at the discretion of the Trustee in furtherance of the objectives of the Trust.

Further details of the nature and purpose of each fund are set out in Note 19 to the Financial Statements.

## **Income**

All incoming resources are included in the Statement of Financial Activities when the Trust is entitled to the income and the amounts can be quantified with reasonable accuracy.

Rental income from property is recognised in the Statement of Financial Activities based on income receivable under the terms of the lease for the year in question, calculated on a straight-line basis.

Income from listed investments is recognised when the amount can be measured reliably by the Trust. This is normally upon notification by the investment advisor of the yield of the investment portfolio. Interest on cash funds and fixed interest investments is recognised, where material, on an accruals basis, and calculated when the amount can be measured reliably by the Trust; this is normally upon notification of the interest income by the bank or investment advisor.

## **Expenditure**

All expenditure is accounted for on an accruals basis. Expenditure on raising funds is those costs directly attributable to managing the investment portfolio and raising investment income.

Expenditure on charitable activities is grant funding costs and relevant overhead and support costs.

Governance costs comprise all costs involved in the public accountability of the Trust and its compliance with regulation and good practice. These costs include costs relating to statutory audit. Governance and support costs are allocated between endowment and unrestricted funds on the basis of the nature of the underlying item.

## **Fixed asset investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date. The fair value of equity investments is measured using the closing quoted market price.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised and unrealised investment gains/losses are combined on the Statement of Financial Activities. The Fund does not hold options, derivatives or other complex financial instruments.

## **Financial instruments**

The Trust has financial assets and financial liabilities of a kind that qualify only as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value, with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. The Trust did not have any bank loans in the current financial period.

## **Tangible fixed assets and depreciation**

Tangible fixed assets are held at cost/deemed cost less accumulated depreciation, less any impairment where applicable.

The long leasehold property at 307-311 Regent Street in which the Trust has a beneficial interest was revalued at 31 July 1995. The basis of valuation was open market value. The other long leasehold properties in which the Trust has a beneficial interest were revalued in 1991. The basis of valuation was open market value. On transition to FRS102, the then Trustees elected to carry long leasehold property at deemed cost based on these valuations.

While no valuation of properties has been carried out in recent years, the Trustee believes that their current value is significantly in excess of the amounts at which they are shown in the balance sheet.

A review for impairment of fixed assets is carried out if events or changes in circumstances indicate that the carrying amount of the fixed assets may not be recoverable.

Depreciation is provided on all tangible assets on cost or revalued amounts in equal instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Freehold land	Not depreciated
Leasehold buildings	2% per year
Leasehold improvements	Amortised over the shorter of their useful economic life and the remaining term of the lease by equal instalments

Costs associated with fixed assets under construction, or to be constructed, are capitalised once planning permission has been given and the decision to proceed has been made. Assets under construction are not depreciated until they are brought into use.

### Leases

Leases in which the Trust assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY AREAS OF UNCERTAINTY

Judgements and estimations are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In making these estimates the Trustee makes assumptions concerning the future.

The judgements and estimations that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### Fixed Asset investments

The main form of financial risk faced by the Trust is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in the market's disposition towards equities within particular sectors or sub-sectors. Fixed asset investments are held at valuation and both unrealised and realised gains are taken to the statement of financial activities.

## 4. INCOME FROM CHARITABLE ACTIVITIES

	Total Funds 2021 £	Total Funds 2020 £
<u>Unrestricted</u>		
Rent receivable	4,750,000	4,897,256
	<u>4,750,000</u>	<u>4,897,256</u>

## 5. INVESTMENT INCOME

	Total Funds 2021 £	Total Funds 2021 £
<u>Unrestricted</u>		
Dividends - equities	198,809	214,621
Interest - fixed interest securities	90,376	77,486
Interest on cash deposits	11,676	81,286
	<u>300,861</u>	<u>373,393</u>

## 6. OTHER INCOME

Other income in 2020 included a receipt of £1,518,750 in respect of rights granted to facilitate a property development adjacent to one of its properties. There was no equivalent in 2021. Other income in 2021 relates to the write-back of a historical rent deposit.

## 7. COSTS OF RAISING FUNDS

	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £
<u>Unrestricted</u>			
Investec Wealth & Investment Limited	18,017	40,797	58,814
	<u>18,017</u>	<u>40,797</u>	<u>58,814</u>

2020	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
<u>Unrestricted</u>			
Investec Wealth & Investment Limited	14,863	37,778	52,641
	<u>14,863</u>	<u>37,778</u>	<u>52,641</u>

## 8. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £
Grants awarded	5,835,247	-	5,835,247
Grants awarded in earlier years but not taken up	(374,533)	-	(374,533)
Net value of grants awarded	5,460,714	-	5,460,714
Support and Governance costs	133,168	397,349	530,516
	<u>5,593,882</u>	<u>397,349</u>	<u>5,991,231</u>

Grants awarded were payable to the University of Westminster and to the University of Westminster Students' Union.

**COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE (continued)**

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
<u>2020</u>			
Grants awarded	5,664,125	-	5,664,125
Grants awarded in earlier years but not taken up	(815,421)	-	(815,421)
Net value of grants awarded	4,848,704	-	4,848,704
Support and Governance costs	139,728	493,512	633,240
	<u>4,988,431</u>	<u>493,512</u>	<u>5,481,943</u>

**COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE**

	Grant funded activity £	Support and governance costs £	Total Funds 2021 £
Direct support of students	2,238,893	217,512	2,456,405
Indirect support of students	1,529,000	148,545	1,677,545
Refurbishment and equipment	928,321	90,188	1,018,509
Curriculum and subject development	709,893	68,967	778,859
Other activities	54,607	5,305	59,912
	<u>5,460,714</u>	<u>530,516</u>	<u>5,991,230</u>

	Grant funded activity £	Support and governance costs £	Total Funds 2020 £
<u>2020</u>			
Direct support of students	1,987,968	259,628	2,247,597
Indirect support of students	1,357,637	177,307	1,534,944
Refurbishment and equipment	824,280	107,651	931,930
Curriculum and subject development	630,331	82,321	712,652
Other activities	48,487	6,332	54,819
	<u>4,848,704</u>	<u>633,240</u>	<u>5,481,943</u>

## COSTS OF CHARITABLE ACTIVITIES (continued)

### SUPPORT AND GOVERNANCE COSTS

	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £
<b>SUPPORT COSTS</b>			
Legal and professional fees	97,661	32,301	129,962
Salaries	12,210	-	12,210
Rent and rates	2,680	-	2,680
Other expenditure	10,439	-	10,439
Depreciation	-	365,048	365,048
<b>GOVERNANCE COSTS</b>			
Audit Fees	10,140	-	10,140
Other governance costs	-	-	-
Trustee Meetings	38	-	38
	<u>133,168</u>	<u>397,349</u>	<u>530,516</u>

<u>2020</u>	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
<b>SUPPORT COSTS</b>			
Legal and professional fees	109,092	39,226	148,318
Rent and rates	2,680	-	2,680
Other expenditure	11,813	-	11,813
Depreciation	-	454,286	454,286
<b>GOVERNANCE COSTS</b>			
Audit Fees	11,440	-	11,440
Other governance costs	3,900	-	3,900
Trustee Meetings	803	-	803
	<u>139,728</u>	<u>493,512</u>	<u>633,240</u>

## 9. STAFF COSTS AND EMPLOYEE BENEFITS

The Trust had one employee during the year (2020: *no employees*). No employee received employee benefits of more than £60,000. Expenditure on salaries was £12,210 (2020: *£nil*). There were no social security or pension costs.

## 10. EMOLUMENTS OF TRUSTEES

The key management personnel are the Trustees of Quintin Hogg Trustee Company (QHTC). During the year, the Trustees did not receive any emoluments (2020: *nil*). One (2020: *four*) of QHTC's Trustees was reimbursed travel and miscellaneous expenses of £38 in connection with their duties (2020: *£803*).

## 11. OTHER COSTS

	Total Funds 2021 £	Total Funds 2020 £
Development costs:		
Development of Chiswick site	215,948	26,239
	<u>215,948</u>	<u>26,239</u>

Development costs of the Chiswick site in 2021 include £100k in VAT relating to earlier years' expenditure. This was assumed to be recoverable in last year's accounts, but is included as a cost in 2021.

## 12. TANGIBLE FIXED ASSETS

	Assets under construction	Freehold land	Long leasehold	Improvements to leasehold	Total
	£	£	£	£	£
<b>Cost/valuation</b>					
At 1 August 2020	68,856	5,145	18,400,000	5,787,585	24,261,586
Additions	2,477,622	-	-	-	2,477,622
Disposals	-	-	-	-	-
At 31 July 2021	<u>2,546,478</u>	<u>5,145</u>	<u>18,400,000</u>	<u>5,787,585</u>	<u>26,739,208</u>
<b>Depreciation</b>					
At 1 August 2020	-	-	7,083,520	5,787,585	12,871,105
Charge for year	-	-	365,048	-	365,048
Disposals	-	-	-	-	-
At 31 July 2021	<u>-</u>	<u>-</u>	<u>7,448,568</u>	<u>5,787,585</u>	<u>13,236,153</u>
<b>Net Book Value</b>					
At 31 July 2021	<u>2,546,478</u>	<u>5,145</u>	<u>10,951,432</u>	<u>-</u>	<u>13,503,055</u>
At 31 July 2020	<u>68,856</u>	<u>5,145</u>	<u>11,316,480</u>	<u>-</u>	<u>11,390,481</u>

All assets are used for charitable activities.

### 13. FIXED ASSET INVESTMENTS

#### Movement in fixed asset listed investments

	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Market value at 1 August	3,556,835	8,085,705	11,642,540	11,805,582
Acquisitions at cost	850,072	1,218,036	2,068,109	2,337,923
Disposal proceeds	(412,482)	(1,241,929)	(1,654,411)	(2,200,160)
Movement on cash	(163,356)	(16,904)	(180,260)	98,318
Revaluation gains (loss)	701,567	1,359,160	2,060,727	(399,123)
Market value at 31 July	<u>4,532,636</u>	<u>9,404,068</u>	<u>13,936,705</u>	<u>11,642,540</u>

#### Investments at fair value comprised:

	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Fixed interest securities	360,305	1,908,617	2,268,922	2,297,421
Equities	3,623,658	6,236,473	9,860,131	7,596,054
Alternative assets - property	361,655	1,100,642	1,462,297	1,223,449
Cash	187,020	158,335	345,355	525,616
	<u>4,532,638</u>	<u>9,404,067</u>	<u>13,936,705</u>	<u>11,642,540</u>

### 14. GAIN/LOSS ON INVESTMENT ASSETS

	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £
Gain (Loss) on fixed asset investments held by Investec	701,657	1,359,160	2,060,727
	<u>701,657</u>	<u>1,359,160</u>	<u>2,060,727</u>

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
Gain (Loss) on fixed asset investments held by Investec	(153,153)	(245,970)	(399,123)
	<u>(153,153)</u>	<u>(245,970)</u>	<u>(399,123)</u>

### 15. DEBTORS

	Total Funds 2021 £	Total Funds 2020 £
Other debtors	-	79,096
Quintin Hogg Memorial Fund	9,686	-
Prepayments & accrued income	64,408	70,963
	<u>74,094</u>	<u>150,059</u>

## 16. CURRENT ASSET INVESTMENTS

	Total Funds 2021 £	Total Funds 2020 £
Short term cash deposits	-	5,000,000
	<u>-</u>	<u>5,000,000</u>

## 17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
University of Westminster - rent received in advance	676,712	676,712
Accounts payable	406,407	29,639
Taxation and social security	35,184	-
Other creditors	-	12,875
Quintin Hogg Memorial Fund - re development costs	-	6,555
Grants payable to University of Westminster	3,292,618	3,717,853
Other accruals and deferred income	269,547	22,942
	<u>4,680,468</u>	<u>4,466,576</u>

In both years, all deferred income relates to the subsequent financial year.

## 18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Total Funds 2021 £	Total Funds 2020 £
Grants payable to University of Westminster	9,674,941	7,439,617
	<u>9,674,941</u>	<u>7,439,617</u>

## 19. MOVEMENT ON CHARITABLE FUNDS

	Balance at 1 Aug 2020 £	Income £	Expenditure £	Gains and losses £	Balance at 31 Jul 2021 £
Endowment Funds	20,887,619	-	(438,146)	1,359,160	21,808,633
Unrestricted Funds	7,033,461	5,063,736	(5,827,847)	701,567	6,970,917
Total Funds	<u>27,921,080</u>	<u>5,063,736</u>	<u>(6,265,993)</u>	<u>2,060,727</u>	<u>28,779,550</u>

The endowment fund includes £10,537,458 (2020: £10,902,506) in relation to the revaluation reserve, other elements being £11,271,175 (2020: £9,985,113).

### Movement on Funds 2019-20

	Balance at 1 Aug 2019 £	Income £	Expenditure £	Gains and losses £	Balance at 31 Jul 2020 £
Endowment Funds	20,146,129	1,518,750	(531,290)	(245,970)	20,887,619
Unrestricted Funds	6,935,501	5,280,646	(5,029,533)	(153,153)	7,033,461
Total Funds	<u>27,081,630</u>	<u>6,799,396</u>	<u>(5,560,823)</u>	<u>(399,123)</u>	<u>27,921,080</u>

The permanent endowment comprises (i) London properties that are made available to the University of Westminster, (ii) the proceeds of the sale of a property that have been invested and (iii) the amount received in respect of rights granted over one of the properties, the income from all of which is used for the general purposes of the Trust.

### 19a Analysis of net assets between funds

	Endowment Fund £	Unrestricted fund £	Total Funds 2021 £
Fixed assets - Land	5,145	-	5,145
Fixed assets - Buildings	10,951,432	-	10,951,432
Fixed assets - under construction	2,546,478	-	2,546,478
Investments	9,404,068	4,532,636	13,936,705
Net current assets/liabilities	(1,098,490)	12,113,222	11,014,732
Creditors due after one year	-	(9,674,941)	(9,674,941)
	<u>21,808,633</u>	<u>6,970,917</u>	<u>28,779,550</u>

<u>2020</u>	Endowment Fund £	Unrestricted fund £	Total Funds 2020 £
Fixed assets - Land	5,145	-	5,145
Fixed assets - Buildings	11,316,480	-	11,316,480
Fixed assets - under construction	68,856	-	68,856
Investments	8,085,705	3,556,836	11,642,541
Net current assets/liabilities	1,411,433	10,916,242	12,327,675
Creditors due after one year	-	(7,439,617)	(7,439,617)
	<u>20,887,619</u>	<u>7,033,461</u>	<u>27,921,080</u>

## 20. FINANCIAL COMMITMENTS

### Operating leases

At 31 July 2021 and 2020 the Trust was committed to paying £1,100 per year in respect of operating leases which expire in 2919 and 2933.

### Capital commitments

At 31 July 2021, the Trust was committed to paying £298,463 in respect of the remaining balance on a contract to deliver the Chiswick project capital works (2020: no capital commitments).

## 21. RENT RECEIPTS FROM NON-CANCELLABLE LEASES

At 31 July 2021, lease agreements were in place with the University of Westminster for four central London properties.

The minimum rent receipts under the terms of the operating leases are as follows:

	2021 £	2020 £
Receivable within:		
One year	4,750,000	4,750,000
Two to five years	19,013,014	19,013,014
Greater than five years	75,557,533	80,307,533
	<u>99,320,547</u>	<u>104,070,547</u>

## 22. RELATED PARTY TRANSACTIONS

QHT is related to one other separate charitable trust, QHMF. These two Trusts have the same Trustee and therefore common control exists. The material transactions between QHT and QHMF during the year were as follows:

	2021 £	2020 £
Transactions during the year:		
Expenditure on development costs incurred by QHMF	(43,104)	(67,699)
Income from development costs recharged to QHMF	660	65,032
Income from disbursements	-	9,994
Income from QHMF's element of shared costs	23,563	24,671
Total during the year	<u>(18,881)</u>	<u>31,998</u>
Amounts due from Quintin Hogg Memorial Fund:		
Debtor for Quintin Hogg Memorial Fund's share of development costs incurred by QHT*	8,250	(6,555)
Debtor for other costs incurred by QHT but relating to QHMF	1,436	2,723
Total	<u>9,686</u>	<u>(3,832)</u>

\*In 2020, a net amount of £6,555 was due to (rather than due from) the Quintin Hogg Memorial Fund

There are no other related party transactions that require disclosure.

## 23. FINANCIAL INSTRUMENTS

	2021 £	2020 £
<b>Financial assets measured at fair value</b>		
Investments	13,591,349	11,116,924

## 24. STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 JULY 2020

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
Charitable activities	4,897,256	-	4,897,256
Investment income	373,393	-	373,393
Other	9,997	1,518,750	1,528,747
<b>TOTAL INCOME</b>	<u>5,280,646</u>	<u>1,518,750</u>	<u>6,799,396</u>
<b>EXPENDITURE ON:</b>			
Raising Funds	14,863	37,778	52,641
Charitable activities	4,988,431	493,512	5,481,943
Other costs	26,239	-	26,239
<b>TOTAL EXPENDITURE</b>	<u>5,029,533</u>	<u>531,290</u>	<u>5,560,823</u>
<b>NET INCOME BEFORE GAIN/LOSS ON INVESTMENTS</b>	251,113	987,460	1,238,573
Net (losses)/gains on investments	(153,153)	(245,970)	(399,123)
<b>NET MOVEMENT IN FUNDS</b>	<u>97,960</u>	<u>741,490</u>	<u>839,450</u>
<b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	6,935,501	20,146,129	27,081,630
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>7,033,461</u>	<u>20,887,619</u>	<u>27,921,080</u>

## 25. ULTIMATE CONTROLLING PARTY

The ultimate controlling party of the Trust is Quintin Hogg Trustee Company.