

QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED

(A Company Limited by Guarantee)

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Registered Charity No: 1152032
Registered Company No: 08339899 (England & Wales)

Azets Audit Services
Greytown House
221 – 227 High Street
Orpington
Kent
BR6 0NZ

CONTENTS

	Page
Company Information	1
Chairman's Report	2
Report of the Trustees	3
Independent Auditor's Report	8
Consolidated Statement of the Financial Activities	11
Consolidated and Charity Balance Sheets	13
Statement of Consolidated Cash Flows	14
Notes to the financial statements	15

QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED
(Company Limited by Guarantee)

COMPANY INFORMATION

Trustees

M Henderson
Prof S Macleod
I Maclean MBE
Dr N Morgan
D Carre
J Hosseini (k/a J Smith)
P Ting

Key management

D Pocock LVO – CEO
Trustees (as above)

Principal Office

1 Buckingham Place
London
SW1E 6HR

Registered Charity Number

1152032

Company Registration Number

08339899

Independent Auditors

Azets Audit Services
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Solicitors

Farrer & Co
66 Lincoln's Inn Fields
London WC2A 3LH

Investment Portfolio Manager

Cazenove Capital Management
12 Moorgate
London
EC2R 6DA

CHAIRMAN'S REPORT

Due to the Covid-19 pandemic, 2020, our 30th anniversary year, was not quite as we expected it to be but, nevertheless, we were still able to grant 37 awards, totalling £309,992, bringing the Charity's total giving since 1990 to almost £5 million. As ever, the incredibly talented group of people who received funding in 2020 represented a diverse range of craft skills and backgrounds; from dry-stone walling; to bookbinding, musical instrument making, blacksmithing, globe making and enamelling to name a few. Our collaboration with the Prince's Foundation on a joint Building Arts Programme – to which we contributed £86,306 - was also able to continue, with eight students exploring the interdisciplinary nature of architecture, traditional craft skills and the decorative and applied arts and how these practices and trades inform the built environment.

Whilst the impact of the pandemic meant that we were unable to hold our Annual Fundraising Dinner in our anniversary year; or present the work of our latest cohort of Scholars at the Royal Warrant Holders Association Annual Luncheon, we did celebrate the achievements of Andrian Melka, Sculptor, who won the QEST Award for Excellence, sponsored by Thomas Fattorini. Prior to the first lock-down in February 2020 we also, for the first time, took part in Collect – the international art fair for modern craft and design; as well as taking part in London Craft Week in September.

Whilst, inevitably, the impact of Covid-19 has and is likely to continue to affect our Charity (and therefore, the number of awards that we may be able to make in the coming year) - our fundamental and core mission of supporting excellence in British craftsmanship – investing in training and education - through the granting of Scholarships and Apprenticeships does not change. It is the intention, going forward, to draw-down up to 4% of investments each year (subject to performance) for special projects such as the Prince's Foundation/QEST programme and/or additional Scholarships or Apprenticeships.

We are extremely grateful to all our supporters – more than ever - who have made it possible for us to continue our important work in sustaining essential craft skills.

Mark Henderson
Chairman

REPORT OF THE TRUSTEES

The Trustees, who are also directors for the purposes of company law, present their report and the financial statements of the company for the year ended 31 December 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charity's trust deed, the Charities Act 2011 and 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 published on 16 July 2014 updated for bulletin 1&2.

OBJECTIVES AND ACTIVITIES

Objectives and Aims

The main objective of the Trust is to support the training and education of talented and aspiring craftspeople in the United Kingdom through traditional college courses, vocational training or one-on-one training with master craftsmen. QEST grants Scholarships and Apprenticeships in a wide variety of skills in both contemporary and traditional crafts, thus sustaining excellence in British craftsmanship.

Public Benefit

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 aim and objectives and in planning future activities and setting the grant making policy for the year.

Grant making

The Grant Policy of the Trust is to fund the education and training activities in the field of craftsmanship. Scholarships and Apprenticeships are open to talented craftspeople from across the UK regardless of socio-economic background, age, race, gender, sexual orientation, religion, nationality or disability.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Charitable Activities

Since 1990 QEST has granted almost £5 million to 600 talented craftspeople in around 130 different skills for their education and training in their chosen craft skill, many of whom would have been unable to complete their studies or training due to insufficient finances at a crucial time in their career.

During the year £309,992(2019: £413,008) of Scholarships and Apprenticeships were awarded.

QEST remains committed to supporting the training and education of talented and aspiring craftspeople helping to sustain vital skills in traditional and contemporary crafts; striving to fund those that show the excellence and drive to become leaders in their field and looking to support those whom could not otherwise pursue their training or career. This is just a few of the beneficiaries' comments:

- Sarah Baldi, QEST William Parker Scholar "This is one of the biggest honours of my life. I am really happy and grateful; I thank you with all my heart. This is a dream that comes true!"
- Rachel Spelling, QEST Sanderson Design Co. Scholar "Having worked alone for many years, I instantly felt the benefits, as much psychological as practical, of being part of the QEST family. The support, the feeling that other people have confidence in, and respect for, my craft, and the opportunity to ask other QEST scholars for practical, informal advice have all had a very positive impact on me and my work."
- Bex Simon, QEST Howdens Scholar "The Scholarship gave me a broader understanding on how to mix the ancient beauty of Islamic art with traditional blacksmithing techniques and contemporary metalwork design, from which I have developed a body of sculptural wall art and public commissions."

QEST Enterprises Ltd was incorporated to enable commercial activity in the form of Special Edition Products. These items were produced by companies enabling them to display the QEST logo, in return for a donation and/or percentage of sales to QEST.

REPORT OF THE TRUSTEES

Financial Review

During the year the group raised funds totalling £660,817 (2019: £909,712), expenditure totalled £817,900 (2019: £1,104,090) with a net gain on investment of £19,154 (2019: £269,661 gain). This resulted in a net deficit of £137,928 (2019: £75,283 surplus).

The Charity raised funds totalling £665,030 (2019: £883,867), expenditure totalled £815,951 (2019: £1,097,969) with a net gain on investment of £19,154 (2019: £269,661 gain). This resulted in a net deficit of £131,767 (2019: £55,559 surplus).

The wholly owned subsidiary QEST Enterprises Ltd had turnover of £15,512 (2019: £25,845) and expenditure totalled £1,949 (2019: £6,121). The gift aid payment paid to QEST during the year totalled £19,725 (2019: £10,969). This resulted in loss before tax for the year of £6,162 (2019: £8,755).

The fund balances carried forward for the group at 31 December 2020 were £5,342,120 (2019: £5,480,049).

Reserves Policy

The Charity aims to maintain unrestricted funds in perpetuity and at a level that will provide income for the Charity's sustainable and long-term future.

Included in designated funds are the fixed assets and the investment funds. The property asset is not available to spend as the Charity operates on its premises and earned rent is used for the operating activities. Designated funds at 31 December 2020 were £4,258,000 (2019: £4,366,854). This decrease is due to £7,000 depreciation on the property asset, plus £24,000 towards The Queen's Bindery Apprenticeship (now ceased); £86,306 on the Prince's Foundation/QEST Building Arts Programme; and a reallocation to unrestricted reserves.

The Trustees have established a prudent stance of ensuring the investment fund is maintained in perpetuity and at a level that will generate income sufficient to contribute to the ongoing operating and charitable activities. It is the policy of the Charity that unrestricted funds may be made available for any emergency/crisis situation and to support the ongoing Scholarship and Apprenticeship programme at a level equivalent to eighteen months' operating expenditure excluding events and special project costs being £522,000 (2019: £725,000). Unrestricted funds at 31 December 2020 were £440,194 (2019: £548,907).

Restricted funds at 31 December 2020 were £630,347 (2019: £544,547).

QEST Enterprises Ltd non charitable funds at 31 December 2020 were £13,579 (2019: £19,741).

The Reserves Policy will be reviewed on an annual basis.

Investment Policy

The investment fund was managed independently by Cazenove Capital Management throughout the year.

There are no restrictions on the Trust's power to invest. The overall strategy within which the Fund Manager operates is to maximise total return whilst meeting the income requirements agreed annually with the Trustees. Capital appreciation is expected to be no less, and ideally substantially better, than inflation over the long-term. Asset allocation is agreed during regular meetings between the Finance Sub-Committee and the Fund Manager.

The strategy is reviewed annually with the Fund Manager.

Plans for future periods

The Trust aims to continue to award Scholarships and Apprenticeships in line with the governing documents. However, the Trustees are mindful of the circumstances and impact on the Covid-19 pandemic and this is commented on further in the Going Concern note on pages 6 and 16.

REPORT OF THE TRUSTEES

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Queen Elizabeth Scholarship Trust (the Trust) is a company limited by guarantee, and not having any share capital. The Charity is governed by its Articles of Association and was incorporated on 21 December 2012. The Articles of Association were updated and approved by the Trustees on 5 May 2020.

The Trust commenced operations on 1 September 2013 when the Queen Elizabeth Scholarship Trust, a registered Charity (No: 0802557), transferred its funds to the Queen Elizabeth Scholarship Trust Limited under a transfer agreement dated 30 July 2013.

Trustees of the Charity

The Directors of the charitable company are its Trustees for the purposes of Charity law. The Trustees who have served during the year and since the year end were as follows:

D Carre	
N Crean	resigned May 2020
A McQuin	resigned February 2020
M Henderson (Chairman)	
J Hosseini k/a J Smith	appointed February 2020
M Ingle	resigned March 2020
I Maclean MBE (Honorary Treasurer)	appointed May 2020
Prof. S Macleod (Deputy Chairman)	
Dr N Morgan	
P Ting	

Unless otherwise determined by Ordinary Resolution the maximum number of Trustees shall be twelve and the minimum number shall be seven. A Trustee may not appoint an alternate director or anyone to act on their behalf at meetings of the Trustees.

Any grantee, or senior employee of a Royal Warrant-holding company, or QEST Alumni, who is willing to act as a Trustee, and is permitted by law to do so, may be appointed to be a Trustee:

- by Ordinary Resolution; or
- by a simple majority of all the Trustees entitled to attend and vote at any meeting of the Trustees.

Trustees may from time to time co-opt up to three persons who are not from Royal Warrant-holding companies but who are willing to act as Trustees, and are permitted by law to do so, to be Trustees.

Subject to Articles 24 and 25 of the Articles of Association a Trustee shall hold office until his retirement in accordance with Article 26. A Trustee shall be appointed for a term of three years, at the end of which time they shall retire. A person retiring, or who has retired, from the office of Trustee shall be eligible for re-election. No Trustee shall serve for a period of more than six years save with the unanimous approval of the Trustees, who, in exceptional circumstances, may approve a further extension of up to three years.

Trustees shall meet formally at least three times a year.

Membership

All Trustees by agreeing to become a Trustee, agree to become a Member of the Charity and accordingly shall be admitted to membership of the Charity on their appointment as Trustee. No-one other than a Trustee shall be admitted to Membership.

Membership is terminated if

- the Member dies or organisation ceases to exist;
- the Member retires by written notice to the Charity provided that after such retirement the number of Members is not less than seven;

REPORT OF THE TRUSTEES

- any sum due from the Member to the Charity has been wholly or partly outstanding for at least six months and the Charity serves notice in writing on the Member terminating the membership.
- the Member is removed from membership by a resolution of the Trustees that it is in the best interest of the Charity that their membership is terminated.
- In the case of a Trustee of the Charity, the Member ceases to be a Trustee.

Key management personnel remuneration

The Trustees consider the board of Trustees and the CEO as comprising the key management personnel of the Charity in charge of directing and controlling the Charity and running and operating the Charity on a day to day basis. All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses and related party transactions are disclosed in notes 11 & 23 to the accounts.

Trustees are required to disclose all relevant interests and register them with the CEO and in accordance with the Trust's policy; and withdraw from decisions where a conflict of interest arises.

The pay of the Charity's CEO is reviewed annually and normally increased in accordance with average earnings. The remuneration is also bench-marked with grant-making charities of a similar size and activity to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

Risk Management

The Trustees have considered the risks faced by the Charity and have put in place systems to manage them, which they monitor. In addition, the CEO (with the Finance Sub-committee) undertakes an annual risk assessment (and review of the Risk Register) and presents this for consideration to the Trustees following which the Charity amends systems/processes as necessary.

The Trustees consider the following to be the principal risks that the Charity faces:

- Major loss of income from donors or investments – risk mitigated by maintaining good donor stewardship and due diligence of new donors; developing and building an effective fundraising plan; regularly reviewing the investment strategy and monitoring of finances.
- Reputational damage – risk mitigated by a comprehensive communications plan both internally and externally; maintaining good working relationships with all appropriate parties

Covid-19 and going concern

The financial statements have been prepared on a going concern basis. The Trustees recognise the continuing uncertainties surrounding the Covid-19 pandemic which may affect the value of the Charity's assets, its ability to raise funds and, therefore, its ability to make awards. However, they believe that the Charity is relatively well-placed to weather any on-going impact and have considered the level of funds held; the expected level of income and expenditure for 12 months prior to authorising these financial statements. They consider that with the level of reserves, the Charity is able to continue as a going concern.

Statement of Trustees' Responsibilities

The Trustees (who are also directors of the Queen Elizabeth Scholarship Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

REPORT OF THE TRUSTEES

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102) ;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that 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.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor's change of name

On 7 September 2020 Group Audit Service Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

Approved by the Board and signed on their behalf:



M Henderson
Chairman

Date: 6 May 2021

INDEPENDENT AUDITORS REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of the Queen Elizabeth Scholarship Trust Limited (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Statement of Consolidated Cash Flows 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).

This report is made solely to the charitable company's Trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations. Our audit work has been undertaken so that we might state to the charitable company's 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 charitable company and the charitable company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 December 2020, and of the group's incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006 and 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 group and parent charitable company 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 directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;

INDEPENDENT AUDITORS REPORT TO THE MEMBERS

- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of noncompliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the Trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Trustees' report.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 6, the Trustees (who are also the directors of the charitable company for the purposes of company law) are 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 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 group's and parent charitable company'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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 auditor's 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 auditor's report.

This report is made solely to the Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited

Michelle Wilkes (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Statutory Auditor
Greytown House
221-227 High Street
Orpington
Kent
BR6 0NZ

Date: 7 May 2021

QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED
(Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted funds £	Restricted Fund £	Total 2020 £	Total 2019 £
Income from:					
Donations	2	52,687	371,376	424,063	654,632
Investments	3	216,971	-	216,971	229,235
Other trading activities	4	15,512	-	15,512	25,845
Other income		4,271	-	4,271	-
Total income		289,441	371,376	660,817	909,712
Expenditure on:					
Raising funds	6	211,560	-	211,560	407,370
Charitable activities	7	318,815	285,576	604,391	690,599
Trading operations	4	1,949	-	1,949	6,121
Total expenditure	5	532,324	285,576	817,900	1,104,090
Net expenditure and net movement in funds before gains and losses on investments		(242,883)	85,800	(157,083)	(194,378)
Net gains / (losses) on investments	14	19,154	-	19,154	269,661
Net movement in funds		(223,729)	85,800	(137,928)	75,283
Total funds at 1 January 2020		4,935,502	544,547	5,480,049	5,404,766
Total funds at 31 December 2020		4,711,773	630,347	5,342,120	5,480,049

All transactions are derived from continuing activities.

All recognised gains and losses are included in the Statement of Financial Activities.

QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED
(Company Limited by Guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 DECEMBER 2020

Comparative year information Year ended 31 December 2019	Note	Unrestricted funds £	Restricted Fund £	Total 2019 £
Income from:				
Donations	2	365,774	288,858	654,632
Investments	3	229,235	-	229,235
Other trading activities	4	25,845	-	25,845
Total income		620,854	288,858	909,712
Expenditure on:				
Raising funds	6	80,119	327,251	407,370
Charitable activities	7	690,599	-	690,599
Trading operations	4	6,121	-	6,121
Total expenditure	5	776,839	327,251	1,104,090
Net expenditure and net movement in funds before gains and losses on investments		(155,985)	(38,393)	(194,378)
Net gains / (losses) on investments	14	269,661	-	269,661
Net movement in funds		113,676	(38,393)	75,283
Total funds at 1 January 2019		4,821,826	582,940	5,404,766
Total funds at 31 December 2019		4,935,502	544,547	5,480,049

QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED
(Company Limited by Guarantee)

CONSOLIDATED BALANCE SHEET

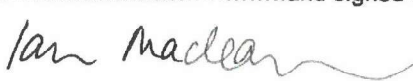
AS AT 31 DECEMBER 2020

REGISTERED COMPANY NUMBER: 08339899

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets					
Tangible assets	13	2,758,000	2,765,000	2,758,000	2,765,000
Investments	14	2,344,370	2,385,412	2,344,371	2,385,413
Current assets		5,102,370	5,150,412	5,102,371	5,150,413
Debtors	15	299,644	450,334	298,506	427,410
Cash at bank and in hand		626,321	336,880	609,911	336,784
		925,965	787,214	908,417	764,194
Creditors: Amounts falling due within one year	16	(686,215)	(457,577)	(682,247)	(454,299)
Net current assets		239,750	329,637	226,170	309,895
Net assets		5,342,120	5,480,049	5,328,541	5,460,308
Funds					
Designated funds	20	4,258,000	4,366,854	4,258,000	4,366,854
Unrestricted funds		440,194	548,907	440,194	548,907
Restricted funds	19	630,347	544,547	630,347	544,547
Non-charitable funds		13,579	19,741	-	-
	21	5,342,120	5,480,049	5,328,541	5,460,308

Approved by the Board of Trustees on 6 May 2021 and signed on their behalf by:


M Henderson
Chairman


I Maclean MBE
Treasurer

QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED
(Company Limited by Guarantee)

STATEMENT OF CONSOLIDATED CASH FLOWS

YEAR ENDED 31 DECEMBER 2020

	Notes	Group 2020 £	Group 2019 £
Cash flow from operating activities	24	12,274	(511,568)
Net cash flow from operating activities		12,274	(511,568)
Cash flow from investing activities			
Payments to acquire investments		(1,310,905)	(926,235)
Receipts from sales of investments		1,458,317	929,134
Decrease / (Increase) in cash held for investments		(87,217)	56,006
Interest received		616	1,336
Dividends received		46,356	57,899
Rents received from investment properties		170,000	170,000
Net cash flow from investing activities		277,167	288,140
Net increase/(decrease) in cash and cash equivalents		289,441	(223,428)
Cash and cash equivalents at 1 January 2020		336,880	560,308
Cash and cash equivalents at 31 December 2020		626,321	336,880
Cash and cash equivalents consist of:			
Cash at bank and in hand		626,321	336,880
Cash and cash equivalents at 31 December 2020		626,321	336,880

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

1.1 *Basis of Accounting and Preparation*

The Queen Elizabeth Scholarship Trust Limited is governed under its Memorandum and Articles of Association dated 21 December 2012 (updated in May 2020). The address of the principal office is given in the information on page 1 of these financial statements. The nature of the Charity's operations and principal activities are set out on page 2.

The Charity constitutes a public benefit entity as defined by FRS 102. 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), the Charities Act 2011 and UK Generally Accepted Practice as it applies from 1 January 2015, updated for bulletin 1.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity.

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

1.2 *Group financial statements*

The financial statements consolidate the results of the Charity and its wholly owned subsidiary QEST Enterprises Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Trust has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

1.3 *Income*

All income is included in the Statement of Financial Activities (SoFA) when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably, and it is probable that the income will be received.

For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the Charity's right to receive payment is established.

1.4 *Expenditure*

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required, and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes the cost of publicising the Charity to obtain applications for future Scholarships and Apprenticeships.
- Expenditure on charitable activities includes the Scholarships and Apprenticeships awarded to individuals.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the Charity.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1.5 Support costs allocation

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include office costs, governance costs, administrative payroll costs. They are incurred directly in support of expenditure on the objects of the Charity and include project management carried out at Headquarters. Where support costs cannot be directly attributed to particular headings, they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with use of the resources.

The analysis of these costs is included in note 5.

1.6 Funds

Unrestricted funds are those funds which can be used at the discretion of the Trustees in accordance with the charitable objectives.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund.

1.7 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Depreciation is charged on a straight-line basis as follows:

Property – 1% straight line
Land – no depreciation

1.8 Fixed Asset Investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'net gains / (losses) on investments' in the SoFA if the shares are publicly traded or their fair value can otherwise be measured reliably. Other investments are measured at cost less impairment.

1.9 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.10 Taxation

The company is a registered Charity and is therefore entitled to the exemptions from corporation tax afforded by section 505 of the Income and Corporation Taxes Act 1988. Accordingly, there is no corporation tax charge in these financial statements.

1.11 Going Concern

The financial statements have been prepared on a going concern basis as the Trustees believe, notwithstanding the continuing uncertainties caused by Covid-19, that the Charity is relatively well-placed to weather any on-going impact. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

1.12 **Judgements and key sources of estimation uncertainty**

Accounting estimates and judgements 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.

The following judgements (apart from those involving estimates) have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the tangible fixed assets and note 1.7 for the useful economic lives for each class of assets.

Bad debts

Trade debtors are regularly reviewed for recoverability, any debts which in the opinion of management are not recoverable are provided for as a specific bad debt.

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2. **DONATIONS**

	Unrestricted funds £	Restricted fund £	2020 £	2019 £
Donations	44,594	-	44,594	33,869
QEST magazine donations	2,500	-	2,500	4,500
Scholarship pledges	-	371,376	371,376	288,858
V&A Event income	-	-	-	287,817
Other Events income	5,593	-	5,593	35,268
Book income	-	-	-	4,320
	<u>52,687</u>	<u>371,376</u>	<u>424,063</u>	<u>654,632</u>

See note 6 for event costs.

3. **INVESTMENT INCOME**

	Unrestricted funds £	Restricted fund £	2020 £	2019 £
Income from property	170,000	-	170,000	170,000
Income from investments	46,356	-	46,356	57,899
Bank interest receivable	615	-	615	1,336
	<u>216,971</u>	<u>-</u>	<u>216,971</u>	<u>229,235</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

4. TRADING ACTIVITIES

SUBSIDIARY RESULTS

The wholly owned trading subsidiary QEST Enterprises Ltd is incorporated in the United Kingdom (company number 07801254) and pays all of its profits to the Charity under the gift aid scheme. A summary of the trading results is shown below.

	2020 £	2019 £
Summary profit and loss account		
Turnover	15,512	25,845
Cost of sales and administration costs and donations	(1,949)	(6,121)
Net Profit	13,563	19,724
Amount Gift aided to the Charity	(19,725)	(10,969)
Corporation Tax	-	-
Net (loss)/profit for the year	(6,162)	8,755
Summary balance sheet		
Debtors	4,889	26,845
Cash at bank	16,410	96
Current assets	21,299	26,941
Current liabilities - Creditors	(7,719)	(7,199)
Total net assets	13,580	19,742
Share capital	1	1
Retained earnings	13,579	19,741
Aggregate share capital and reserves	13,580	19,742

5. ANALYSIS OF EXPENDITURE

	Staff costs £	Direct costs £	Support costs £	Total 2020 £	Total 2019 £
Raising funds (note 6)	60,000	81,845	69,715	211,560	407,370
Charitable activities (note 7,8)	140,106	420,298	43,987	604,391	690,599
Trading operations	-	-	1,949	1,949	6,121
Total expenditure	200,106	502,143	115,651	817,900	1,104,090

Support costs have been allocated on the basis of staff time.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

6. RAISING FUNDS

	2020 £	2019 £
Events		
V&A event Costs	-	203,469
Other event costs	12,950	30,176
	<u>12,950</u>	<u>233,645</u>
General Fundraising		
Magazine costs	11,645	23,472
Fundraising costs	-	11,500
30 TH Anniversary costs – Commemorative Publication	27,040	-
Excellence award	1,000	1,000
Investment management fees	16,296	16,907
Project development/Marketing	12,915	28,669
	<u>68,895</u>	<u>81,548</u>
Other		
Book project	-	4,320
Staff cost allocation	60,000	52,682
Support cost allocation	69,715	35,175
	<u>129,715</u>	<u>92,177</u>
	<u>211,560</u>	<u>407,370</u>

See note 2 for direct event income.

The V&A Event costs in 2019 relate to the Fundraising Dinner previously held at the Victoria & Albert Museum. The Event helps to raise the profile of QEST to a wider network of supporters and the income generated is used to support the Charity's objectives. The event is funded through a combination of sponsorship, tickets sales and auction. However, due to covid-19 the event was not held in 2020 and income received in 2020 has been carried forward to 2021. No costs were incurred.

7. CHARITABLE ACTIVITIES

	2020 £	2019 £
Scholarships awarded	241,492	349,508
Apprenticeships awarded	68,500	63,500
Prince's Foundation/QEST Building Arts Programme	86,306	72,438
Queen's Bindery Apprenticeship	24,000	-
Staff cost allocation	140,106	123,017
Support cost allocation	43,987	82,136
	<u>604,391</u>	<u>690,599</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

8. APPRENTICESHIPS AND SCHOLARSHIPS TO INDIVIDUALS

During the year Scholarships were awarded to the following individuals:

Scholar	Craft	Award £
Abigail Booth	Textiles and Painting	4,200
Adrian Ward	Silversmithing	12,000
Agnieszka Nalazek	Musical Instrument Making	15,920
Alicia Britt	Puppet Making	2,750
Beatriz de Melo Sanches	Children's Book Illustration	7,078
Chih-Ning Li	Jewellery and Engraving	4,000
Clair Rivers-Boyden	Bridle Making	8,000
Ella Porter	Ceramics	11,000
Frances Priest	Ceramics and Tile Making	12,550
Grace Ayson	Stained Glass Making	5,939
Heather Garner	Paper Conservation	9,000
James Osborne	Metal Working	8,000
Jonathan Wrght	Globemaking	12,000
Kate Pankhurst	Embroidery	6,200
Katherine Huskie	Glass & Neon Art	12,000
Leilah Vyner	Willow Weaving	7,440
Laura Thomas	Constructed Textiles	142
Leora Honeyman	Ceramics & Glass	12,200
Leszek Sikon	Knife Making	4,520
Megan Falconer	Silversmithing	8,600
Philip Green	Stone Carving	6,000
Philip Hedgecock	Sculpture	12,080
Philip Walker	Wood Sculpture	8,000
Rachel Spelling	Decorative Painting	3,176
Sahar Freemantle	Millinery	4,790
Sarah Baldi	Bookbinding	13,500
Sinead Travers	Textile Design	4,000
Stephen McClenaghan	Musical Instrument Making	10,000
Theadora Ballantyne-Way	Printmaking	3,077
Tobias Poultney	Boatbuilding	2,500
Vivienne Kelly	Stained Glass Conservation	10,830
		241,492

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

8. APPRENTICESHIPS AND SCHOLARSHIPS TO INDIVIDUALS

During the year Apprenticeships were awarded to the following individuals:

Apprentice	Craft	Award £
Daisy Tempest*	Musical Instrument Making	(5,500)
Ehioze Freckleton	Panama Hat Making	12,000
Matthew Robinson	Sailmaking	12,000
Heather Fisher*	Horology	(9,000)
Jeremy Cash	Blacksmithing	12,000
Lilly Deeming	Shoemaking	12,000
Luke De Garis	Dry-stone Walling	12,000
Matilda Grover	Basket Weaving	12,000
Oluwamuyiwa Fadairo	Shoemaking	12,000
Paul Fallows*	Thatching	(1,000)

Note*Apprenticeships incomplete

9. SUPPORT COSTS

	2020 £	2019 £
Office, travel & sundry	10,119	23,829
Website & database costs	25,947	6,299
PR consultancy	15	17,869
Accountancy	31,074	21,440
Bank charges	1	75
Governance costs (note 10)	25,148	19,280
Depreciation	7,000	7,000
Staff training	1,556	2,912
Trading operation	1,949	6,121
Other costs	12,842	18,607
	<u>115,651</u>	<u>123,432</u>

10. GOVERNANCE COSTS

	2020 £	2019 £
Auditor's remuneration		
- Audit	8,925	8,750
- Other services	453	1,721
Trustee expenses	1,000	4,319
Legal costs	14,770	3,773
Other costs	-	717
	<u>25,148</u>	<u>19,280</u>

11. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES

The Trustees did not receive any remuneration during the year (2019: £nil). Three Trustees incurred expenses during the year of £1,000 (2019: £4,319) for travelling, training, and subsistence.

The total amount of employee benefits received by key management personnel is £48,870 (2019: £54,735). The Trust considers its key management personnel to comprise those individuals listed on page 1.

12. STAFF COSTS AND EMPLOYEE BENEFITS

2020 2019

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

	£	£
Wages and salaries	188,710	167,669
Social security	8,009	6,000
Defined contribution pension costs	3,387	2,030
	<u>200,106</u>	<u>175,699</u>

The average number of employees, by headcount, during the year was 5 (2019: 5).

No employee received remuneration of more than £60,000 during the year £Nil (2019: £nil), from the Charity, during the year.

The CEO, D Pocock, has a joint contract of employment with The Royal Warrant Holders Association.

13. TANGIBLE FIXED ASSETS

GROUP AND CHARITY

Cost

At 1 January 2020 and 31 December 2020

Freehold
Land and
Property
£

2,800,000

Depreciation

At 1 January 2020

35,000

Charge for year

7,000

At 31 December 2020

42,000

Net Book Value

At 31 December 2020

2,758,000

At 31 December 2019

2,765,000

The property is disclosed as a tangible fixed asset as the building has mixed usage as office space for the Trust and rental income received from the Royal Warrant Holders Association in relation to the remaining office space. The Royal Warrant Holders Association is considered to be a related party of the Trust and hence classified as a fixed asset of the Trust. The rental agreement is considered to be at arm's length. The Trustees have not valued the components of the mixed used assets as they feel the cost of acquiring an accurate valuation are disproportional to the value this would add to the accounts.

14. INVESTMENTS

GROUP

Market Value

At 1 January 2020

2020
£

2019
£

2,385,412

2,101,282

Additions

1,310,905

926,235

Disposals

(1,475,685)

(929,134)

Realised/Unrealised gains / (losses)

19,154

269,661

Funds before cash

2,239,786

2,368,044

Cash for reinvestment

104,585

17,368

At 31 December 2020

2,344,371

2,385,412

Historical cost

2,079,223

2,005,644

INVESTMENTS - continued

2020

2019

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

14.

	£	£
GROUP		
Investments at fair value comprise		
Equities	1,708,429	1,731,401
Bonds	269,207	180,923
Multi-Asset Funds	76,303	329,540
Alternatives	185,847	127,180
UK cash held as part of Portfolio	104,585	17,368
	<u>2,344,371</u>	<u>2,385,412</u>

All investments are carried at their fair value. Investments in equities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

Investments individually representing greater than 5% of the portfolio held are:

	2020 £	2019 £
Schroder Charity Eq -S-GBP-Inc	51,720	209,835
Fidelity GI Dividend -W-GBP-Inc	206,332	292,258
Schroder QEP GI Core -I-GBP-Inc	-	326,311
Schroder Global Sustainable	192,337	-
iShares physical Gold	110,788	-
Trojan Fund -S-GBP-Inc	76,303	146,747
Trojan Income Fund	89,940	170,571
ASI UK All Share Tracker Fund Shs Class -B- Net GBP	-	233,290
Polar UK Value Opportunities Fund	121,673	134,563
HSBC FTSE All-World Index Fund	229,452	366,305
BMO Pyrford Global Total Return	-	144,532

CHARITY

The charities investments are as above plus £1 representing the share in the wholly owned subsidiary QEST Enterprises Ltd.

15.	DEBTORS	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
	Trade debtors	15,140	6,690	10,250	690
	Amounts due from QEST Enterprises Limited	-	-	3,751	3,921
	Other debtor	2,562	2,562	2,562	2,562
	Apprenticeship & scholarship debtors	274,712	415,012	274,713	415,012
	Prepayments and accrued income	7,230	26,070	7,230	5,225
		<u>299,644</u>	<u>450,334</u>	<u>298,506</u>	<u>427,410</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

16.	CREDITORS: Amounts falling due within one year	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
	Trade creditors	3,852	3,529	3,852	3,528
	Other taxes and social security	13,669	2,757	10,964	2,757
	Apprenticeship & scholarship creditors (note 17)	417,692	423,077	417,692	422,617
	Accruals and deferred income	251,002	28,214	249,739	25,397
		<u>686,215</u>	<u>457,577</u>	<u>682,247</u>	<u>454,299</u>

17.	APPRENTICESHIP & SCHOLARSHIP CREDITORS	Group & Charity 2020 £	2019 £
	At 1 January 2020	423,077	406,670
	New scholarship and apprenticeship grants committed (note 8)	309,992	413,008
	Scholarship grants paid in year	(315,377)	(396,601)
	At 31 December 2020	<u>417,692</u>	<u>423,077</u>

18.	DEFERRED INCOME	Group & Charity 2020 £	2019 £
	At 1 January 2020	-	65,000
	Additions during the year	208,780	-
	Amounts released to income	-	(65,000)
	At 31 December 2020	<u>208,780</u>	<u>-</u>

19.	RESTRICTED FUND	As at 1 January 2020 £	Income £	Expenditure £	As at 31 December 2020 £
	Current Year				
	Apprenticeship & Scholarship fund	<u>544,547</u>	<u>371,376</u>	<u>(285,576)</u>	<u>630,347</u>

Apprenticeship & Scholarship fund – these funds are used to meet scholarship and apprentice grant applications.

	As at 1 January 2019 £	Income £	Expenditure £	As at 31 December 2019 £
Prior Year				
Apprenticeship & Scholarship fund	<u>582,940</u>	<u>288,858</u>	<u>(327,251)</u>	<u>544,547</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

20. DESIGNATED FUND

	As at 1 January 2020 £	New Designations £	Designations Released £	As at 31 December 2020 £
Current Year				
Fixed asset fund	2,765,000	-	(7,000)	2,758,000
Investment fund	1,600,000	10,306	(110,306)	1,500,000
Special Project fund	1,854	-	(1,854)	-
	<u>4,366,854</u>	<u>10,306</u>	<u>(117,306)</u>	<u>4,258,000</u>

Fixed asset fund – this fund holds the freehold property which is used as the main premises of the Charity and for income generation.

Investment fund – these funds are invested to maximise total return and generate income.

Special Project fund – these funds have been designated to provide funding for a joint project with The Prince's Trust.

	As at 1 January 2019 £	New Designations £	Designations Released £	As at 31 December 2019 £
Prior Year				
Fixed asset fund	2,772,000	-	(7,000)	2,765,000
Investment fund	1,600,000	-	-	1,600,000
Special Project fund	74,292	-	(72,438)	1,854
	<u>4,446,292</u>	<u>-</u>	<u>(79,438)</u>	<u>4,366,854</u>

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Designated funds 2020 £	Total Funds 2020 £
Current Year				
Fixed assets	844,370	-	4,258,000	5,102,370
Current assets/liabilities	(390,597)	630,347	-	239,750
Total	<u>453,773</u>	<u>630,347</u>	<u>4,258,000</u>	<u>5,342,120</u>

	Unrestricted funds 2019 £	Restricted funds 2019 £	Designated funds 2019 £	Total Funds 2019 £
Prior Year				
Fixed assets	704,120	-	4,446,292	5,150,412
Current assets/liabilities	(214,910)	544,547	-	329,637
Total	<u>489,210</u>	<u>544,547</u>	<u>4,446,292</u>	<u>5,480,049</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2020

22. COMPANY LIMITED BY GUARANTEE

The Trust is a company limited by guarantee and therefore has no share capital. The liability of the guarantors, who are the members is limited to £1 each.

23. RELATED PARTY TRANSACTIONS

The Trust owns property and granted a head lease to The Royal Warrant Holders Association for 10 years until March 2023 at a rate of £170,000 per annum.

The Royal Warrant Holders Association provides various office supplies and equipment to the Trust free of charge. It has not been possible to quantify the value of these supplies at present; however it is under review.

The Royal Warrant Holders Associations made donations of £20,000 (2019: £20,000).

The Royal Warrant Holders Association owes the Trust £2,562 (2019: £2,562 owed by the Trust) at the year end in relation to various recharges.

QEST Enterprise Limited, the 100% owned subsidiary, owes the Trust £17,314 (2019: £3,921) at the year end in relation to expenditure incurred by the trust on behalf of QEST Enterprise Limited. QEST Enterprises Limited made donations totalling £13,563 (2019: £10,969) to QEST during the year.

24. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2020 £	Group 2019 £
Net (loss)/income for 31 December 2020	(137,928)	75,283
Dividends received	(46,356)	(57,899)
Rents received from investment properties	(170,000)	(170,000)
Bank interest	(616)	(1,336)
Depreciation of tangible fixed assets	7,000	7,000
Net loss / (gains) on investments	(19,154)	(269,661)
(Increase) / decrease in debtors	150,690	(37,311)
Increase / (decrease) in creditors	228,683	(57,644)
Net cash flow from operating activities	<u>12,274</u>	<u>(511,568)</u>

25. CONTINGENT LIABILITY

In 2018 the Charity received underwriting of £100,000 towards the costs of the book project this income is included in donations. This is to be repaid from the proceeds of future book sales. The balance at the end of 2020 is £95,784 (2019: £94,650).