

**QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED**

**(A Company Limited by Guarantee)**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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

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

**QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED**  
**(Company Limited by Guarantee)**

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**QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED**  
**(Company Limited by Guarantee)**

**COMPANY INFORMATION**

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<b>Trustees</b>	M Henderson Prof S Macleod I Maclean MBE Dr N Morgan D Carre J Hosseini (k/a J Smith) P Ting C Satterthwaite CBE
<b>Key management</b>	D Pocock LVO – CEO Trustees (as above)
<b>Principal Office</b>	1 Buckingham Place London SW1E 6HR
<b>Registered Charity Number</b>	1152032
<b>Company Registration Number</b>	08339899
<b>Independent Auditors</b>	Azets Audit Services Greytown House 221-227 High Street Orpington Kent BR6 0NZ
<b>Solicitors</b>	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
<b>Investment Portfolio Manager</b>	Cazenove Capital Management 12 Moorgate London ER2R 6DA

**CHAIRMAN'S REPORT**

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Despite the on-going challenges of Covid-19, QEST had a strong fundraising performance in terms of restricted income to be spent on grant-giving, receiving pledges of £830,338 in the year, and enabling the charity to grant £444,901, some 51 awards - the largest number in any one year since the charity was formed in 1990. The alumni now total some 650 scholars and apprentices, working across the UK, in a broad range of craft skills, with a significant impact on the creative and craft industries. Crucially, they are also passing on their skills to the next generation, with 72% actively engaged in teaching and training.

This strong performance gives us a firm base on which to build: with the aim of spending £600,000 in 2022 on scholarships and apprenticeships, as well as the Building Arts Programme, the joint initiative with the Prince's Foundation on a 9-month long programme which explores the interdisciplinary nature of architecture, traditional craft skills and the applied arts, and how these practices and trades inform the built environment. In addition to being able to support more scholars and apprentices, this increased grant-giving will be spent on a new programme we are developing for 2023 focusing on young people and diversity, ensuring that we provide opportunities to inspire, nurture and train future generations of professional craftspeople, whatever their background.

During the year, QEST was unable to deliver the planned Fundraising Dinner due to restrictions arising from the pandemic, which led to an operating deficit of £103,930. However, this gap was partially filled by drawing down £90,000 from the charity's investment portfolio and which is in line with the trustee's policy to actively use the investment funds at our disposal in any way that facilitates the sustainability of QEST over the long term.

Whilst the operating income was affected by the Fundraising Dinner not taking place, costs were well-managed on a day-to-day basis, with strong financial controls in place; and the trustees welcomed the appointment of a new Head of Finance in August.

Whilst many live events were not able to take place during the year, we were able to keep in touch with our alumni, supporters and wider networks with a series of virtual activities, exhibitions, talks and webinars across the UK, reinforcing the importance of geographical reach and community.

In 2021, we piloted a new initiative with Cockpit Arts, the studios and business incubation centre for craftspeople, to create a Professional Development Programme for all new Scholars focused on building sustainable businesses. This proved to be hugely successful, and the programme is now fully-funded for three years.

The QEST Award for Excellence winner in 2021 was Annemarie O'Sullivan, basket weaver, sponsored by Thomas Fattorini Ltd. We also announced that three QEST Scholars, Tom Brown and Tom Nicholls of London Stone Carving and Poppy Field had been chosen to create new sculptures of Queen Victoria and Prince Albert and The Queen and The Duke of Edinburgh for niches on the external façade of the Royal Albert Hall, to be unveiled in 2022: a highly appropriate contribution to the Platinum Jubilee year.

On behalf of the trustees, I would like to thank all those who have continued to support QEST through these difficult times. It is very much appreciated and we look forward to reporting on the continuing impact of that support.

**Mark Henderson**  
*Chairman*

## **REPORT OF THE TRUSTEES**

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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 2021.

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 £5.3 million to 650 talented craftspeople in around 130 different skills providing funds for training and education in their chosen craft skill, many of who would have been unable to complete this training due to insufficient finances at a crucial time in their career.

During the year £444,901 (2020: £309,992) of Scholarships and Apprenticeships were awarded.

QEST remains committed to providing this support 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. These are 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**

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**FINANCIAL REVIEW**

During the year the group raised funds totalling £1,113,874 (2020: £660,817), expenditure totalled £832,367 (2020: £817,900) with a net gain on investment of £204,468 (2020: £19,154). This resulted in a net surplus of £485,975 (2020: £137,928 deficit).

The Charity raised funds totalling £1,111,273 (2020: £665,030), expenditure totalled £830,461 (2020: £815,951) with a net gain on investment of £204,468 (2020: £19,154 gain). This resulted in a net surplus, after investment gains, of £485,280 (2019: £131,767 deficit).

The wholly owned subsidiary QEST Enterprises Ltd had turnover of £16,164 (2020: £15,512) and expenditure totalled £1,906 (2020: £1,949). The gift aid payment paid to QEST during the year totalled £13,563 (2020: £19,725). This resulted in a profit before tax for the year of £695 (2020: £6,162 loss).

The fund balances carried forward for the group at 31 December 2021 were £5,828,095 (2020: £5,342,120).

**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 2021 were £4,161,000 (2020: £4,258,000). This decrease is due to £7,000 depreciation on the property asset and the release of part of the investment reserve as set out in note 20.

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 (2020: £522,000). Unrestricted funds at 31 December 2021 were £637,037 (2020: £440,194).

Restricted funds at 31 December 2021 were £1,015,784 (2020: £630,347).

QEST Enterprises Ltd non charitable funds at 31 December 2021 were £14,274 (2020: £13,579).

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. The Trustees were mindful of the circumstances and continued impact of the Covid-19 pandemic and this is commented on further in the Going Concern note on pages 6 and 16.

**REPORT OF THE TRUSTEES**

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**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  
M Henderson (Chairman)  
J Hosseini k/a J Smith  
I Maclean MBE (Honorary Treasurer)  
Prof. S Macleod (Deputy Chairman)  
Dr N Morgan  
P Ting  
C Satterthwaite CBE - appointed May 2021

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.

## **REPORT OF THE TRUSTEES**

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### **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;
- 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 also undertook a review against the seven key principles of the Charity Governance Code; and which will be reviewed annually.

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

### **Going Concern**

The financial statements have been prepared on a going concern basis. At the beginning of 2021, the Trustees recognised the continued uncertainties around the Covid-19 pandemic which could have affected the value of the Charity's assets, its ability to raise funds and, therefore, its ability to make award, and had appropriate measures in place to mitigate these concerns. The Trustees 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, and with strong fundraising, the Charity is able to continue as a going concern.



**REPORT OF THE TRUSTEES**

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**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:

- 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.

Approved by the Board and signed on their behalf:



**M Henderson**  
**Chairman**

Date: 16th March 2022

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS**

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**Opinion**

We have audited the financial statements of Queen Elizabeth Scholarship Trust Limited (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Group Statement of Financial Activities, including the Group Summary Income and Expenditure Account, the Group and Charity Balance Sheets, the Group Statement of 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Group and parent charitable company's affairs as at 31 December 2021, 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.

**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 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 Trustees' 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 charitable 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 Trustees with respect to going concern are described in the relevant sections of this report.

**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. The Trustees are responsible for the other information contained within the annual report. 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.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS**

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**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 directors' report and Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report has been prepared in accordance with applicable legal requirements.

**Matters on Which we are Required to Report by Exception**

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 directors' report and from the requirement to prepare a strategic report.

**Responsibilities of Trustees**

As explained more fully in the Trustees' responsibilities statement set out on page 7, 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 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 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

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS**

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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, is detailed below:

- Reviewing the reports of any regulatory inspections carried out in the year;
- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- 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 non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

This description forms part of our auditor's report.

**Use of our Report**

This report is made solely to the Group and charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 members 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: 1 April 2022

**QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED**  
**(Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**YEAR ENDED 31 DECEMBER 2021**

	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted Fund £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>Income from:</b>					
Donations	2	70,499	830,338	900,837	424,063
Investments	3	196,873	-	196,873	216,971
Other trading activities	4	16,164	-	16,164	15,512
Other income		-	-	-	4,271
<b>Total income</b>		<b>283,536</b>	<b>830,338</b>	<b>1,113,874</b>	<b>660,817</b>
<b>Expenditure on:</b>					
Raising funds	6	201,134	-	201,134	211,560
Charitable activities	7	184,426	444,901	629,327	604,391
Trading operations	4	1,906	-	1,906	1,949
<b>Total expenditure</b>	5	<b>387,466</b>	<b>444,901</b>	<b>832,367</b>	<b>817,900</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>(103,930)</b>	<b>385,437</b>	<b>281,507</b>	<b>(157,083)</b>
Net gains on investments	14	204,468	-	204,468	19,154
<b>Net movement in funds</b>		<b>100,538</b>	<b>385,437</b>	<b>485,975</b>	<b>(137,928)</b>
Total funds at 1 January 2021		4,711,773	630,347	5,342,120	5,480,049
<b>Total funds at 31 December 2021</b>		<b>4,812,311</b>	<b>1,015,784</b>	<b>5,828,095</b>	<b>5,342,120</b>

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 2021**

<b>Comparative year information</b> <b>Year ended 31 December 2020</b>	<b>Note</b>	<b>Unrestricted funds £</b>	<b>Restricted Fund £</b>	<b>Total 2020 £</b>
<b>Income from:</b>				
Donations	2	52,687	371,376	424,063
Investments	3	216,971	-	216,971
Other trading activities	4	15,512	-	15,512
Other income		4,271	-	4,271
<b>Total income</b>		<b>289,441</b>	<b>371,376</b>	<b>660,817</b>
<b>Expenditure on:</b>				
Raising funds	6	211,560	-	211,560
Charitable activities	7	318,815	285,576	604,391
Trading operations	4	1,949	-	1,949
<b>Total expenditure</b>	5	<b>532,324</b>	<b>285,576</b>	<b>817,900</b>
<b>Net expenditure and net movement in funds before gains and losses on investments</b>		<b>(242,883)</b>	<b>85,800</b>	<b>(157,083)</b>
Net gains / (losses) on investments	14	19,154	-	19,154
<b>Net movement in funds</b>		<b>(223,729)</b>	<b>85,800</b>	<b>(137,928)</b>
Total funds at 1 January 2020		4,935,502	544,547	5,480,049
<b>Total funds at 31 December 2020</b>		<b>4,711,773</b>	<b>630,347</b>	<b>5,342,120</b>

**QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED**  
(Company Limited by Guarantee)

**CONSOLIDATED BALANCE SHEET**

**AS AT 31 DECEMBER 2021**

**REGISTERED COMPANY NUMBER: 08339899**

	Notes	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
<b>Fixed assets</b>					
Tangible assets	13	2,751,000	2,758,000	2,751,000	2,758,000
Investments	14	2,467,475	2,344,370	2,467,476	2,344,371
<b>Current assets</b>		5,218,475	5,102,370	5,218,476	5,102,371
Debtors	15	553,136	299,644	551,411	298,506
Cash at bank and in hand		798,199	626,321	796,591	609,911
		1,351,335	925,965	1,348,002	908,417
<b>Creditors:</b> Amounts falling due within one year	16	(741,715)	(686,215)	(752,657)	(682,247)
<b>Net current assets</b>		609,620	239,750	595,345	226,170
<b>Net assets</b>		5,828,095	5,342,120	5,813,821	5,328,541
<b>Funds</b>					
Designated funds	20	4,161,000	4,258,000	4,161,000	4,258,000
Unrestricted funds		637,037	440,194	637,037	440,194
Restricted funds	19	1,015,784	630,347	1,015,784	630,347
Non-charitable funds		14,274	13,579	-	-
	21	5,828,095	5,342,120	5,813,821	5,328,541

Approved by the Board of Trustees on 16th March 2022 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 2021**

	<b>Notes</b>	<b>Group 2021 £</b>	<b>Group 2020 £</b>
<b>Cash flow from operating activities</b>	24	(106,358)	12,274
<b>Net cash flow from operating activities</b>		(106,358)	12,274
<b>Cash flow from investing activities</b>			
Payments to acquire investments		(1,035,960)	(1,310,905)
Receipts from sales of investments		1,056,222	1,458,317
Decrease/(increase) in cash held for investments		61,101	(87,217)
Interest received		67	616
Dividends received		26,806	46,356
Rents received from investment properties		170,000	170,000
<b>Net cash flow from investing activities</b>		278,236	277,167
<b>Net increase in cash and cash equivalents</b>		171,878	289,441
<b>Cash and cash equivalents at 1 January 2021</b>		626,321	336,880
<b>Cash and cash equivalents at 31 December 2021</b>		798,199	626,321
<b>Cash and cash equivalents consist of:</b>			
Cash at bank and in hand		798,199	626,321
<b>Cash and cash equivalents at 31 December 2021</b>		798,199	626,321



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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**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 2021

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**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 that the Charity is relatively well-placed to weather any on-going impact of the pandemic (if any). 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 2021

**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 £	2021 £	2020 £
Donations	48,619	-	48,619	44,594
Gift aid	495	-	495	-
QEST magazine donations	10,800	-	10,800	2,500
Scholarship pledges	-	815,338	815,338	371,376
Cockpit Arts/QEST Professional Development Programme	-	15,000	15,000	-
Other events income	5,395	-	5,395	5,593
Book income	5,190	-	5,190	-
	<u>70,499</u>	<u>830,338</u>	<u>900,837</u>	<u>424,063</u>

**3. INVESTMENT INCOME**

	Unrestricted funds £	Restricted fund £	2021 £	2020 £
Income from property	170,000	-	170,000	170,000
Income from investments	26,806	-	26,806	46,356
Bank interest receivable	67	-	67	615
	<u>196,873</u>	<u>-</u>	<u>196,873</u>	<u>216,971</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

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.

	2021 £	2020 £
<b>Summary profit and loss account</b>		
Turnover	16,164	15,512
Cost of sales and administration costs and donations	(1,906)	(1,949)
Net Profit	14,258	13,563
Amount Gift aided to the Charity	(13,563)	(19,725)
Corporation Tax	-	-
Net (loss)/profit for the year	695	(6,162)
<b>Summary balance sheet</b>		
Debtors	14,498	4,889
Cash at bank	1,606	16,410
Current assets	16,104	21,299
Current liabilities - Creditors	(1,830)	(7,719)
Total net assets	14,275	13,580
Share capital	1	1
Retained earnings	14,274	13,579
Aggregate share capital and reserves	14,275	13,580

5. ANALYSIS OF EXPENDITURE

	Staff costs £	Direct costs £	Support costs £	Total 2021 £	Total 2020 £
Raising funds (note 6)	67,394	74,763	58,977	201,134	211,560
Charitable activities (notes 7&8)	157,369	444,901	27,057	629,327	604,391
Trading operations	-	1,906	-	1,906	1,949
<b>Total expenditure</b>	<b>224,763</b>	<b>521,570</b>	<b>86,034</b>	<b>832,367</b>	<b>817,900</b>

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

6. RAISING FUNDS

	2021 £	2020 £
<b>Events</b>		
Other event costs	-	12,950
	-	12,950
<b>General Fundraising</b>		
Magazine costs	33,365	11,645
30 <sup>TH</sup> Anniversary costs – Commemorative Publication	-	27,040
Excellence award	-	1,000
Investment management fees	17,129	16,296
Project development/Marketing	24,269	12,915
	74,763	68,895
<b>Other</b>		
Staff cost allocation	67,394	60,000
Support cost allocation	58,977	69,715
	126,371	129,715
	201,134	211,560

Due to the on-going pandemic, we were not able to hold a full-scale fundraising dinner in 2021, but this will, hopefully, take place in 2022.

7. CHARITABLE ACTIVITIES

	2021 £	2020 £
Scholarships awarded	342,501	241,492
Apprenticeships awarded	92,000	68,500
Prince's Foundation/QEST Building Arts Programme	-	86,306
Queen's Bindery Apprenticeship	-	24,000
Cockpit Arts/QEST Professional Development Programme (restricted)	10,400	-
Staff cost allocation	157,369	140,106
Support cost allocation	27,057	43,987
	629,327	690,599

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

8. APPRENTICESHIPS AND SCHOLARSHIPS TO INDIVIDUALS

During the year Scholarships were awarded to the following individuals:

Scholar	Craft	Award £
Abby Hobbs	Children's Book Illustration	11,800
Abigail Carter	Hand Embroidery	13,000
Andrew Braund	Arms & Armour Conservation	8,860
Attilio Medda	Calligraphy & Heraldic Art	13,500
Bethan Wyn Williams	Textiles & Design	1,282
Carolyn Truss	Saddle & Harness Making	3,385
Charlie Calder-Potts	Painting	2,936
Christian Mueller	Luthiery	6,540
Daniel Freyne	Metal Art	10,400
Deborah Wilding	Hand Embroidery	14,000
Dora Lam	Contemporary Art	9,750
Estella Castle	Straw Work	4,169
Felicity Bristow	Bookbinding	10,625
Gold Maria Akanbi	Fine Art: Multidisciplinary	13,600
Isabelle Davies	Stained Glass & Glass Conservation	2,640
Isidoro Rodriguez	Ceramics	5,000
Jacqui Ramrayka	Ceramics	14,625
Joseph Stokes	Sculpture & Stonemasonry	8,000
Kate Rochester	Bookbinding	7,200
Kieren Berry	Hand Papermaking	12,550
Kurtis Scott	Luthiery	12,000
Laura Thomas	Textile Dying (top up)	696
Lucy May Schofield	Paper Artistry & Printmaking	10,108
Mandy Coppes-Martin	Paper Artistry & Lace Making	4,506
Mariam Syed	Textile Design	6,925
Nico Conti	Ceramics & 3D Printing	5,000
Oliver Hymans	Puppet Making	5,000
Phyllis Smith	Decorative & Mural Artistry	14,000
Rachael Clunie	Millinery	2,000
Rachael Colley	Silversmithing & Jewellery	7,917
Rauni Higson	Silversmithing	11,670
River Jean Nash	Artistic Wood Based Fabrication	12,300
Robert Walker	Sign Writing	5,700
Rosie Haine	Lithography and Illustration	3,500
Sam Laing	Musical Instrument Making	10,425
Samantha Wilson	Figurative Art	14,000
Susannah Weiland	Hand Embroidery	4,626
Suzanna James	Knitted Textiles	9,750
Terry Mann	Musical Instrument Making	1,960
Valerie Wartelle	Wet Felting	3,400
Vicky Price	Printmaking	3,680
Virna Pasquinelli	Millinery	7,476
Yeena Yoon	Jewellery Design	12,000
		342,501

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

**8. APPRENTICESHIPS AND SCHOLARSHIPS TO INDIVIDUALS**

During the year Apprenticeships were awarded to the following individuals:

Apprentice	Craft	Award £
Alistair Lewis	Horology	9,000
Billy Cave	Ceramics	9,000
Ethan Coulton	Bee Farming	12,000
Grant Nelson	Farriery	12,000
Jack Richardson	Thatching	12,000
James Eaton	Stonework	6,000
Liam Cartmel-Walker	Slate Masonry	12,000
Mark Robinson	See below *	(4,000)
Marlene Iagnado	Stonemasonry	12,000
William Rapley	Glasswork	12,000
		<u>92,000</u>

\*Apprenticeship incomplete

**9. SUPPORT COSTS**

	2021 £	2020 £
Office, travel & sundry	6,986	10,119
Website & database costs	19,866	25,947
PR consultancy	-	15
Accountancy	17,602	31,074
Bank charges	198	1
Governance costs (note 10)	15,286	25,148
Depreciation	7,000	7,000
Staff training	2,145	1,556
Recruitment	5,462	-
Executive expenses	2,154	-
Trading operation	1,906	1,949
Other costs	7,429	12,842
	<u>86,034</u>	<u>115,651</u>

**10. GOVERNANCE COSTS**

	2021 £	2020 £
Auditor's remuneration		
- Audit	8,955	8,925
- Other services	660	453
Trustee expenses	532	1,000
Legal costs	5,139	14,770
	<u>15,286</u>	<u>25,148</u>

**11. TRUSTEES' AND KEY MANAGEMENT PERSONNEL REMUNERATION AND EXPENSES**

The Trustees did not receive any remuneration during the year (2020: £nil). Three Trustees incurred expenses during the year of £522 (2020: £1,000 to three) for travelling, training, and subsistence.

The total amount of employee benefits received by key management personnel is £54,533 (2020: £48,870). The Trust considers its key management personnel to comprise those individuals listed on page 1.

**QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED**  
**(Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2021**

<b>12. STAFF COSTS AND EMPLOYEE BENEFITS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	204,641	188,710
Social security	15,043	8,009
Defined contribution pension costs	5,079	3,387
	<u>224,763</u>	<u>200,106</u>

The average number of employees, by headcount, during the year was 7 (2020: 5).

No employee received remuneration of more than £60,000 during the year £Nil (2020: £nil), from the Charity, during the year.

<b>13. TANGIBLE FIXED ASSETS</b>	<b>Freehold Land and Property</b>
<b>GROUP AND CHARITY</b>	<b>£</b>
<b>Cost</b>	
At 1 January 2021 and 31 December 2021	<u>2,800,000</u>
<b>Depreciation</b>	
At 1 January 2021	42,000
Charge for year	7,000
At 31 December 2021	<u>49,000</u>
<b>Net Book Value</b>	
At 31 December 2021	<u>2,751,000</u>
At 31 December 2020	<u>2,758,000</u>

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.

<b>14. INVESTMENTS</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>GROUP</b>		
<b>Market Value</b>		
At 1 January 2021	2,344,370	2,385,412
Additions	1,035,960	1,310,905
Disposals	(1,160,806)	(1,475,685)
Realised/Unrealised gains / (losses)	204,468	19,154
Funds before cash	<u>2,423,992</u>	<u>2,239,786</u>
Cash for reinvestment	43,483	104,584
At 31 December 2021	<u>2,467,475</u>	<u>2,344,370</u>
<b>Historical cost</b>	<u>2,116,394</u>	<u>2,079,223</u>



NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

14.	INVESTMENTS - continued	2021 £	2020 £
	<b>GROUP</b>		
	<b>Investments at fair value comprise</b>		
	Equities	1,885,105	1,708,429
	Bonds	266,081	269,207
	Multi-Asset Funds	42,597	76,303
	Alternatives	230,209	185,847
	UK cash held as part of Portfolio	43,483	104,585
		<u>2,467,475</u>	<u>2,344,371</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:

	2021 £	2020 £
Fidelity GI Dividend –W-GBP-Inc	157,271	206,332
Schroder Global Sustainable	229,622	192,337
iShares physical Gold	108,339	110,788
Polar UK Value Opportunities Fund	145,253	121,673
HSBC FTSE All-World Index Fund	176,490	229,452
	<u>1,017,075</u>	<u>860,682</u>

**CHARITY**

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

15.	DEBTORS	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
	Trade debtors	73,250	15,140	71,525	10,250
	Amounts due from QEST Enterprises Limited	-	-	-	3,751
	Other debtor	-	2,562	-	2,562
	Apprenticeship & scholarship debtors	470,112	274,712	470,112	274,713
	Prepayments and accrued income	9,774	7,230	9,774	7,230
		<u>553,136</u>	<u>299,644</u>	<u>551,411</u>	<u>298,506</u>

**QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2021**

<b>16. CREDITORS: Amounts falling due within one year</b>	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
Trade creditors	3,005	3,852	3,005	3,852
Amounts due to QEST Enterprises Limited	-	-	12,774	-
Other taxes and social security	15,297	13,669	15,254	10,964
Apprenticeship & scholarship creditors (note 17)	500,666	417,692	500,666	417,692
Accruals and deferred income	222,747	251,002	220,958	249,739
	<u>741,715</u>	<u>686,215</u>	<u>752,657</u>	<u>682,247</u>

<b>17. APPRENTICESHIP &amp; SCHOLARSHIP CREDITORS</b>	<b>Group &amp; Charity 2021 £</b>	<b>2020 £</b>
At 1 January 2021	417,692	423,077
New scholarship and apprenticeship grants committed (note 8)	434,501	309,992
Scholarship grants paid in year	(351,527)	(315,377)
At 31 December 2021	<u>500,666</u>	<u>417,692</u>

<b>18. DEFERRED INCOME</b>	<b>Group &amp; Charity 2021 £</b>	<b>2020 £</b>
At 1 January 2021	208,780	-
Additions during the year	-	208,780
Amounts released to income	(280)	-
At 31 December 2021	<u>208,500</u>	<u>208,780</u>

<b>19. RESTRICTED FUND</b>	<b>As at 1 January 2021 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>As at 31 December 2021 £</b>
<b>Current Year</b>				
Apprenticeship & Scholarship fund	630,347	815,338	(434,501)	1,011,184
Cockpit Arts/QEST professional development programme	-	15,000	(10,400)	4,600
	<u>630,347</u>	<u>830,338</u>	<u>(444,901)</u>	<u>1,015,784</u>

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

Cockpit Arts/QEST professional development programme provided to all new Scholars – fully funded by a donor until 2023.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

19. RESTRICTED FUND - continued

	As at 1 January 2020 £	Income £	Expenditure £	As at 31 December 2020 £
<b>Prior Year</b>				
Apprenticeship & Scholarship fund	544,547	371,376	(285,576)	630,347

20. DESIGNATED FUND

	As at 1 January 2021 £	New Designations £	Designations Released £	As at 31 December 2021 £
<b>Current Year</b>				
Fixed asset fund	2,758,000	-	(7,000)	2,751,000
Investment fund	1,500,000	-	(90,000)	1,410,000
	4,258,000	-	(97,000)	4,161,000

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. Funds were released in the year in line with the trustee's policy to actively use the investment funds at their disposal in any way that facilitates the sustainability of QUEST over the long term

	As at 1 January 2020 £	New Designations £	Designations Released £	As at 31 December 2020 £
<b>Prior Year</b>				
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)	-
	4,366,854	10,306	(117,306)	4,258,000

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Designated funds 2021 £	Total Funds 2021 £
<b>Current Year</b>				
Fixed assets	1,057,475	-	4,161,000	5,218,475
Current assets/liabilities	(406,164)	1,015,384	-	609,620
Total	651,311	1,015,384	4,161,000	5,828,095

**QUEEN ELIZABETH SCHOLARSHIP TRUST LIMITED**  
(Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2021**

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS - continued**

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

**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 (2020: £20,000).

The Royal Warrant Holders Association owes the Trust £NIL (2020: £2,562 owed by the Trust) at the year end in relation to various recharges.

QEST Enterprise Limited, the 100% owned subsidiary, is owed by the Trust £12,774 (2020: owed the Trust £17,314) 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 (2020: £19,725) to QEST during the year.

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

	Group 2021 £	Group 2020 £
Net surplus/(deficit) for 31 December 2021	485,975	(137,928)
Dividends received	(26,806)	(46,356)
Rents received from investment properties	(170,000)	(170,000)
Bank interest	(67)	(616)
Depreciation of tangible fixed assets	7,000	7,000
Net (gains) on investments	(204,468)	(19,154)
(Increase)/decrease in debtors	(253,492)	150,690
Increase in creditors	55,500	228,683
<b>Net cash flow from operating activities</b>	<b>(106,358)</b>	<b>12,274</b>

**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 2021 is £94,539 (2020: £95,784).