

# **The Privy Purse Charitable Trust**

Trustees' report and financial statements

Charity Registration number 296079

**31 March 2021**

The Privy Purse Charitable Trust  
Trustees' report and financial statements  
31 March 2021

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**Legal and administrative information**

Registered number 296079

**Principal Office & Treasurers**

Privy Purse Office  
Buckingham Palace  
London  
SW1A 1AA

**Trustees**

Sir Michael Stevens KCVO  
The Right Honourable Sir Edward Young KCVO  
Jane Graham CVO

**Investment Managers**

Cazenove Capital Management Limited  
12 Moorgate  
London  
EC2R 6DA

**Bankers**

Coutts & Co  
440 Strand  
London  
WC2R 0QS

**Auditors**

Kreston Reeves LLP  
Second Floor  
168 Shoreditch High Street  
London  
E1 6RA

**Solicitors**

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

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## Trustees' report

The Trustees present their report with the audited financial statements of the Trust for the year ended 31 March 2021. The financial statements have been prepared on the basis of the accounting policies set out in note 1 to the financial statements and comply with the Trust'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 in October 2019.

### Structure, Governance and Management

The Trust was constituted by a deed dated 16<sup>th</sup> January 1987. These financial statements comply with that deed.

The Trustees in office at the date of this report are set out on page 2. Trustees are appointed by serving Trustees and receive no remuneration for their services.

The Trustees seek professional advice as required to ensure that they are properly briefed with regard to current developments. Appropriate training is provided to Trustees depending on need.

As part of a review of risk management across the Royal Household, the Trustees have identified the risks to which the Trust is exposed and have ensured that appropriate systems and controls are in place to mitigate any significant risks which are reviewed regularly.

Any conflicts of interest are declared at meetings of the Trustees.

### Objectives and Activities

The purpose of the Trust is to apply income for the benefit of such charitable bodies or for such other charitable purposes as the Trustees shall decide. The income arising from the investment portfolio, together with donations received are used at the discretion of the Trustees to meet the Trust's charitable objectives. The main aims of the Trustees are to make grants to charities of which The Queen is patron, support ecclesiastical establishments associated with The Queen and to make contributions in the event of either national or international disasters. The Trustees meet regularly during the year to review proposed donations in accordance with the stated aims. Administrative support is provided, without charge, by the Privy Purse.

### Achievements and Performance

In line with the objectives described above, the Trustees have made grants and donations principally for ecclesiastical and educational purposes, as analysed in note 4 to the financial statements.

### Public Benefit

The Trust aims to make grants to the public benefit in the following areas; to charities of which The Queen is patron and support ecclesiastical establishments associated with The Queen. As part of their role, the Trustees ensure there is a wide scope of public benefit within the activities of the Trust and that there is a fair and equitable grant process. The Trustees have reviewed the Trust's objectives and activities and achievements for the year under review and are satisfied that the Trust has complied with the requirements of public benefit reporting as set out in the Charity Commission's General Guidance on Public Benefit.

### Financial Review

Donations income fluctuates from year to year and during the year to 31 March 2021 decreased from £699,211 to £45,179. Investment income decreased from £96,632 to £53,254. The Trustees made charitable donations including support costs of £662,268 during the year (2020: £605,205) which, after management expenses, resulted in net incoming resources of £618,378 (2020 *outgoing resources*: £188,394). The fund at the end of the year amounted to £5,221,018 (2020: £4,602,640). Funds are required to be retained for future scholarship commitments; at the year end these amounted to £131,268 (2020: £113,429).

Net incoming / (outgoing) resources include the impact of gains / (losses) on investments.

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**Trustees' report** *(continued)*

The Privy Purse Charitable Trust provide funding to the City of London School which comprises Bursary Funding, Administration Funding and Teaching and Pastoral Care Funding. The grant is reviewed annually and the Funding for the next year is agreed by 31 March each year.

The Trustees have provided the Charity Commission with full details of the amount of all donations made during the year.

The Trustees have the power to invest in such assets as they see fit. The investment objective is to attain a balance between capital and income return and to achieve income growth to enable the Trust to maintain the real value of its annual donations. Performance is in line with benchmarks agreed.

**Reserves**

The policy of the Trustees is to distribute annually substantially all of the income arising in the year, after deduction of expenditure. In line with this policy, the Trustees currently seek to generate a return of inflation plus 4% on the investment portfolio. At 31 March 2021, free reserves amounted to £5,221,018 (2020: £4,602,640) which is consistent with this policy.

The portfolio of investments (including bank deposits and cash held by the investment managers) had a value of £5,459,051 at the year end, compared with a cost of £5,362,947 (2020: value £4,598,624; cost £4,127,160).

**Plans for Future Periods**

The Trustees intend to continue with the current activities of the Trust for at least 12 months from the date of signing the accounts.

As a result of the ongoing COVID-19 pandemic, the Trustees have considered their ability to meet any obligations and discretionary spend over the next sixteen months. It is considered that free reserves are sufficiently high to meet current levels of expenditure, without any income, for approximately seven years. As donations are discretionary, with the exception of the Queen's Chorister, the Trustees could decide to reduce or pause activities, thus prolonging the longevity of free reserves.

**Auditors**

The Trustees appointed Kreston Reeves LLP as auditors in March 2021.

Approved by order of the members of the board of Trustees and signed on their behalf by:



**Sir Michael Stevens KCVO**

Trustee

6th December 2021

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES IN RESPECT OF THE TRUSTEES' REPORT AND THE FINANCIAL STATEMENTS**

Under charity law, the trustees are responsible for preparing a Trustees' Annual Report and financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of income over expenditure for that period. The Trustees have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements;
- assess the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

The Trustees are required to act in accordance with the trust deed of the charity, within the framework of trust law. They are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the charity at that time, and to enable the trustees to ensure that, where any statements of accounts are prepared by them under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

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**Independent auditor's report to the Trustees of Privy Purse Charitable Trust**

**Opinion**

We have audited the financial statements of Privy Purse Charitable Trust ("the charity") for the year ended 31 March 2021 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of Cash Flows and related notes, 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the 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 annual report other than the financial statements and our auditors' 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

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**Independent auditor's report to the Trustees of Privy Purse Charitable Trust (continued)**

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

We have nothing to report in this regard.

**Matters on which we are required to report by exception**

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- the information given in the 'Trustees' report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit. We have nothing to report in these respects.

**Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charity or to cease operations or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditor under section 145 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



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**Independent auditor's report to the Trustees of Privy Purse Charitable Trust (continued)**

*Capability of the audit in detecting irregularities, including fraud*

Based on our understanding of the charity and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities SORP (FRS 102) Second Edition (released October 2019), and other relevant charity legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated Trustees' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks related posting inappropriate journal entries to increase revenue or reduce expenditure. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Review of cash expenditure to confirm no evidence of personal benefit; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.

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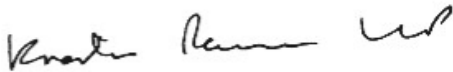
**Independent auditor's report to the Trustees of Privy Purse Charitable Trust (continued)**

- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the charity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Use of our report**

This report is made solely to the charity's trustees as a body, in accordance with section 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity'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 charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.



**Kreston Reeves LLP**

Chartered Accountants  
Statutory Auditor London

Date: 6th December 2021

Kreston Reeves LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

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**Statement of financial activities**

*For the year ended 31 March 2021*

	<i>Note</i>	<b>Unrestricted funds 2021  £</b>	<b>Total funds 2021  £</b>	<b>Unrestricted Funds 2020  £</b>	<b>Total funds 2020  £</b>
<b>Income from:</b>					
Donations and legacies	2	45,179	45,179	699,211	699,211
Investments	3	53,254	53,254	96,632	96,632
<b>Total incoming resources</b>		<b>98,433</b>	<b>98,433</b>	<b>795,843</b>	<b>795,843</b>
<b>Expenditure on:</b>					
Raising Funds:					
Investment management fee		31,561	31,561	29,476	29,476
Charitable activities:					
Ecclesiastical		218,500	218,500	217,797	217,797
Education		188,105	188,105	125,987	125,987
Other		255,663	255,663	261,421	261,421
	4	662,268	662,268	605,205	605,205
<b>Total resources expended</b>		<b>693,829</b>	<b>693,829</b>	<b>634,681</b>	<b>634,681</b>
<b>Net (outgoing) / incoming resources and movement in fund before net gains / (losses) on investments</b>		<b>(595,396)</b>	<b>(595,396)</b>	<b>161,162</b>	<b>161,162</b>
Net gains / (losses) on investments	5	1,213,774	1,213,774	(349,556)	(349,556)
<b>Net incoming / (outgoing) resources and movement in fund</b>		<b>618,378</b>	<b>618,378</b>	<b>(188,394)</b>	<b>(188,394)</b>
Fund balance brought forward at 1 April		4,602,640	4,602,640	4,791,034	4,791,034
<b>Fund balance carried forward at 31 March</b>		<b>5,221,018</b>	<b>5,221,018</b>	<b>4,602,640</b>	<b>4,602,640</b>

The results above relate to continuing activities. There are no recognised gains or losses other than those included above. There is no difference between the results as stated and the results on a historical cost basis other than the inclusion of the investment portfolio at market value.

The funds carried forward at 31 March 2021 are all unrestricted funds.

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**Balance sheet**

**At 31 March 2021**

	<i>Note</i>	2021	2020
		£	£
<b>Fixed assets</b>			
Investments	5	<u>5,459,051</u>	<u>4,598,624</u>
<b>Current assets</b>			
Receivables	7	445	21,280
Cash and cash equivalents		74,648	255,829
<b>Current Liabilities</b>			
Payables: amounts falling due within one year	8	(222,770)	(200,246)
<b>Net current assets</b>		<u>(147,677)</u>	<u>76,863</u>
<b>Liabilities</b>			
Payables: amounts falling due after more than one year	9	(90,356)	(72,847)
<b>Net assets</b>		<u><u>5,221,018</u></u>	<u><u>4,602,640</u></u>
<b>Funds</b>			
Unrestricted funds		<u>5,221,018</u>	<u>4,602,640</u>
		<u><u>5,221,018</u></u>	<u><u>4,602,640</u></u>

The notes on pages 13 to 20 form part of these accounts.

The financial statements were approved and authorised for issue by the Trustees on 6th December 2021 and signed on their behalf by:



**Sir Michael Stevens KCVO**

*Trustee*

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**Statement of Cash Flows**

**At 31 March 2021**

	2021	2020
	£	£
<b>Cash flows from operating activities:</b>		
<b>Net income / (expenditure) (as per the statement of financial activities)</b>	<b>618,378</b>	<b>(188,394)</b>
<i>Adjustments for:</i>		
Net (gain) / loss on investments	<b>(1,213,774)</b>	349,556
Investment income receivable	<b>(53,254)</b>	(96,632)
Decrease / (increase) in receivables	<b>20,835</b>	(9,878)
Increase / (decrease) in payables	<b>40,033</b>	(35,314)
<b>Net cash generated by operating activities</b>	<b>(587,782)</b>	19,338
<b>Cash flows from investing activities:</b>		
Investment income received	<b>53,254</b>	96,632
Purchase of investments	<b>(5,823,151)</b>	(1,503,888)
Sale of investments	<b>6,159,177</b>	1,019,621
<b>Net cash absorbed by investing activities</b>	<b>389,280</b>	(387,635)
<b>Change in cash and cash equivalents in the year</b>	<b>(198,502)</b>	(368,297)
Cash and cash equivalents as at 1 April 2020 / 2019	<b>569,105</b>	937,402
<b>Cash and cash equivalents as at 31 March 2021 / 2020</b>	<b>370,603</b>	569,105
<b>Analysis of cash and cash equivalents</b>		
	2021	2020
	£	£
Cash at bank and in hand	<b>74,648</b>	255,829
Cash held by investment managers	<b>295,955</b>	313,276
	<b>370,603</b>	569,105

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**Notes**

*(forming part of the financial statements)*

**1 Accounting Policies**

***Basis of preparation***

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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 effective 1 January 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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

***Donations and legacies***

Donations and legacies are recognised in the year in which they are received by the Trust.

***Investment income***

Dividends and interest are credited to income when due.

***Resources expended***

Expenditure is included when the liability for payment is incurred. Charitable donations and grants payable are charged in the year in which the commitment is made. Donations payable in the form of school fees for choristers payable in future years are recorded as a liability at the balance sheet date. Such donations are disclosed within Education in the analysis provided in note four. Expenditure is categorised in the statement of financial activities according to the nature of the expense and includes irrecoverable VAT.

***Liabilities***

Liabilities are recognised when a constructive obligation arises.

***Investments***

Investments are included in the balance sheet at their market values at the financial year end which are determined as follows:

- (i) UK listed securities and foreign securities quoted on a recognised stock exchange are stated at market values ruling at the year end.
- (ii) Unit trust and managed funds are stated at the mean of the bid and the offer prices quoted by the trust managers at the year end.

Realised and unrealised investment gains and losses are recorded in the Statement of Financial Activities.

***Foreign currencies***

Transactions in foreign currencies are recorded at rates of exchange ruling on the date of transactions. Assets and liabilities in foreign currencies are recorded at the rates of exchange ruling at the balance sheet date and exchange differences are taken to the statement of financial activities.

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***Funds***

All funds of the Trust are held as unrestricted funds which are available for the Trustees to use in accordance with the Trust's aims.

***Tax***

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of Income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 286 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Consequently there is no taxation charge for the year (2020: £nil).

***Going Concern***

The financial statements have been prepared on a going concern basis which the Trustees consider to be appropriate for the following reasons.

The business model of the charity is such that its charitable activities are limited to those which it has sufficient funds to support from the excess of funding received over the costs of administering the charity. The charity therefore has no specific commitments and no committed costs beyond its fixed costs of operation which are detailed in note four.

The Trustees have reviewed the cash flow forecasts for a period of sixteen months from the date of approval of these financial statements which indicate that the charity will have sufficient funds to meet its liabilities as they fall due for that period. The Trustees have also considered the implications of COVID-19 on these cash flow forecasts and consider that as a result of its operating model explained above, even if no further funding is received in the twelve month period, the charity has sufficient cash reserves to pay all committed costs.

Consequently, the Trustees are confident that the charity will have sufficient funds to continue to meet its liabilities as they fall due.

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**Notes** *(continued)*

**2 Donations and legacies**

	2021	2020
	£	£
Queen Mary's Dolls' House	44,079	695,195
Oxford Scientific Films	1,100	4,016
	<u>45,179</u>	<u>699,211</u>

**3 Dividends and interest**

	2021	2020
	£	£
UK Listed Investments	39,721	64,443
Overseas Listed Investments	13,514	29,897
Bank interest	19	2,292
	<u>53,254</u>	<u>96,632</u>

**4 Charitable donations**

The following donations over £20,000 were made during the year:

	2021	2020
	£	£
City of London School (Choristers)	142,000	123,000
Chapel Royal – Hampton Court Palace (Ecclesiastical)	50,634	52,689
Chapel Royal – Windsor Great Park ( Ecclesiastical)	26,718	25,707
Chapel Royal – St James's Palace (Ecclesiastical)	29,965	46,744
Sandringham Group of Parishes (Ecclesiastical)	61,897	65,063
Australian Red Cross - bushfires	-	25,009
Game and Wildlife Conservation Trust	27,386	-
	<u>338,600</u>	<u>215,212</u>

The Trustees provide to the Charity Commission full details of the number and amount of all donations made during the year.



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**Notes** *(continued)*

**4 Charitable donations** (continued)

During the year, 337 donations totalling £656,180 (2020: 342 donations totalling £600,720) were made to charities within the following classifications:

		Charitable Donations	Support Costs	2021 Total	2020
	No.	£	£	£	£
Ecclesiastical	34	217,884	614	<b>218,498</b>	217,797
Education	2	188,087	36	<b>188,123</b>	125,987
Other:					
Aged	20	17,285	361	<b>17,646</b>	11,093
Animals	19	9,810	343	<b>10,153</b>	6,285
Armed Services	43	21,550	777	<b>22,327</b>	11,914
Children & Youth	41	23,230	741	<b>23,971</b>	12,328
Cultural	19	11,000	343	<b>11,343</b>	5,536
Disabled	21	11,230	379	<b>11,609</b>	6,892
Environment	13	39,136	235	<b>39,371</b>	59,702
Family Welfare	8	4,140	145	<b>4,285</b>	2,175
Hospices & Hospitals	12	20,410	217	<b>20,627</b>	9,099
Medical Research	9	5,840	163	<b>6,003</b>	3,258
Medical Welfare	15	15,060	271	<b>15,331</b>	5,214
Overseas Aid	3	1,500	54	<b>1,554</b>	45,825
Restoration of Cathedrals & Churches	6	14,393	108	<b>14,501</b>	31,898
Royal Almonry	1	5,945	18	<b>5,963</b>	6,261
Social Welfare	13	9,500	235	<b>9,735</b>	25,184
Sport	23	16,440	416	<b>16,856</b>	6,303
Trades & Professions	29	20,500	524	<b>21,024</b>	10,630
Voluntary Services	6	3,240	108	<b>3,348</b>	1,824
	<b>337</b>	<b>656,180</b>	<b>6,088</b>	<b>662,268</b>	<b>605,205</b>

Support costs are allocated to the categories of charitable activities on the basis of the number of donations in each category as it is not possible to allocate the costs on a specific basis.

Included within governance costs are audit fees, of which £Nil (2020: £560) are attributable to Her Majesty's Chapel Royal. A donation was made from the Trust to Her Majesty's Chapel Royal in respect of Independent Examination Fees of £3,420 (2020: £Nil).

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**Notes** (*continued*)

**4 Charitable donations** (continued)

In February 2017, it was agreed that City of London School would take on the primary responsibility for the boys of the St. James's Palace Chapel Royal Choir which would be funded annually by a grant from The Privy Purse Charitable Trust (2021: £142,000; 2020: £123,000) and the HM Chapel Royal Frank McFarlane Bequest Fund (2021: £15,000; 2020: £15,000). The Privy Purse Charitable Trust funding comprises Bursary Funding, Administration Funding and Teaching and Pastoral Care Funding. The grant is reviewed annually and the Funding for the next year is agreed by 31 March each year. The grant included in the 2020-21 accounts is for 1 April 2021 to 31 March 2022.

The new grant arrangement for the Choristers has led to a release of the previously held provision for their school fees. The remaining provision held for school fees as at 31st March 2021 is for individuals who fall outside of the scope of the grant agreement and any terms in lieu for the existing Choristers that had been accrued prior to the signing of the grant agreement.

School fees for choristers paid during the year totalled £28,248 (2020: £34,074), being HM Chapel Royal, St James's Palace £1,047 (2020: £1,059) and The Queen's choristers, St. George's Chapel, Windsor £27,201 (2020: £33,015). The amounts credited or charged to the statement of financial activities for HM Chapel Royal, St James's Palace were £nil (2020: £nil) and for The Queen's choristers, St. George's Chapel, Windsor was a charge of £46,087 (2020: £2,974). An analysis of the total movement is presented below.

	2021	2020
	£	£
<b><i>Choristers' School fees/The Queen's Chorister Scholarship</i></b>		
Amounts payable		
Commitments at 1 April	113,429	144,529
Commitments made in the year	46,087	2,974
Commitments written back in the year	-	-
Charged / (credited) to statement of financial activities	<u>159,516</u>	<u>2,974</u>
Paid in the year	(28,248)	(34,074)
Commitments at 31 March	<u>131,268</u>	<u>113,429</u>
<b><i>Commitments at 31 March are payable:</i></b>		
Within one year	40,912	40,582
After more than one year	<u>90,356</u>	<u>72,847</u>
	<u>131,268</u>	<u>113,429</u>

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**Notes** *(continued)*

**5 Investments**

	Cost at 31 March 2021	Market Value at 31 March 2021	Cost at 31 March 2020	Market Value at 31 March 2020
	£	£	£	£
UK listed investments	5,066,992	5,163,096	2,415,190	2,664,826
Overseas listed investments	-	-	1,398,694	1,620,522
	<u>5,066,992</u>	<u>5,163,096</u>	<u>3,813,884</u>	<u>4,285,348</u>
Cash held by investment managers	295,955	295,955	313,276	313,276
	<u>5,362,947</u>	<u>5,459,051</u>	<u>4,127,160</u>	<u>4,598,624</u>

2021

£

Opening market value of investments	4,285,348
Disposals	(5,014,912)
Purchases at cost	5,823,151
Unrealised gains / (losses)	<u>69,509</u>
Closing market value of investments	<u>5,163,096</u>
Realised gains / (losses)	1,144,265
Unrealised gains / (losses)	<u>69,509</u>
Net realised and unrealised gains / (losses)	<u>1,213,774</u>

All funds are managed by Cazenove.

The investment portfolios of The Military Knights of Windsor, The Military Knights of Windsor Widows and Orphans Benevolent Funds, Frank McFarlane Bequest Fund and the Benyon Bequest Fund are combined with that of The Privy Purse Charitable Trust and the combined portfolio is managed as one. At 31 March 2021, the value of their share of the investment portfolio, which has not been included on the balance sheet, was £817,680 (2020: £646,521).

**6 Trustees' remuneration and expenses**

During the year, no Trustees received any remuneration or other benefits (2020: £nil)

During the year ended 31 March 2021, no Trustee expenses have been incurred (2020: £nil).

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**Notes** *(continued)*

**7 Receivables**

	2021	2020
	£	£
Receivables	445	21,280
	<u>445</u>	<u>21,280</u>

**8 Current liabilities: amounts falling due within one year**

	2021	2020
	£	£
Purchase ledger	1,585	614
Donations payable	182,912	163,582
Accruals	38,038	36,050
Sundry Creditors	235	-
	<u>222,770</u>	<u>200,246</u>

**9 Payables: amounts falling due after more than one year**

	2021	2020
	£	£
Donations payable	90,356	72,847
	<u>90,356</u>	<u>72,847</u>

**10 Funds**

**Year ended 31<sup>st</sup> March 2021**

	Opening balance at 1 April 2020	Income	Expenditure	Gains / (losses)	Closing balance at 31 March 2021
	£	£	£	£	£
Unrestricted Funds	4,602,640	98,433	(693,829)	1,213,774	5,221,018
	<u>4,602,640</u>	<u>98,433</u>	<u>(693,829)</u>	<u>1,213,774</u>	<u>5,221,018</u>

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**Notes** (*continued*)

**Year ended 31<sup>st</sup> March 2020**

	Opening balance at 1 April 2019	Income	Expenditure	Gains / (losses)	Closing balance at 31 March 2020
	£	£	£	£	£
Unrestricted Funds	4,791,034	795,843	(634,681)	(349,556)	4,602,640
	4,791,034	795,843	(634,681)	(349,556)	4,602,640

**11 Related party transactions**

	Balance at year end		Transactions in the year		Details of transaction
£	2021	2020	2021	2020	
Royal Collection Trust (RCT)	<b>28</b>	-	<b>44,080</b>	694,873	Donation of income from RCT, net of expenses, from the admission to Queen Mary's Dolls' House, Windsor Castle.
Privy Purse (PP)	-	-	<b>(4,790)</b>	(4,689)	Recharge for Maundy Purses.
Historic Royal Palaces (HRP)	<b>(23,009)</b>	(25,403)	<b>(23,250)</b>	(25,403)	Recharge for salaries of shared employees.
HM Chapel Royal, St. James's Palace (HMCR)	<b>411</b>	15,132	<b>411</b>	15,132	Recharge for salaries of shared employees.
Military Knights of Windsor (MKW)	-	-	<b>560</b>	280	Donation made annually

A donation was made from the Trust to Her Majesty's Chapel Royal in respect of Independent Examination Fees of £3,420 (2020: £Nil).

Related party balances are receivable and payable on demand.

**12 Controlling Party**

The Trustees are the controlling party of the Charity.