



*Quintin Hogg Trust
Quintin Hogg Memorial Fund
Since 1903*

Quintin Hogg Trust

(Charity Number 1010404)

Report & Financial Statements

*Year Ended
31 July 2020*

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

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REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEE

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

Directors and Members (Board of Trustees, QHTC)

Victoria Batten
Godfrey Cole CBE
Dr Geoffrey Copland CBE
Joanna Embling
Tracey Hartley
The Hon Dame Mary Hogg DBE
Richard Law
Paul Millett (Appointed 17 December 2019)
Dr Ann Rumpus
William Weston (Appointed 8 October 2019)
Don Wood CBE

SECRETARY TO THE BOARD OF TRUSTEES (QHTC)

John Gibbons

AUDITORS

Saffery Champness LLP
71 Queen Victoria Street
London EC4V 4BE

BANKERS

National Westminster Bank PLC
135 Bishopsgate
London EC2M 3UR

Lloyds Bank PLC
25 Gresham Street,
London EC2V 7HN

SOLICITORS

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

Clyde & Co LLP
138 Houndsditch
London EC3A 7AR

INVESTMENT MANAGERS & ADVISORS

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

ACCOUNTANT

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

QHTC REGISTERED OFFICE AND QUINTIN HOGG TRUST PRINCIPAL OFFICE

66 Lincolns Inn Fields
London WC2A 3LH

CHARITY NUMBER

1010404

REPORT OF THE TRUSTEE

The Trustee submits its report and the audited financial statements for the year ended 31 July 2020 of Quintin Hogg Trust ("the Trust"), a registered charity no. 1010404. The financial statements have been prepared in accordance with the Trust Deed and the requirements of the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The information on page 4 forms part of this report.

Structure, Governance and Management

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

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

QHTC has no employees. It has engaged a Secretary and an accountant to undertake the administrative and accounting functions. The Trust is related to one other charitable trust, Quintin Hogg Memorial Fund (QHMF). These two trusts share the same Trustee and therefore common control exists. Details of transactions with related parties are disclosed in note 21 to the financial statements.

The Trustee is in the process of seeking Charity Commission approval for a scheme to merge the charities. A stakeholder consultation was initiated in mid-2020 with the intention of making a formal application for merger to the Commission.

One of QHTC's Trustees served until July 2020 on the University's Court of Governors and several Trustees are alumni of and/or have other past connections with the University.

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

Objects and activities

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

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

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

The Trustee takes its responsibility under The Charities (Protection and Social Investment) Act 2016 seriously. The Trust does not engage in any fundraising with the general public and therefore does not have a formal fundraising policy in place. It can accept donations but it does not actively seek them. No donations were received during the year (2019: £nil) nor any complaints regarding fundraising.

Development of the Chiswick Site

The Trustee regards the Trust's landholdings at Chiswick, together with those of QHMF (which owns the larger part of the Quintin Hogg Memorial Sports Ground, including land on which a boathouse stands), as part of a unique legacy to be preserved and maintained for the benefit of students of the University and of other young people. QHTC has a long-term ambition to create a centre of sporting excellence on the site for athletes of all abilities, with modern 21st century facilities. To achieve this, the Trustee is developing a comprehensive masterplan for the whole site, which is in need of upgrading.

QHTC's Chiswick Committee oversees the planned redevelopment of the Chiswick site. Comprising 4 Trustees, the Committee keeps under review all matters relating to Chiswick, including the development programme, and reports regularly to the Board.

On 2 August 2019, planning permission was obtained to redevelop land to the South of Hartington Road, being land owned by both QHT and QHMF. The proposals for the land owned by QHT comprise floodlit 3G all-weather sports and training pitches, together with a new sports pavilion and new and improved access to the site. QHTC signed a s106 agreement with Hounslow Borough on 5 March 2020. The Trustee has engaged a team of experienced professionals and competitively tendered the building contract. Work started in Autumn 2020 to improve access to the site and on the 3G pitch. Trustees have yet to make a decision as to when the pavilion is to be built and is applying for planning permission to erect a temporary structure to provide the necessary facilities to support the use of the new playing surfaces. The total cost of constructing the access, parking, pitches and temporary facilities is estimated to be circa £3.3 million.

Expenditure on the project during the year amounted to £155k of revenue costs and £69k of expenditure that has been capitalised. (2019: £144k; £0k capitalised). Offsetting these costs is a pending VAT payback claim of £65k, which reduced the revenue costs recognised during 2019-20. £68k of the revenue costs (2019: £118k) was recharged to QHT by QHMF, being expenditure on its elements of the project. QHT also recharged to QHMF costs of £65k (2019: £0) being expenditure incurred on QHMF's behalf.

Grant Funding Process

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

Each year, applications are invited for funds to support both large and small projects that reflect the University's strategic aims and objectives and that complement the Trust's aims and objects. The Trust is always looking to fund initiatives that will make a real difference to the student experience. The amount of funding provided is determined by the quality of the applications received, having regard to the Trust's grant awarding criteria and available resources, but there is no fixed annual level.

Each Applicant must complete a pro-forma application in compliance with the Trust's grant funding policy. Grant applications received in one year to 31 July are assessed by the Grants Committee against set criteria and, on its recommendation, QHTC decides which projects it wishes to support. The full amount of the approved awards is included as a creditor in the financial statements for that year. During the next year, the University reports as to how much has been spent and QHTC confirms what the Trust will pay (on recommendation of the Grants Committee). Any underspend by the University is recognised by reduction of the creditor. Early in the following year, payment is made and the creditor is reduced accordingly.

Grant Funding Submission for 2020/21

There is usually only one cycle of project bidding (March 2020 in the year under review) and two cycles of reporting and drawdown of funds (August 2019 and July 2020). However, the Covid-19 crisis has forced the Trust and the University to revisit the March 2019 award and to review many of the 2019/20 projects which were unable to conclude either on time or at all, due to the Covid-19 pandemic.

A total request to the value of £9,213,627 was received from the University in March 2020 for projects due to start in 2020/21, amounting to some 37 bids, 10 of these being bids of less than £25,000. A total award of £4,536,283 was made, with 17 projects in all receiving full or part funding. Of these, two applications were put forward by UWSU (via the University) both of which received full funding.

Since the initial award was made, the University has sought further assistance due to the impact upon it of Covid-19 and seven additional awards totalling £1,619,912 have been approved. These are of a similar scale to the amounts awarded in March 2020 for projects that have now been deferred and/or cancelled (including three of QHT's largest funding programmes involving international placements or field trips), so that the overall effect on the Trust is an additional amount due to the University of some £12,394 at 31 July 2020.

A series of preparatory workshops run by the University (designed to assist bidders applying under each of the University's five strategic themes) has improved coordination of bids and the introduction of an expressions of interest stage has further streamlined the process. An on-line only application system is now in its second year and has significantly cut down the time spent by applicants, University staff and QHT. In consultation with QHT, the University is introducing a revised bidding process for the year 2021/22 to help address some of the difficulties presented by the pandemic.

A significant area of funding each year is in support of the University's International Programme which includes an extensive field trip programme and the popular Westminster Working Cultures Programme, which helps many students to gain essential employability skills through experience of working practices in six countries around the globe. These programmes have been severely affected by the pandemic and next year's programmes are on hold pending a clearer picture developing on international travel. In the meantime, the University has obtained QHT funding to develop a virtual field trip programme. They are believed to be one of the first Universities to do so.

A full list of the awards made for the year 2020/21, together with a description of each, as well as details of selected past projects, can be found on the QHT website (<http://www.quintinhoggtrust.org>).

In summary and including Covid-19-related awards, grants of £5,664k (2018-19 £3,478k) were awarded to the University during the year. Most of this (£5,415k) is for payment in future years, with £249k paid during 2019-20. Actual spend by the University on projects for which grants were awarded in prior years and for which final approval was given in 2019-20 for payment at the beginning of 2020-21 was £3,038k (2019-20 £4,375k), which led to a write back of grants previously awarded of £815k (2019-20: £382k). This represented amounts not spent and not deferred on projects previously approved.

The effect of the Covid-19 pandemic

The effect of the Covid-19 pandemic on the Trust's grant programme is summarised above.

The effect of the pandemic on the Trust directly has, so far, been limited, affecting the value of and income from its investments, as shown in this report, in addition to the grant programme. Trustee and other meetings have been held as planned, using an online platform, instead of face-to-face, with a consequent decrease in trustee expenses.

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

Financial review

QHTC reports net income for the Trust of £251k (2019: £2,374k) on unrestricted funds, before gains/losses on investments and disposals, reducing to a net surplus of £98k (2019: £2,499k) after investment losses (2019: gains). A surplus of £987k (2019: 723k deficit) arose on endowment funds, primarily reflecting a significant one-off receipt during the year relating to a property, offset by depreciation. This reduced to a surplus of £741k (2019: £393k deficit) after investment losses (2019: gains).

At the end of the year, the Trust had retained unrestricted funds amounting in total to £7.0m (2019: £6.9m) and retained endowment funds of £20.9m (2019: £20.1m).

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

Reserves Policy and resources

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

The Trustee has decided that, dependent upon the impact of the Trust's activities, it should aim to hold at least £5m of free unrestricted reserves, an amount approximately equivalent to the value of grants awarded

in one year. Free unrestricted reserves at the end of the year were £7.0m (2019: £6.9m). In addition, the Trust had endowment reserves of £20.9m (2019: £20.1m).

Of the resources available to the Trust, fixed asset endowment investments amounting to £8.1m (2019: £8.5m) result from the disposal of an endowment property in a prior year. Under the terms of the trust deed, such funds are required to be invested and, accordingly, are available for the purposes of the Trust subject to that condition. The Trustee understands that "investment" for this purpose could include the purchase of land and buildings.

The Trust's other available resources comprise fixed asset investments £3.6m (2019: £3.3m), current asset investments £5.0m (2019: £3.7m) and cash, after allowing for current liabilities, £7.8m (2019: £7.8m). These resources are available for the purposes of the Trust, subject to cash flow constraints, such as those arising from commitments to pay grants to the University and to UWSU in future periods, amounting to £8.1m (2019: £6.4m).

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

Investment Policy

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

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

During the year, the Trust's investment portfolio provided income of £288k (2019: £327k). As reported by Investec, the endowment fixed asset investment produced a total return of -1.0% (2019: 7.5%) and the unrestricted fixed asset investment produced a total return of -2.4% (2019: 7.0%), net of fees. The performance of each fund is measured against a bespoke benchmark comprising elements of various indices and interest rates appropriate to the Trust's portfolio. Investec reported that, during the year, the benchmark for the endowment fixed asset investment produced a total return before fees of -3.3% (2019: 5.7%) and that for the unrestricted fixed asset investment produced a total return of -6.2% (2019: 5.7%).

Management of conflicts of interest

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

Risk management

QHTC is committed to undertaking a regular review of the significant strategic and operational risks affecting the Trust and maintains a risk register. An updated QHTC risk management policy was agreed in March 2020. Major risks to which the Trust may be exposed potentially include fluctuation in the performance of its investments and the uncertain situation created by the Covid-19 pandemic. Actions taken to mitigate these risks include regular review of investment portfolios to ensure appropriate levels of risk for investments, in consultation with the fund managers, and maintaining close relationships with the University Vice-Chancellor and other officers. The Board now conducts quarterly reviews of the risk register.

Auditors

Saffery Champness LLP was appointed as Auditors by the Board in April 2018 and reappointed in December 2019 to serve for the year to July 2020. Saffery Champness LLP has indicated its willingness to continue in office and, in accordance with the provisions of the Charities Act 2011, it is proposed that it be re-appointed as auditor to the Trust for the ensuing year.

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Trust and enable it to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the trust deed. The Trustee is also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Approved by QHTC and signed on behalf of the Trust



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Godfrey Cole
Chair, Board of Trustees, QHTC

Date:

15.12.20

QUINTIN HOGG TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE

Opinion

We have audited the financial statements of Quintin Hogg Trust for the year ended 31 July 2020 which comprise the statement of financial activities, balance sheet, 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 charity's affairs as at 31 July 2020 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 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

QUINTIN HOGG TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the Trustee's Responsibilities Statement set out on page 9, the trustee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

QUINTIN HOGG TRUST
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE (continued)

Use of our report

This report is made solely to the charity's trustee, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustee as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in cursive script that reads "Saffery Champness LLP". The signature is written over a horizontal dotted line.

Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: 11 January 2021.

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

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 JULY 2020

		Unrestricted Funds	Endowment Funds	Total Funds 2020	Total Funds 2019
		£	£	£	£
	Note				
INCOME FROM:					
Charitable activities	4	4,897,256	-	4,897,256	5,339,024
Investment income	5	373,393	-	373,393	377,003
Other	6	9,997	1,518,750	1,528,747	941
TOTAL INCOME		<u>5,280,646</u>	<u>1,518,750</u>	<u>6,799,396</u>	<u>5,716,968</u>
EXPENDITURE ON:					
Raising Funds	7	14,863	37,778	52,641	51,392
Charitable activities	8	4,988,431	493,512	5,481,943	3,869,871
Other costs	10	26,239	-	26,239	144,264
TOTAL EXPENDITURE		<u>5,029,533</u>	<u>531,290</u>	<u>5,560,823</u>	<u>4,065,527</u>
NET INCOME BEFORE GAIN/LOSS ON INVESTMENTS		251,113	987,460	1,238,573	1,651,441
Net (losses)/gains on investments	13	(153,153)	(245,970)	(399,123)	454,257
NET MOVEMENT IN FUNDS		<u>97,960</u>	<u>741,490</u>	<u>839,450</u>	<u>2,105,698</u>
RECONCILIATION OF FUNDS					
Total funds brought forward		<u>6,935,501</u>	<u>20,146,129</u>	<u>27,081,630</u>	<u>24,975,932</u>
TOTAL FUNDS CARRIED FORWARD	18	<u><u>7,033,461</u></u>	<u><u>20,887,619</u></u>	<u><u>27,921,080</u></u>	<u><u>27,081,630</u></u>

All of the above results derive from the continuing activities of the Fund.

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

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

BALANCE SHEET

AS AT 31 JULY 2020

		2020		2019	
		£	£	£	£
	Note				
FIXED ASSETS					
Tangible assets	11		11,390,481		11,775,910
Investments	12		11,642,540		11,805,582
			<u>23,033,021</u>		<u>23,581,492</u>
CURRENT ASSETS					
Debtors	14	150,059		53,170	
Current asset investments	15	5,000,000		2,500,087	
Cash at bank		<u>11,644,193</u>		<u>13,040,644</u>	
		16,794,252		15,578,567	
LIABILITIES					
Creditors falling due within one year	16	<u>(4,466,576)</u>		<u>(5,633,618)</u>	
NET CURRENT ASSETS			12,327,676		9,944,949
Creditors: amounts falling due after more than one year	17		<u>(7,439,617)</u>		<u>(6,444,811)</u>
NET ASSETS			<u>27,921,080</u>		<u>27,081,630</u>
FUNDS					
Endowment funds	18		9,985,113		8,878,575
Endowment revaluation reserve	17		10,902,506		11,267,554
Unrestricted funds	18		<u>7,033,461</u>		<u>6,935,501</u>
			<u>27,921,080</u>		<u>27,081,630</u>

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

Approved by QHTC
and signed on behalf of the Trust

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Godfrey Cole
Chair, Board of Trustees, QHTC

Date: 15.12.20

STATEMENT OF CASH FLOWS

YEAR ENDED 31 JULY 2020

	2020		2019	
	£	£	£	£
Cash inflow from operating activities		1,035,006		233,745
Cash flows from investing activities				
Reduction (increase) in fixed term cash investments	(2,500,000)		1,250,000	
Interest and investment income	373,393		377,003	
Proceeds from sale of investments	2,200,249		638,899	
Purchase of fixed assets	(68,856)		-	
Purchase of investments	(2,337,925)		(1,013,434)	
Cash provided by (used in) investing activities		(2,333,139)		1,252,468
Increase (decrease) in cash and cash equivalents in the year		(1,298,133)		1,486,213
Cash and cash equivalents at the beginning of the year		13,467,942		11,981,729
Total cash and cash equivalents at the end of the year		12,169,809		13,467,942

See notes to the cash flow on the next page.

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

Reconciliation of Net Income to Net Cash Flow from Operating Activities	2020	2019
	£	£
Net movement in funds for the year	839,450	2,105,698
Interest and investment income receivable	(373,393)	(377,003)
Release of capital grants	-	(400)
Depreciation and amortisation	454,286	597,274
(Losses)/ Gains on investments	399,123	(454,257)
(Increase)/decrease in debtors	(112,223)	13,254
(Decrease)/increase in creditors	(172,237)	(1,650,821)
Net cash used in operating activities	<u>1,035,006</u>	<u>233,745</u>
Analysis of Cash and Cash Equivalents		
Cash at bank and in hand	11,644,193	13,040,644
Cash held by investment managers	<u>525,616</u>	<u>427,298</u>
	<u>12,169,809</u>	<u>13,467,942</u>

Analysis of change in net debt	01 Aug 2019	Cash flows	31 Jul 2020
Cash at bank and in hand	13,040,644	(1,396,451)	11,644,193
Cash held by investment managers	427,298	98,318	525,616
Cash	<u>13,467,942</u>	<u>(1,298,133)</u>	<u>12,169,809</u>

The Trust has no overdrafts, loans or finance lease obligations

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2019

1. TRUST STATUS

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

2. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The Trust constitutes a public benefit entity as defined by FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005, which has since been withdrawn.

Going concern basis

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

ACCOUNTING POLICIES

Income Tax and Corporation Tax

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

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

Fund Accounting

The Trust maintains two types of fund:

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

Further details of the nature and purpose of each fund are set out in Note 18 to the Financial Statements.

Income

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

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

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

Expenditure

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

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

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

Fixed asset investments

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

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

Financial instruments

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

Tangible fixed assets and depreciation

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

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

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

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

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

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

Costs associated with fixed assets under construction, or to be constructed, are capitalised once planning permission has been given and the decision to proceed has been made.

Leases

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

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

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY AREAS OF UNCERTAINTY

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

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

Fixed Asset investments

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

4. INCOME FROM CHARITABLE ACTIVITIES

	Total Funds 2020 £	Total Funds 2019 £
<u>Unrestricted</u>		
Rent receivable	4,897,256	5,339,024
	<u>4,897,256</u>	<u>5,339,024</u>

5. INVESTMENT INCOME

	Total Funds 2020	Total Funds 2019
<u>Unrestricted</u>	£	£
Dividends - equities	214,621	242,025
Interest - fixed interest securities	77,486	73,262
Interest on cash deposits	81,286	61,716
	<u>373,393</u>	<u>377,003</u>

6. OTHER INCOME

The Trust received £1,518,750 during the year in respect of rights granted to facilitate a property development adjacent to one of its properties.

7. COSTS OF RAISING FUNDS

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
<u>Unrestricted</u>			
Investec Wealth & Investment Limited	14,863	37,778	52,641
	<u>14,863</u>	<u>37,778</u>	<u>52,641</u>
	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
<u>Unrestricted</u>			
Investec Wealth & Investment Limited	12,405	38,987	51,392
	<u>12,405</u>	<u>38,987</u>	<u>51,392</u>

8. COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
Grants awarded	5,664,124	-	5,664,124
Grants awarded in earlier years but not taken up	(815,421)	-	(815,421)
Net value of grants awarded	4,848,703	-	4,848,703
Support and Governance costs	139,728	493,512	633,240
	<u>4,988,431</u>	<u>493,512</u>	<u>5,481,943</u>

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

COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE (continued)

	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
<u>2019</u>			
Grants awarded	3,477,850	-	3,477,850
Grants awarded in earlier years but not taken up	(382,653)	-	(382,653)
Net value of grants awarded	3,095,197	-	3,095,197
Support and Governance costs	90,896	683,778	774,674
	<u>3,186,093</u>	<u>683,778</u>	<u>3,869,871</u>

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

COSTS OF CHARITABLE ACTIVITIES BY ACTIVITY TYPE

	Grant funded activity £	Support and governance costs £	Total Funds 2020 £
Direct support of students	1,987,968	259,629	2,247,597
Indirect support of students	1,357,637	177,307	1,534,944
Refurbishment and equipment	824,280	107,651	931,931
Curriculum and subject development	630,331	82,321	712,652
Other activities	48,487	6,332	54,819
	<u>4,848,703</u>	<u>633,240</u>	<u>5,481,943</u>

2019

	Grant funded activity £	Support and governance costs £	Total Funds 2019 £
Direct support of students	1,269,031	317,616	1,586,647
Indirect support of students	866,655	216,909	1,083,564
Refurbishment and equipment	526,183	131,695	657,878
Curriculum and subject development	402,376	100,707	503,083
Other activities	30,952	7,747	38,699
	<u>3,095,197</u>	<u>774,674</u>	<u>3,869,871</u>

COSTS OF CHARITABLE ACTIVITIES BY FUND TYPE (continued)

Support and governance costs have been apportioned to activities in proportion to the size of grants awarded

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

<u>2019</u>	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
SUPPORT COSTS			
Legal and professional fees	70,082	86,504	156,586
Rent and rates	2,680	-	2,680
Other expenditure	6,791	-	6,791
Depreciation	-	597,274	597,274
GOVERNANCE COSTS			
Audit Fees	8,000	-	8,000
Other governance costs	1,258	-	1,258
Trustee Meetings	2,085	-	2,085
	<u>90,896</u>	<u>683,778</u>	<u>774,674</u>

9. EMOLUMENTS OF TRUSTEES

During the year, the Trustees of Quintin Hogg Trustee Company (QHTC) did not receive any emoluments (2019: nil). Four (2019: three) of QHTC's Trustees were reimbursed travel and miscellaneous expenses of £803 in connection with their duties (2019: £1,761). The Trust has no employees (2019: none).

10. OTHER COSTS

	Total Funds 2020 £	Total Funds 2019 £
Development costs:		
Development of Chiswick site, pre-planning costs	<u>26,239</u>	<u>144,264</u>
	<u>26,239</u>	<u>144,264</u>

11. TANGIBLE FIXED ASSETS

	Assets under construction	Freehold land	Long leasehold	Improvements to leasehold	Total
	£	£	£	£	£
Cost/valuation					
At 1 August 2019	-	5,145	18,400,000	5,787,585	24,192,730
Additions	68,856	-	-	-	68,856
At 31 July 2019	68,856	5,145	18,400,000	5,787,585	24,261,586
Depreciation					
At 1 August 2019	-	-	6,718,472	5,698,347	12,416,819
Charge for year	-	-	365,048	89,238	454,286
At 31 July 2020	-	-	7,083,520	5,787,585	12,871,105
Net Book Value					
At 31 July 2020	68,856	5,145	11,316,480	-	11,390,481
At 31 July 2019	-	5,145	11,681,528	89,238	11,775,911

All assets are used for charitable activities.

12. FIXED ASSET INVESTMENTS

Movement in fixed asset listed investments

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Market value at 1 August 2019	3,348,949	8,456,633	11,805,582	11,075,402
Acquisitions at cost	909,363	1,428,560	2,337,923	1,013,434
Disposal proceeds	(617,967)	(1,582,193)	(2,200,160)	(638,899)
Movement on cash	69,643	28,675	98,318	(98,627)
Revaluation gains (loss)	(153,153)	(245,970)	(399,123)	454,272
Market value at 31 July 2019	<u>3,556,835</u>	<u>8,085,705</u>	<u>11,642,540</u>	<u>11,805,582</u>

Investments at fair value comprised:

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Fixed interest securities	469,160	1,828,261	2,297,421	2,181,029
Equities	2,503,924	5,092,130	7,596,054	8,026,021
Alternative assets - property	233,375	990,074	1,223,449	1,171,234
Cash	350,376	175,240	525,616	427,298
	<u>3,556,835</u>	<u>8,085,705</u>	<u>11,642,540</u>	<u>11,805,582</u>

13. GAIN/LOSS ON INVESTMENT ASSETS

	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Loss on fixed asset investments held by Investec	(153,153)	(245,970)	(399,123)	454,272
Loss on current asset investment - Lloyds shares	-	-	-	(15)
	<u>(153,153)</u>	<u>(245,970)</u>	<u>(399,123)</u>	<u>454,257</u>

14. DEBTORS

	Total Funds 2020 £	Total Funds 2019 £
Other debtors	79,096	-
Prepayments & accrued income	<u>70,963</u>	<u>37,836</u>
	<u>150,059</u>	<u>37,836</u>

15. CURRENT ASSET INVESTMENTS

	Total Funds 2020 £	Total Funds 2019 £
Lloyds Banking Group Plc ordinary shares	-	87
Short term cash deposits	5,000,000	2,500,000
	<u>5,000,000</u>	<u>2,500,087</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
University of Westminster - rent received in advance	676,712	676,712
Accounts payable	29,639	23,636
Other creditors	12,875	12,875
Quintin Hogg Memorial Fund - re development costs	6,555	103,021
Grants payable to University of Westminster	3,717,853	4,799,116
Other accruals and deferred income	22,942	18,258
	<u>4,466,576</u>	<u>5,633,618</u>

Within the 2019 column items have been reclassified to better represent the underlying creditor. This does not affect the total of 2019 creditors.

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

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Total Funds 2020 £	Total Funds 2019 £
Grants payable to University of Westminster	7,439,617	6,444,811
	<u>7,439,617</u>	<u>6,444,811</u>

18. MOVEMENT ON CHARITABLE FUNDS

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

The endowment fund includes £10,902,506 (2019: £11,267,554) in relation to the revaluation reserve, other elements being £9,985,113 (2019: £8,878,575).

Movement on charitable funds 2018-19

	Balance at 1 Aug 2018 £	Income £	Expenditure £	Gains and losses £	Balance at 31 Jul 2019 £
Endowment Funds	20,539,867	91	(722,765)	328,936	20,146,129
Unrestricted Funds	4,436,065	5,716,877	(3,342,762)	125,321	6,935,501
Total Funds	<u>24,975,932</u>	<u>5,716,968</u>	<u>(4,065,527)</u>	<u>454,257</u>	<u>27,081,630</u>

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

18a Analysis of net assets between funds

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

<u>2019</u>	Endowment Fund £	Unrestricted fund £	Total Funds 2019 £
Fixed assets - Land	5,145	-	5,145
Fixed assets - Buildings	11,770,765	-	11,770,765
Investments	8,456,632	3,348,950	11,805,582
Net current assets/liabilities	(86,413)	10,031,362	9,944,949
Creditors due after 1 year		(6,444,811)	(6,444,811)
	<u>20,146,129</u>	<u>6,935,501</u>	<u>27,081,630</u>

19. FINANCIAL COMMITMENTS

Operating leases

At 31 July 2020 and 2019 the Trust was committed to paying £1,100 per year in respect of operating leases which expire in 2919 and 2933.

20. RENT RECEIPTS FROM NON-CANCELLABLE LEASES

At 31 July 2020, lease agreements were in place with the University of Westminster for four central London properties.

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

	2020 £	2019 £
Receivable within:		
One year	4,750,000	4,750,000
Two to five years	19,013,014	19,013,014
Greater than five years	80,307,533	85,057,533
	<u>104,070,547</u>	<u>108,820,547</u>

21. RELATED PARTY TRANSACTIONS

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

	2020 £	2019 £
Transactions during the year:		
Expenditure on development costs incurred by QHMF	(67,699)	(118,355)
Income from development costs recharged to QHMF	65,032	-
Income from disbursements	9,994	-
Income from QHMF's element of shared costs	24,671	13,387
Recharge for other costs incurred by QHT but relating to QHMF	-	1,946
Total during the year	<u>31,998</u>	<u>(103,022)</u>
Amounts due to Quintin Hogg Memorial Fund:		
Creditor for Quintin Hogg Trust's share of development costs incurred by QHMF, net of amounts owed to QHT by QHMF (disclosed within creditors, note 16)	<u>(6,555)</u>	<u>(103,022)</u>

There are no other related party transactions that require disclosure.

22. FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial assets measured at cost		
Amount due from Quintin Hogg Memorial Fund	-	-
Cash and cash equivalents	12,169,809	13,467,942
Financial assets measured at fair value		
Investments	11,116,924	11,378,284
Financial liabilities measured at cost		
Trade and other creditors	29,639	23,636
Deposit from University of Westminster	12,875	12,875
Net amount due to Quintin Hogg Memorial Fund	6,555	103,021
Accruals (excluding deferred income)	22,942	18,258

23. STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 JULY 2019

	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
INCOME FROM:			
Charitable activities	5,339,024	-	5,339,024
Other incoming resources	850	91	941
Investment income	377,003	-	377,003
TOTAL INCOME	<u>5,716,877</u>	<u>91</u>	<u>5,716,968</u>
EXPENDITURE ON:			
Raising Funds	12,405	38,987	51,392
Charitable activities	3,186,093	683,778	3,869,871
Other costs	144,264	-	144,264
TOTAL EXPENDITURE	<u>3,342,762</u>	<u>722,765</u>	<u>4,065,527</u>
NET INCOME BEFORE GAIN/LOSS ON INVESTMENTS	2,374,115	(722,674)	1,651,441
Net gains/(losses) on investments	125,321	328,936	454,257
NET MOVEMENT IN FUNDS	<u>2,499,436</u>	<u>(393,738)</u>	<u>2,105,698</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	4,436,065	20,539,867	24,975,932
TOTAL FUNDS CARRIED FORWARD	<u>6,935,501</u>	<u>20,146,129</u>	<u>27,081,630</u>

24. ULTIMATE CONTROLLING PARTY

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