

Q CHARITABLE TRUST

Trustees' Report and Financial Statements

for the period ended 17 September 2020

Registered Charity Number 1186920

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

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Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

CHARITY INFORMATION

Trustees

Jonathan Quin (Settlor)
Alexia Quin
Coutts & Co (to 05 April 2021)
Ludlow Trust Company Limited (from 06 April 2021)

Principal office

1st Floor
Tower Wharf
Cheese Lane
Bristol
BS2 0JJ

Registered charity number

1186920

Independent Auditor

Blue Spire Limited
Cawley Priors
South Pallant
Chichester
West Sussex
PO19 1SY

Bankers and investment managers

Coutts & Co
440 Strand
London
WC2R 0QS

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

TRUSTEES' REPORT

The trustees have pleasure in presenting their annual report for the purposes of the Charities Act 2011, together with the accounts for the period ended 17 September 2020. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the charity.

STRUCTURE GOVERNANCE AND MANAGEMENT

Q Charitable Trust is a registered charity constituted under a trust deed dated 17 September 2019, and registered as a charity 12 December 2019.

The trust is controlled by the trustees. The power to appoint and remove trustees rests with the settlor trustee during their lifetime and subject to this is exercisable by the trustees from time to time.

On agreeing to become a trustee of the charity, the trustees are thoroughly briefed by the existing co-trustees on the constitution of the Foundation, the day-to-day management, responsibilities of the trustees, the current objectives and future plans.

The trustees have assessed the major risks to which the charity is exposed. The trustees believe that by ensuring controls exist over key financial systems incorporating Coutts & Co's systems and controls they have established effective systems to mitigate those risks.

OBJECTIVES AND ACTIVITIES

The charity's objects are:

"To apply the income, and all or such part or parts of the capital, at such time or times and in such manner to, or for the benefit of such charities or such exclusively charitable purposes according to the law of England and Wales in any part of the world as the trustees may in their absolute discretion think fit."

In pursuance of its objects, the charity's income, and, at the absolute discretion of the trustees, its capital, is applied in making grants to charitable organisations.

In determining how the charity should pursue its objects, the trustees have had regard to the Charity Commission's guidance on public benefit.

ACHIEVEMENTS, PERFORMANCE AND FINANCIAL REVIEW

During the period under review the donations to the trust totalled £24,004,211 with associated gift at of £6,000,000 which have been added to the capital fund. Incoming resources for the period totalled £284,882 consisting of investment income of £147,181 and transfers from the capital fund of £137,701.

Charitable expenditure in the period comprised grants to charitable organisations totalling £151,112 while support and governance costs amounted to £51,697 with investment management fees of £66,832 giving total resources expended of £269,641.

Given the availability of the expendable endowment fund the trustees do not consider that the charity needs to maintain any significant free reserves although they recognise that such reserves will arise from time to time. As at 17 September 2020 free reserves were a surplus of £82,073.

PLANS FOR FUTURE PERIODS

The trustees intend to continue the charity's grant-making activity.

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

TRUSTEES' REPORT

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees are responsible for preparing the Trustees' Report 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPOINTMENT OF INDEPENDENT AUDITOR

For the period under review the charity exceeded the audit threshold and appointed Blue Spire Limited as auditors. Blue Spire Limited have expressed their willingness to remain as auditors of the charity.

Approved by the trustees and signed on their behalf.



Julian Doughty on behalf of Ludlow Trust Company Limited
Trustee

Date 03 August 2021

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report to the Trustees of Q Charitable Trust

Opinion

We have audited the financial statements of Q Charitable Trust (the 'charity') for the period ended 17 September 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 17 September 2020, and of its incoming resources and application of resources, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have 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 trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

INDEPENDENT AUDITORS' REPORT

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 financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of 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.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Blue Spire Limited

Blue Spire Limited, Statutory Auditor

Date⁰³ August 2021

Cawley Priory
South Pallant
Chichester
West Sussex
PO19 1SY

Blue Spire Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

STATEMENT OF FINANCIAL ACTIVITIES

	Note	Income Fund £	Capital Fund £	2020 Total Funds £
INCOME AND ENDOWMENTS FROM:				
Donations and legacies	1	-	30,004,211	30,004,211
Investments	2	147,181	-	147,181
Total		<u>147,181</u>	<u>30,004,211</u>	<u>30,151,392</u>
EXPENDITURE ON:				
Raising funds	3	-	66,832	66,832
Charitable activities	4	202,809	-	202,809
Total		<u>202,809</u>	<u>66,832</u>	<u>269,641</u>
Net gains/(losses) on investments	8	-	3,557,527	3,557,527
Net Income/(expenditure)		<u>(55,628)</u>	<u>33,494,906</u>	<u>33,439,278</u>
Transfers between funds	11	137,701	(137,701)	-
Net movement in funds and funds carried forward	11	<u>82,073</u>	<u>33,357,205</u>	<u>33,439,278</u>

The charity has no recognised gains or losses other than those dealt with in the statement of financial activities.

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

BALANCE SHEET AS AT 17 SEPTEMBER 2020

	Note	2020 £	£
FIXED ASSETS			
Investments	8		29,658,032
CURRENT ASSETS			
Cash at hand and in bank		3,831,024	
Total current assets		<u>3,831,024</u>	
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	9	<u>49,778</u>	
Net current assets/(liabilities)			3,781,246
Net assets/(liabilities)			<u><u>33,439,278</u></u>
THE FUNDS OF THE CHARITY			
Capital (expendable endowment)	10, 11		33,357,205
Income	10, 11		82,073
Total charity funds			<u><u>33,439,278</u></u>

The notes on pages 10 to 13 form part of the financial statements

Approved by the trustees and signed on their behalf



Julian Doughty on behalf of Ludlow Trust Company Limited
Trustee

Date 03 August 2021

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

ACCOUNTING POLICIES

General information, scope and basis of the financial statements

Q Charitable Trust is a registered unincorporated charity, established under a trust deed, in England and Wales. The address of the principal office is given in the charity information of these financial statements and the nature of the charity's operations and principal activities are detailed in the trustees' report.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011 and UK Generally Accepted Accounting Practice.

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

The significant accounting policies applied in the preparation of these financial statements are set out below.

Statement of cash flows

The charity does not include a cash flow statement on the grounds that it is applying FRS 102 Section 1A.

Incoming resources

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

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

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

Resources expended

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

- Raising funds; these include investment management fees charged by the charity's investment managers
- Charitable activities; these include grants to third parties and the costs of administering the charity inclusive of governance costs

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

Support and governance costs are those that assist the work of the charity but do not directly represent charitable activities. They are incurred directly in support of expenditure on the objects of the charity. Governance costs are those incurred in the governance of the charity and primarily associated with the constitution and statutory requirements.

VAT

The charity is not registered for VAT and is unable to recover VAT incurred. On this basis costs are recorded inclusive of VAT within the SOFA.

Taxation

The Charity is an exempt Charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in sections 521 to 536 Income Tax Act 2007 (ITA 2007), as such no income tax is payable on the Charity's activities.

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

ACCOUNTING POLICIES

Investments

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

Where investments are denominated in currencies other than Sterling, transactions are translated at the rate prevailing at the date of the transaction and year end values are calculated using the exchange rate prevailing at the year end.

Debtors receivable and creditors payable within one year

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

Cash and cash equivalents

Cash and cash equivalents includes cash at bank and in hand and cash balances within the investment portfolio available for investment transaction purposes.

Fund accounting

Unrestricted income funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Capital (endowment) funds comprise the original gifts introduced by the the settlor trustees and associated gift aid, together with the accumulated realised and unrealised surpluses arising on investments acquired with those gifts, less any donations made out of capital. The capital funds are expendable at the discretion of the trustees. Investment management charges and legal advice relating to the fund are charged against the fund. Income arising on the endowment funds can be used in accordance with the objects of the charity and is included as unrestricted income.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

1. Donations and legacies

	Unrestricted Funds £	Endowment Funds £	2020 Total Funds £
Donations to trust	-	24,004,211	24,004,211
Gift aid	-	6,000,000	6,000,000
	<u>-</u>	<u>30,004,211</u>	<u>30,004,211</u>

2. Income from investments

	Unrestricted Funds £	Endowment Funds £	2020 Total Funds £
Income from investment assets	133,901	-	133,901
Interest on cash deposits	13,280	-	13,280
	<u>147,181</u>	<u>-</u>	<u>147,181</u>

3. Raising funds

	Unrestricted Funds £	Endowment Funds £	2020 Total Funds £
Investment management fees	-	66,832	66,832
	<u>-</u>	<u>66,832</u>	<u>66,832</u>

4. Expenditure on charitable activities

	Unrestricted Funds £	Endowment Funds £	2020 Total Funds £
Grants to institutions (see note 5)	151,112	-	151,112
Support and governance costs			
Administrative management fees	49,597	-	49,597
Independent auditor's fee	2,100	-	2,100
	<u>202,809</u>	<u>-</u>	<u>202,809</u>

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

5. Grants to institutions

	2020 Total Funds £
Brixton Chamber Orchestra	6,000
Jo's Cervical Cancer Trust	10,000
Royal Academy of Music	25,112
Solar Aid	5,000
The National Brain Appeal (National Hospital Development Fund)	5,000
University of Liverpool	100,000
	<u>151,112</u>

6. Independent auditor's fees

	Unrestricted Funds £	Endowment Funds £	2020 Total Funds £
Auditor's fee - audit	2,100	-	2,100
	<u>2,100</u>	<u>-</u>	<u>2,100</u>

7. Related party transactions

Fees payable to Coutts & Co, which was a trustee of the charity throughout the period, are included in notes 3 and 4 for investment management and administration services respectively as authorised under section 6 of the Trust Deed. At the balance sheet date £30,671 and £17,007 was accrued in respect of investment management and administrative charges.

The Trust has no employees, all administration being carried out by the trustees.

Other than the fees noted above, no remuneration was paid to nor expenses paid to or on behalf of any trustee during the period under review.

8. Fixed asset investments - Listed

	2020 £
Balance brought forward	-
Additions	32,331,645
Disposals at carrying value	(5,763,656)
Change in market value	3,090,043
	<u>29,658,032</u>
Unrealised gains/(losses) on investments	3,090,043
Realised gains/(losses) on investments	467,484
	<u>3,557,527</u>

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FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

9. Creditors: amounts falling due within one year

	2020 £
Accruals - Professional fees	2,100
Accruals - Administrative Management fees	17,007
Accruals - Investment Management fees	30,671
	<u>49,778</u>

10. Analysis of net assets between funds

	Unrestricted Funds £	Endowment Funds £	2020 Total Funds £
Fixed assets investments	-	29,658,032	29,658,032
Net current assets	82,073	3,699,173	3,781,246
	<u>82,073</u>	<u>33,357,205</u>	<u>33,439,278</u>

11. Net movement in funds

	Total incoming resources £	Total resources expended £	Transfers between funds £	Gains/(losses) on investment assets £	Total funds carried forward £
Endowment funds	30,004,211	(66,832)	(137,701)	3,557,527	33,357,205
Unrestricted funds	147,181	(202,809)	137,701	-	82,073
	<u>30,151,392</u>	<u>(269,641)</u>	<u>-</u>	<u>3,557,527</u>	<u>33,439,278</u>

The transfer from endowment to unrestricted funds was implemented to provide resources for grant awards in furtherance of the charity's objectives.

Q CHARITABLE TRUST

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 17 SEPTEMBER 2020

NOTES TO THE FINANCIAL STATEMENTS

12. Financial instruments

The carrying amounts of the charity's financial instruments are as follows:

	2020 Total Funds £
<i>Financial assets</i>	
Measured at fair value through net income/(expenditure):	
Fixed asset investments	29,658,032
	<u>29,658,032</u>

The income, expense, net gains and net losses attributable to the charity's financial instruments are summarised as follows:

	2020 Total Funds £
<i>Income and expense</i>	
Financial assets measured at fair value through net income/(expenditure)	
Investment income	133,901
Investment management fees	(66,832)
	<u>67,069</u>
<i>Net gains and losses (including changes in fair value)</i>	
Financial assets measured at fair value through net income/(expenditure)	
Net gains/(losses) on investments	3,557,527
	<u>3,557,527</u>

Fixed asset investments are held at fair value with valuations obtained by reference to market prices from the appropriate stock exchange, bid prices and last traded prices where applicable.