

THE QUINTIN HOGG TRUST

**Report and Financial Statements
For the year ended 31st July 2017**

REPORT AND FINANCIAL STATEMENTS 2017

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REFERENCE AND ADMINISTRATIVE DETAILS

TRUSTEES

Mr Godfrey Cole (resigned 4th April 2017)
Dr Geoffrey Copland (resigned 4th April 2017)
Mrs Joanna Embling (resigned 4th April 2017)
The Hon Dame Mary Hogg (resigned 4th April 2017)
Mr Donald Wood (resigned 4th April 2017)
Mr Richard Law (resigned 4th April 2017)
Quintin Hogg Trustee Company (QHTC) - a company limited by guarantee (appointed 4th April 2017)

SECRETARY

Mr John Gibbons

AUDITOR

KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

BANKERS

National Westminster Bank plc
Lloyds Bank plc

SOLICITOR

Farrer & Co LLP

INVESTMENT MANAGER & ADVISER

Investec Wealth & Investment Limited

PRINCIPAL OFFICE

309 Regent Street
London
W1B 2UW

CHARITY NUMBER

1010404

REPORT OF THE TRUSTEE

The Trustee submits its report and the audited financial statements for the year ended 31 July 2017 for The Quintin Hogg Trust, a registered charity no. 1010404.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trust was established by Trust deed on 11 April 1990 in the name The Regent Street Polytechnic Trust. It is a registered Charity, number 1010404. As part of a scheme dated 21 August 2001, the Trustees passed a resolution and changed the name of the Trust to The Quintin Hogg Trust. The 2001 scheme was subsequently amended on 4 April 2017. 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' issued in March 2014.

Since 4 April 2017, QHT has been administered by the Quintin Hogg Trustee Company (QHTC), a company limited by guarantee, registered at Companies House under the number 10281253. The former trustees of QHT (all of whom resigned on 4 April 2017) are members/directors of QHTC.

The Trustee is committed to implementing a regular review of the significant risks affecting the operation of the Trust.

Until 4 April 2017, one of the six QHT Trustees belonged during the year to the University of Westminster's Court of Governors and therefore the University is considered to be a related party. The Quintin Hogg Trust is related to one other separate charitable trust, The Quintin Hogg Memorial Fund. These two charities share the same Trustee and therefore common control exists. Details of transactions with related parties are disclosed in note 17 to the accounts.

The Trust has no employees. Administrative functions are conducted by the University of Westminster on its behalf. The University of Westminster's staff spend only part of their time performing these functions for the Trust.

AUDITOR

KPMG LLP have indicated their willingness to continue in office and in accordance with the provisions of the Charities Act 2011 it is proposed that they be re-appointed as auditor to the Trust for the ensuing year.

OBJECTIVES AND ACTIVITIES

The Trust owns the beneficial interest in certain long leasehold properties with leases expiring between 11 October 2919 and 11 October 2933.

The object of the Trust is the advancement of education. The Trustee may allow the land and buildings belonging to the Trust, described in the schedule to the scheme registered with the Charity Commission, to continue to be appropriated either wholly or in part for use for the purposes of the University of Westminster

The Trustee 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 charitable purpose is contained in its objectives and activities, as set out above, and public benefit is realised through the provision of properties and by the giving of donations to the University of Westminster, thus benefiting its students and helping to further their education.

REPORT OF THE TRUSTEE (CONTINUED)

ACHIEVEMENTS AND PERFORMANCE

The Trust achieved an overall net income of £1,518,398 this financial year (2016: £3,305,956). Grants totalling £3,282,268 were made to the University of Westminster during the year (2016: £803,454).

FINANCIAL REVIEW

The Trustee reports net income before gains/losses on investments and disposals for the year of £529,134 (2016: £2,836,799) and a net movement in funds during the year of £1,518,398 (2016: £3,305,956).

The Trust maintains reserves for the pursuit of its objects and to cover administrative and management costs. The Trustee has resolved that a level of discretionary reserves held as cash or short-term investments should be maintained at a sufficient level to cover at least 12 months' of average scale grant-making and administrative activity. This would equate to approximately £2m.

The Trust holds a cash balance of £7,841,341 as at the balance sheet date and the Trustee considers this to be sufficient. The Trustee has resolved to make excess reserves available in the form of capital grant awards, subject to the Trust's grant application and monitoring processes.

PLANS FOR FUTURE PERIODS

The Trustee will continue to own and make available to the University by way of lease properties in London for use for academic purposes. The Trustee will also make donations to the University to support its activities and in furtherance of the Trust's charitable objectives.

The Trust does not engage in any active fundraising and derives its income from the leasing of properties and income from investments.

The Trustee will receive reports from recipients of the funding annually (countersigned by the Vice Chancellor) explaining how the funds from the Trust have been applied in supporting the University's ongoing development.

Approved by the Trustee
and signed on behalf of the Trust



Mr G Cole
Chair, Board of Trustees, QHTC

12 December 2017

STATEMENT OF TRUSTEE'S RESPONSIBILITIES IN RESPECT OF THE TRUSTEE'S ANNUAL REPORT AND THE FINANCIAL STATEMENTS

Under the trust deed of the charity and charity law, the Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and regulations. The Trustee has prepared the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), 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 income over expenditure for that period.

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

- selects suitable accounting policies and then applies them consistently;
- makes judgements and estimates that are reasonable and prudent;
- states whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- states whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements; and
- prepares the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustee is required to act in accordance with the trust deed of the charity, within the framework of trust law. The Trustee is 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 Trustee to ensure that, where any statements of accounts are prepared by the Trustee section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. The Trustee has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the charity and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF THE QUINTIN HOGG TRUST

We have audited the financial statements of The Quintin Hogg Trust for the year ended 31 July 2017 set out on pages 8 to 22. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's Trustee, 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 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 its Trustee, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and Auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 6 the Trustee is responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 145 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

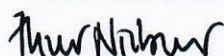
In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 July 2017 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires 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; or
- we have not received all the information and explanations we require for our audit.



Fleur Nieboer (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square, Canary Wharf, London E14 5GL

14 December 2017

STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 July 2017

| | | Total Funds 2017 £ | Total Funds 2016 £ |
|--|-----------|-----------------------------------|-----------------------------------|
| Income from: | | | |
| Charitable activities | 3 | 4,358,840 | 4,188,037 |
| Investments | 4 | 347,839 | 273,876 |
| Other | 3 | 400 | 400 |
| Total | | 4,707,079 | 4,462,313 |
| Expenditure on: | | | |
| Raising funds | 5 | 64,711 | 40,692 |
| Charitable activities | 6 | 4,113,234 | 1,584,822 |
| Total | | 4,177,945 | 1,625,514 |
| Net movement in funds before gains on investments and disposals | | 529,134 | 2,836,799 |
| Gain on disposal of fixed assets | | - | - |
| Net gain on investments | 10 | 989,264 | 469,157 |
| Net income and net movement in funds | | 1,518,398 | 3,305,956 |
| Reconciliation of Funds | | | |
| Total funds brought forward at 1 August 2016 | | 31,283,786 | 27,977,830 |
| Total funds carried forward at 31 July 2017 | 15 | 32,802,184 | 31,283,786 |

Note:

All activities relate to continuing operations.

All funds held by The Quintin Hogg Trust are unrestricted funds as defined by the Statement of Recommended Practice "Accounting and reporting by Charities".

Notes on pages 12 to 23 form part of these financial statements.

BALANCE SHEET

As at 31 July 2017

| | Note | 2017 | 2016 |
|---|------|--------------------------|--------------------------|
| | | £ | £ |
| FIXED ASSETS | | | |
| Tangible Assets | 8 | 12,970,458 | 13,567,732 |
| Investments | 9 | 10,240,143 | 9,032,074 |
| TOTAL FIXED ASSETS | | <u>23,210,601</u> | <u>22,599,806</u> |
| CURRENT ASSETS | | | |
| Debtors | 11 | 1,215,461 | 60,177 |
| Cash at bank and in hand | | 7,841,341 | 5,770,087 |
| Investments | 12 | 5,000,107 | 5,000,085 |
| TOTAL CURRENT ASSETS | | <u>14,056,909</u> | <u>10,830,349</u> |
| LIABILITIES | | | |
| Creditors falling due within one year | 13 | <u>(3,839,424)</u> | <u>(1,019,540)</u> |
| NET CURRENT ASSETS | | <u>10,217,485</u> | <u>9,810,809</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>33,428,086</u> | <u>32,410,615</u> |
| Creditors : Amount falling due after more than one year | 14 | (625,902) | (1,126,829) |
| NET ASSETS | | <u><u>32,802,184</u></u> | <u><u>31,283,786</u></u> |
| THE FUNDS OF THE CHARITY | | | |
| Unrestricted income funds | | 15,344,944 | 13,826,546 |
| Revaluation reserve | | 17,457,240 | 17,457,240 |
| TOTAL CHARITY FUNDS | 15 | <u><u>32,802,184</u></u> | <u><u>31,283,786</u></u> |

All funds held by The Quintin Hogg Trust are unrestricted funds as defined by the Statement of Recommended Practice "Accounting and reporting by Charities".

Notes on pages 12 to 23 form part of these financial statements.

These financial statements were approved and signed on behalf of the Board of Trustees on 12 December 2017

Mr G Cole
Chair, Board of Trustees, QHTC

Charity Number : 1010404

STATEMENT OF CASH FLOWS

For the year ended 31 July 2017

| | Note | Total Funds 2017 £ | Total Funds 2016 £ |
|--|----------|--------------------------|--------------------------|
| Net Cash inflow from operating activities | A | 2,580,061 | 3,839,085 |
| Cash flows from investing activities: | | | |
| Interest and investment income | | 355,175 | 238,714 |
| Proceeds from sale of property | | - | - |
| Purchase of investments | | (283,540) | (168,502) |
| Proceeds from investments redemption | | - | - |
| Interest element of finance leases | | (121,585) | (128,851) |
| Net cash outflow from investing activities | | (49,950) | (58,639) |
| Cash flows from financing activities | | | |
| Capital element of lease repayments | | (458,857) | (419,057) |
| | | (458,857) | (419,057) |
| Change in cash and cash equivalents in the year | | 2,071,254 | 3,361,389 |
| Cash and cash equivalent brought forward | | 5,770,087 | 2,408,698 |
| Cash and cash equivalents carried forward | | 7,841,341 | 5,770,087 |

A. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| NET CASH INFLOW FROM OPERATING ACTIVITIES | | |
| Net movement in funds for the year | 1,518,398 | 3,305,956 |
| Interest and investment income receivable | (347,839) | (273,876) |
| Interest payable | 121,585 | 128,851 |
| Release of capital grants | (400) | (400) |
| Depreciation and amortisation | 597,274 | 597,274 |
| Gains on investments | (989,264) | (469,157) |
| Investment management charges | 64,711 | 40,692 |
| (Increase)/decrease in debtors | (1,172,785) | 17,170 |
| (Decrease)/increase in creditors | 2,788,381 | 492,575 |
| Net cash inflow from operating activities | <u>2,580,061</u> | <u>3,839,085</u> |

NOTES TO THE ACCOUNTS
For the year ended 31 July 2017

1 TRUST STATUS

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

2 BASIS OF PREPARATION

The accounts (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) issued on 16 July 2014 and 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 Trustee 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 the Trustee, 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 charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2011 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Fund Accounting

The Charity maintains only unrestricted funds which are available for use at the discretion of the Trustee in furtherance of the general objectives of the Trust.

Income

All incoming resources are accounted for in the period in which the charity is certain it will receive the funds, can accurately measure them and is entitled to receipt.

Expenditure

All expenditure is accounted for on an accruals basis inclusive of any VAT which cannot be recovered, and has been classified under headings that aggregate all costs related to the category. Expenditure on Charitable Activities comprises all expenditure directly relating to the objects of the charity and associated support costs.

Financial investments

Current and fixed asset investments are included in the balance sheet at market value.

NOTES TO THE ACCOUNTS
for the year ended 31 July 2017

2 BASIS OF PREPARATION (CONTINUED)

ACCOUNTING POLICIES (CONTINUED)

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 leasehold property at deemed cost based on these valuations.

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 buildings | 2% per year |
| 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 |
| Furniture, fixtures and fittings | 20% per year |
| Plant and machinery | 20% per year |

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.

Costs in respect of operating leases are charged to the Statement of Financial Activity on a straight-line basis over the lease term.

3 INCOMING RESOURCES

| | 2017 | 2016 |
|----------------------------------|-------------|-------------|
| | £ | £ |
| Charitable activities: | | |
| Rent receivable | 4,358,840 | 4,188,037 |
| Other incoming resources: | | |
| Release of capital grant | 400 | 400 |
| | <hr/> | <hr/> |
| | 4,359,240 | 4,188,437 |
| | <hr/> | <hr/> |

4 INVESTMENT INCOME

| | 2017 | 2016 |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| Dividends - equities | 203,491 | 97,098 |
| Interest - fixed interest securities | 80,077 | 104,848 |
| Interest on cash deposits | 64,271 | 71,930 |
| | <hr/> | <hr/> |
| | 347,839 | 273,876 |
| | <hr/> | <hr/> |

5 INVESTMENT MANAGEMENT COSTS

| | 2016 | 2016 |
|--------------------------------------|-------------|-------------|
| | £ | £ |
| Investec Wealth & Investment Limited | 64,711 | 40,692 |
| | <hr/> | <hr/> |
| | 64,711 | 40,692 |
| | <hr/> | <hr/> |

6 ANALYSIS OF CHARITABLE EXPENDITURE

The charity undertakes its charitable activities through grant making.

| | Grant funded activity | Support and governance costs | Total 2017 | Total 2016 |
|------------------------|-----------------------------|---------------------------------------|------------|------------|
| | £ | £ | £ | £ |
| Charitable Expenditure | 3,282,268 | 830,966 | 4,113,234 | 1,584,822 |

SUPPORT AND GOVERNANCE COSTS**SUPPORT COSTS**

| | 2017 | 2016 |
|-----------------------------------|----------------|----------------|
| | £ | £ |
| Interest payable on finance lease | 121,585 | 128,851 |
| Legal and professional fees | 101,519 | 49,319 |
| Rent and rates | 2,200 | 1,100 |
| Other expenditure | 4,008 | 613 |
| Depreciation | 597,274 | 597,274 |
| | <u>826,586</u> | <u>777,157</u> |

GOVERNANCE COSTS

| | | |
|------------|----------------|----------------|
| Audit fees | 4,380 | 4,211 |
| | <u>830,966</u> | <u>781,368</u> |

The remuneration payable to the external auditors in respect of the audit of these financial statements, exclusive of VAT, was £3,650 (2016: £3,650).

GRANT FUNDING OF ACTIVITIES

This comprises donations to the University of Westminster of £3,282,268 (2016: £803,454).

| Grants payable to | Purpose of Grant | 2017 | 2016 |
|---------------------------|--|------------------|----------------|
| | | £ | £ |
| University of Westminster | Supporting the University's educational work | 3,282,268 | 803,454 |
| | | <u>3,282,268</u> | <u>803,454</u> |

7 EMOLUMENTS OF TRUSTEES AND EMPLOYEES

During the year, the Trustees of Quintin Hogg Trustee Company (QHTC) did not receive any emoluments (2016: nil). QHTC's Trustees were reimbursed expenses of £125 in connection with their duties (2016: £60). The Trust has no employees (2016: none)

8 TANGIBLE FIXED ASSETS

| Cost/valuation | Freehold land | Long leasehold | Improvements to leasehold | Plant and machinery | Fixtures & fittings | Total |
|-----------------------|---------------|----------------|---------------------------|---------------------|---------------------|------------|
| | £ | £ | £ | £ | £ | £ |
| At 1 August 2016 | 5,145 | 18,400,000 | 5,787,585 | 5,238 | 202,624 | 24,400,592 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - |
| At 31 July 2017 | 5,145 | 18,400,000 | 5,787,585 | 5,238 | 202,624 | 24,400,592 |
| Depreciation | | | | | | |
| At 1 August 2016 | - | 5,623,329 | 5,001,669 | 5,238 | 202,624 | 10,832,860 |
| Charge for year | - | 365,048 | 232,226 | - | - | 597,274 |
| Disposals | - | - | - | - | - | - |
| At 31 July 2017 | - | 5,988,377 | 5,233,895 | 5,238 | 202,624 | 11,430,134 |
| Net Book Value | | | | | | |
| At 31 July 2017 | 5,145 | 12,411,623 | 553,690 | - | - | 12,970,458 |
| At 31 July 2016 | 5,145 | 12,776,671 | 785,916 | - | - | 13,567,732 |

(i) The net book value at 31 July 2017 represents fixed assets used for :

Charitable activities

| | | | | | | |
|-----------------------------|-------|------------|---------|---|---|------------|
| Provision of properties: | | | | | | |
| Academic and administrative | 5,145 | 12,411,623 | 553,690 | - | - | 12,970,458 |
| | 5,145 | 12,411,623 | 553,690 | - | - | 12,970,458 |

8 TANGIBLE FIXED ASSETS (CONTINUED)

(ii) The net book value of fixed assets includes the following in respect of assets held under finance leases:

| | 2017 £ | 2016 £ |
|---------------------------|------------------|------------------|
| Long Leasehold | 7,769,979 | 7,998,508 |
| Improvements to leasehold | 553,690 | 785,916 |
| | <u>8,323,669</u> | <u>8,784,424</u> |

(iii) The long leasehold property at 307-311 Regent Street was revalued at 31 July 1995 by Messrs Drivers Jonas & Co., Chartered Surveyors. The basis of the valuation was open market value.

The other long leasehold properties in which the Trust holds a beneficial interest were revalued in 1991 by Messrs. Drivers Jonas & Co., Chartered Surveyors. The basis of the valuation was open market value.

The net book value of long leasehold property comprises:

| | 2017 £ | 2016 £ |
|-----------------|-------------------|-------------------|
| Historical cost | 384,292 | 384,732 |
| Valuation | 12,027,331 | 12,391,939 |
| | <u>12,411,623</u> | <u>12,776,671</u> |

The depreciation charge attributable to the historical cost of the properties included at valuation is £442 (2016: £471)

At the year end the Trust has long leasehold properties with a net book value of £12,411,623 (2016: £12,776,671) leased to third parties.

(iv) The value of freehold land comprises land that is not depreciated at a valuation of £5,145.

9 FIXED ASSET INVESTMENTS**Movement in fixed asset listed investments**

| | 2017 | 2016 |
|---|-------------------|------------------|
| | £ | £ |
| Market value brought forward at 1 August 2016 | 9,032,074 | 8,435,059 |
| Add: additions to investments at cost | 283,538 | 168,502 |
| Less: Investment management costs | (64,711) | (40,692) |
| Add net gain on revaluation | 989,242 | 469,205 |
| Market value as at 31st July 2017 | <u>10,240,143</u> | <u>9,032,074</u> |

Net cash released from investments in the year was £nil (2016: nil)

Investments at fair value comprised

| | 2017 | 2016 |
|-------------------------------|-------------------|------------------|
| | £ | £ |
| Fixed interest securities | 2,060,834 | 2,070,768 |
| Equities | 6,910,095 | 5,796,291 |
| Alternative assets - property | 993,158 | 929,059 |
| Cash | 276,056 | 235,956 |
| | <u>10,240,143</u> | <u>9,032,074</u> |

10 GAIN/(LOSS) ON INVESTMENT ASSETS

| | 2017 | 2016 |
|--|----------------|----------------|
| | £ | £ |
| Gain on fixed asset investments held by Investec | 989,242 | 469,205 |
| Gain on current asset investment - Lloyds shares | 22 | (48) |
| Net gain on investment assets | <u>989,264</u> | <u>469,157</u> |

11 DEBTORS

| | 2017 | 2016 |
|--------------------------------|------------------|---------------|
| | £ | £ |
| Prepayments & accrued income | 47,393 | 54,729 |
| The Quintin Hogg Memorial Fund | 5,448 | 5,448 |
| University of Westminster | 1,162,620 | - |
| | <u>1,215,461</u> | <u>60,177</u> |

12 CURRENT ASSET INVESTMENTS

| | 2017 | 2016 |
|--|------------------|------------------|
| | £ | £ |
| Lloyds Banking Group Plc ordinary shares | 107 | 85 |
| Short term cash deposits | 5,000,000 | 5,000,000 |
| | <u>5,000,107</u> | <u>5,000,085</u> |

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2017 £ | 2016 £ |
|-------------------------------|------------------|------------------|
| Finance lease | 500,526 | 458,857 |
| University of Westminster | (10,166) | 27,671 |
| Other creditors | 12,875 | 13,072 |
| Accruals and deferred income* | 3,336,189 | 519,940 |
| | <u>3,839,424</u> | <u>1,019,540</u> |

* Includes accrual for grant payable to University of Westminster £3,282,268 (2016:£468,707)

14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2017 £ | 2016 £ |
|--|----------------|------------------|
| Amounts falling due between one and two years: | | |
| Finance lease | 543,664 | 500,526 |
| Accruals and deferred income | 400 | 400 |
| | <u>544,064</u> | <u>500,926</u> |
| Amounts falling due between two and five years: | | |
| Finance lease | 81,388 | 625,053 |
| Accruals and deferred income | 450 | 850 |
| | <u>81,838</u> | <u>625,903</u> |
| Total creditors falling due after more than one year | <u>625,902</u> | <u>1,126,829</u> |

15 ANALYSIS OF CHARITABLE FUNDS

| Analysis of fund movements | Opening funds at 1 August 2016 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | Closing funds at 31 July 2017 £ |
|--|--|-------------|------------------|----------------|-----------------------|---------------------------------------|
| Revaluation surplus as at 01 August 2016 | 17,457,240 | - | - | - | - | 17,457,240 |
| Unrestricted funds | 13,826,546 | 4,707,079 | (4,177,945) | - | 989,264 | 15,344,944 |
| Balance at 31 July 2017 | 31,283,786 | 4,707,079 | (4,177,945) | - | 989,264 | 32,802,184 |
| Analysis of charitable funds - previous year | Opening funds at 1 August 2015 £ | Income £ | Expenditure £ | Transfers £ | Gains and losses £ | Closing funds at 31 July 2016 £ |
| Revaluation surplus | 17,457,240 | - | - | - | - | 17,457,240 |
| Unrestricted funds | 10,520,590 | 4,462,313 | (1,625,514) | - | 469,157 | 13,826,546 |
| | 27,977,830 | 4,462,313 | (1,625,514) | - | 469,157 | 31,283,786 |

16 FINANCIAL COMMITMENTS

(a) Operating leases

At 31 July 2017 the Trust was committed to making the following payments during the next year in respect of operating leases:

| | Land and buildings 2017 £ | Land and buildings 2016 £ |
|-----------------------|------------------------------------|------------------------------------|
| Leases which expire : | | |
| After five years | 1,100 | 1,100 |

(b) Finance leases

At 31 July 2017 the Trust had annual commitments under finance leases as follows:

| | 2017 £ | 2016 £ |
|--|------------------|------------------|
| Repayable within one year | 675,037 | 661,801 |
| Within one to two years | 688,538 | 675,037 |
| Within two to five years | 172,982 | 861,520 |
| | <u>1,536,557</u> | <u>2,198,358</u> |
| Interest charges allocated to future periods | (410,979) | (613,922) |
| | <u>1,125,578</u> | <u>1,584,436</u> |
| Disclosed in the balance sheet as: | | |
| Due within one year | 500,526 | 458,857 |
| Within one to two years | 543,664 | 500,526 |
| Within two to five years | 81,388 | 625,053 |
| | <u>1,125,578</u> | <u>1,584,436</u> |

The Quintin Hogg Trust has annual commitments under one finance lease, as follows:

In the year ended 31 July 1995, the Trust entered into a lease and leaseback transaction of its Regent Street property and the leasehold improvements thereto with W&G Lease Finance Ltd. The Trust received a lease premium of £5,200,000 which is repayable over 25 years in instalments and increases at an annual rate of 2%. Repayments commenced in December 1994. Interest is currently being charged at the Royal Bank of Scotland plc variable rate.

17 RELATED PARTY TRANSACTIONS

Until 4 April 2017 one of the Trusts six Trustees belonged to the University of Westminster's Court of Governors and therefore the University was considered to be a related party. The Quintin Hogg Trust is related to one other separate charitable trust, The Quintin Memorial Fund. These two Trusts have the same Trustee and therefore common control exists. The material transactions with the University and the Quintin Hogg Memorial Fund during the year are as follows:

| | 2017 | 2016 |
|---|-------------|-------------|
| | £ | £ |
| The University of Westminster | | |
| - Rental income received | 4,358,840 | 4,188,037 |
| - Donations paid to the University | (3,282,268) | (803,454) |
| - Amounts owed by / (owed to) the University of Westminster as at year end (disclosed within debtors - note 11 and creditors - note 13) | 1,172,786 | (27,671) |
| The Quintin Hogg Memorial Fund | | |
| - Amounts due from The Quintin Hogg Memorial Fund (disclosed within debtors - note 11) | 5,448 | 5,448 |

DETAILED STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 July 2017

| | Total Funds 2017 | | Total Funds 2016 | |
|---|-----------------------------|-----------|-----------------------------|-----------|
| | £ | £ | £ | £ |
| INCOME FROM: | | | | |
| Charitable activities - rent receivable | 4,358,840 | | 4,188,037 | |
| Investment income receivable | 347,839 | | 273,876 | |
| Release of capital grant | 400 | | 400 | |
| TOTAL | | 4,707,079 | | 4,462,313 |
| EXPENDITURE ON: | | | | |
| Interest payable | 121,585 | | 128,851 | |
| Investment management costs | 64,711 | | 40,692 | |
| Bank charges | 40 | | 263 | |
| Travel expenses | 0 | | 60 | |
| Postage | 0 | | 66 | |
| Legal and professional fees | 101,519 | | 49,319 | |
| Depreciation and amortisation | 597,274 | | 597,274 | |
| Rent and rates | 2,200 | | 1,100 | |
| Audit fees | 4,380 | | 4,211 | |
| Other expenditure | 3,968 | | 224 | |
| TOTAL | | 895,677 | | 822,060 |
| | | 3,811,402 | | 3,640,253 |
| Expenditure on charitable activities | | 3,282,268 | | 803,454 |
| Net income for the Year | | 529,134 | | 2,836,799 |
| Gain on investments | | 989,264 | | 469,157 |
| Net Movement in Funds | | 1,518,398 | | 3,305,956 |

Note:

All activities relate to continuing operations.

All funds held by The Quintin Hogg Trust are unrestricted funds as defined by the Statement of Recommended Practice "Accounting and reporting by Charities".

The above additional information has been prepared from the accounting records of the Trust. While it does not form part of the statutory financial statements, it should be read in conjunction with them and the auditor's report thereon.

