



Annual Report and Accounts
for the year ended 31 March 2016



The Queen's Trust

helping young people help others

Introduction

“ It is a great privilege to be invited to write this preface. As the Headteacher of a large secondary school for 11 to 16 year olds in Newham, East London, I am very aware of the work done by The Queen's Trust to support young people. The young people at our school come from a huge range of backgrounds, with more than 60 different home languages, with some pupils recently arrived from areas of conflict. The school has made substantial progress in the last few years, being one of only a handful of schools nationally to have improved its headline figures for each of the last five years. That success has been founded through a commitment to working in partnership with other organisations, many of which are supported by The Queen's Trust. Without partners such as Teach First, the progress we have made would simply not have been possible.

Our diverse school community was delighted and surprised to host a visit by Her Majesty The Queen in March 2016; in fact many of our schoolchildren found it hard to believe that Her Majesty would visit Plaistow! Young people in our area of East London sometimes believe that they are not included or expected to share in some of the opportunities that are there for others. That can sometimes be fed by the negative press coverage which young people in our inner cities so often receive. Her Majesty's visit was a really joyful and affirming occasion, and helped us to celebrate all that is positive in our community, with our Head Girl, Forida Rahman, speaking for us all when she said how proud we were to host the visit.



Lister Community School,
3rd March 2016, Head Girl Speech



The Queen's Trust

helping young people help others

The visit to our school highlighted the range of the work with young people carried out by The Queen's Trust. Her Majesty met representatives of the National Youth Orchestra, Frontline, Free The Children, Into University, Teach First and many others. There is a commonality of approach between those working with young people through The Queen's Trust, which consists first of all in a belief that all our young people have the potential to succeed if given the right support, and a determination that children from some of the poorest areas of the United Kingdom should have the same opportunities as anyone else. There are always challenges in working with young people, but those of us who work with teenagers daily know that for all the hard work that goes in, we gain an enormous amount back. Young people today are as eager as they have ever been for exciting opportunities and will demonstrate without fail that they can rise to whatever opportunities they are given. There is a still untapped but huge potential which The Queen's Trust plays a vital part in helping to develop. The input of an enthusiastic young Teach First trainee, or the individual support provided through Frontline, or the inspiration from a workshop for young people led by the talented musicians of the National Youth Orchestra will bear fruit for many decades to come through the possibilities they unlock in the hearts and minds of today's young people. I should like to take this opportunity to thank all those who make such support possible. ”

Anthony Wilson

Head Teacher, Lister Community School



Lister Community School,
3rd March 2016



The Queen's Trust

helping young people help others

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The Queen's Trust

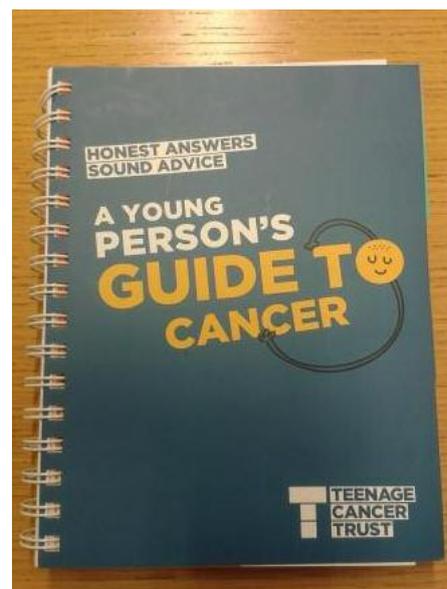
Chairman's Introduction

2015 was another busy year for The Queen's Trust, in support of the nine charities, IntoUniversity, City Year, Teach First, Free The Children, Teenage Cancer Trust, OnSide Youth Zones, Coram and Frontline that will, all being well, receive the bulk of the remaining money in the Silver Jubilee Appeal Fund. We have embarked on a four year programme of support with each one, in order to help them make rapid progress towards the achievement of their key strategic goals. 2015 was the first year of this programme and this Report sets out some of the key milestones reached. We hope that our funding will not only help these charities help more young people today but also place them all in a stronger position to help thousands more young people into the future.

In addition to our day to day work, we were particularly delighted that Her Majesty The Queen joined us on two occasions to see the work of the charities we support in action. The Queen visited Lister School in Plaistow as described so well by the Headmaster, Anthony Wilson in the introduction to this year's Report and The Prince's Trust Centre in Kennington.

The purpose of The Queen's Trust is to help young people, particularly from more disadvantaged backgrounds, to help each other and others to succeed. When we visit the charities we fund, we have seen first-hand the extraordinary power of young people sharing their experience, empathy, skills, talents and time with others.

The results of the grants we made in recent years are coming through thick and fast now, taking the benefits far and wide. We are particularly pleased to see that the Young Carers in Schools toolkit, a product of our funding for Carers Trust to help schools identify and support young carers more effectively has attracted attention from other organisations that would like to use it, both in Wales and the United States. Likewise, keen interest has been in expressed in Teenage Cancer Trust's handbook for young people with cancer that we funded, known as Honest Answers and Sound Advice, again in the United States. We will watch these developments with great interest.



Teenage Cancer Trust Handbook



The Queen's Trust

Chairman's Introduction

Our programme comes to an end in the Spring of 2019. There is no doubt that our decision to spend-out as been one of the best we have taken, for it has allowed us to enable the charities we support to do far more far faster than we would otherwise have been able to do. This year we paid out a total of £5,713,190 to these charities. However, we have given not only money but also our time to promote the charities we fund, in the hope that we might encourage others to get involved with their work, as funder or advocates. This has proved very successful so far and we hope to expand this are of our support in our last years

But it is the young people we meet in the course of this work who motivate and inspire us above all else. They continue to demonstrate the singular power of young people helping others – the founding purpose of this fund and the driving force behind all we do.

Sir Alan Reid, GCV0
Chairman

23 November 2016



The Queen's Trust

Reference and Administrative Details for the year ended 31 March 2016

Principal Address

Buckingham Palace
London SW1A 1AA

Charity Registration Number: 272373

Patron

Her Majesty The Queen

Constitution and Governing Instrument

The Queen's Silver Jubilee Trust was established as an unincorporated Trust in 1977. It is registered as a charity (No. 272373) and is governed by its Trust Deed (as varied and amended in 2005). On 25 July 2013, the Trust changed its name from The Queen's Silver Jubilee Trust to The Queen's Trust.

Trustees

The Trustees, who held office throughout the year, were as follows:

Sir Alan Reid GCVO (Chairman)

Christopher Coombe

The Rt Hon Sir Christopher Geidt KCB, KCVO, OBE

Michael Marks CVO, CBE

Peter Mimpriss CVO

Sandra Roberston

Sir Trevor McDonald OBE

Director

Nicola Brentnall MVO

Administrator

Anne Threlkeld



The Queen's Trust

Reference and Administrative Details (continued)

for the year ended 31 March 2016

Auditors

KPMG LLP
15 Canada Square
London E14 5GL

Principal Solicitors

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

Investment Managers

Cazenove Capital Management Limited
12 Moorgate
London
EC2R 6DA

Bankers

Coutts & Co
440 Strand
London WC2R 0QS



The Queen's Trust

Trustees' Report

for the year ended 31 March 2016

Introduction

The Trustees present their report and audited financial statements for the year ending 31 March 2016. The financial statements have been prepared on the basis of the accounting policies set out in note 1 to the financial statements and comply with the applicable law and the requirements of the Statement of Recommended Practice (FRS 102). The information set out on pages 6 and 7 form part of this report.

Public Benefit

In keeping with our definition of helping young people help others, we ensure that there is a wide scope of public benefit within our activities. We have reviewed the objectives, activities, achievements and performance for the year and are satisfied that The Queen's Trust has complied with the requirements of public benefit reporting as set out in the Charity Commission's General Guidance on Public Benefit.

Objectives

The Queen's Trust makes grants to a small number of high-performing youth charities, enabling them to grow, develop and so help more young people succeed. Our emphasis is in education and personal development in and out of school, in low-income communities in the UK.

The context of our work

In almost all studies, it is clear that a sound and inspiring education and a sense of self-worth and knowledge of personal potential can dictate who achieves and who falls by the wayside. Factors such as grit, resilience and empathy can have a profoundly positive effect on young people and support their growth to becoming secure, independent adults. These resources can be developed and nurtured through interventions both inside and outside¹. Recent research from The Sutton Trust takes this further and considers the different factors that can shape young people's goals, including parental, peer and school influences on students' aspirations and their beliefs about their academic performance and abilities. This report shows that while students' aspirations are indeed shaped from an early age by background, neighbourhood and educational influences, it is their sense of what they can achieve at school and what they might achieve in higher education that plays an even more significant part, far more than the influence of background. Students from stable, supportive homes with a higher socio-economic status tend to have both a greater confidence in their academic ability and potential and higher aspirations for their future².

¹Demos: Mind over Matter, 2015

²The Sutton Trust: Believing in Better: How Aspirations and Academic Self-Concept Shape Young People's Outcomes, 2016



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2016

The Queen's Trust is keen to give a helping hand to all those without resources such as these to draw upon. Between them, the charities we have chosen offer facilities, expertise and encouragement to enable young people to achieve all they can.

There is a pressing need for rapid action. Too many young people are already living lives that exclude them from the progress and success that others take for granted. Over 700,000 young people had not been in education, employment or training for a year or more in 2015.

A survey undertaken by Young Enterprise shows that the majority of students aged 16-18 expect a significant gap between finishing education and securing paid employment – nearly one third expect to wait over a year before taking their first job³. This has very serious implications, particularly for more vulnerable young people, as it is this group that is at increased risk of getting into trouble, mental and physical health problems and homelessness if excluded from meaningful activity for a long period. Indeed, The Prince's Trust Youth Index shows that 35% of young people out of education and employment report very high levels of anxiety and 59% claim lost confidence after a setback such as family or relationship breakdown, repeated rejection, major illness or bereavement. 71% of young people said they did not have anyone to talk to about their problems when they were growing up and more than one in ten young people interviewed described their childhoods as traumatic, including witnessing physical attacks at home or living in fear of their parents, with large numbers witnessing emotional abuse at home. All this takes its toll, and can lead to young people, particularly those from chaotic backgrounds, being held back in many areas of life, from educational attainment and employment opportunities to good mental health and well-being⁴.

For all of these reasons, our emphasis is to help young people facing these challenges by working to boost support in and outside the classroom for those at risk of falling behind their wealthier peers, providing personal development and peer to peer support and mentoring opportunities. Given the corrosive effect of setbacks on vulnerable young people as set out above, we work with charities that help young people who have overcome major illness and those who are living through troubles at home.

The majority of our funding is directed outside London. This is because there is a marked disparity in available provision for young people outside the capital. This can be seen in performance between schools in London, where there has been a noticeable improvement in results in recent years and those schools outside, particularly in rural, isolated, coastal communities and market towns.

³Young Enterprise: Youth Unemployment: A Generation in Crisis. March 2016

⁴The Prince's Trust Macquarie Youth Index 2015



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2016

This difference is particularly notable across the North-East, North-West and Yorkshire and The Humber and in some major cities, such as Liverpool, Leeds and Sheffield. The divide between London and other parts of the country starts before children even reach school age. Given this, The Queen's Trust is helping charities to expand tried and tested provision that has proven successful in one area to other parts of the UK. We are helping Teach First place hundreds more teachers in classrooms in dispersed and coastal communities in England and Wales, Free The Children to expand its confidence-building, civic engagement and social action programme to Scotland and Northern Ireland and OnSide Youth Zones to open in Wolverhampton and Birkenhead.

To illustrate our approach and rationale, our Report this year will cover the work of a small selection of our nine major grant partners, listed at the top of page 4.

Activities

Education and Aspiration

40% of children in receipt of Free School Meals achieve grades A*– C at GCSE compared to 70% of their peer group⁵. Many thousands are limited by their own belief of what is possible for their future. Three of the charities that we support, IntoUniversity, Teach First and City Year work exclusively with schools in low-income communities, supporting both academic attainment and aspiration.

IntoUniversity

Higher education provides many benefits, both for individuals and for society as a whole, not least playing an important role in social mobility as research shows that the long-term benefits of a

university education are highest for young people from disadvantaged backgrounds.



IntoUniversity: local learning centres where young people are inspired to achieve

⁵Social Market Foundation: Educational Inequalities in England and Wales, January 2016



The Queen's Trust Trustees' Report (continued) for the year ended 31 March 2016

Higher education not only improves individual life chances – through higher earnings, likelihood of civic participation and better physical and mental health. Research also shows that children of university graduates go on to not only achieve significantly more at school but are more likely to consider a university education as a natural choice for themselves. Last year, The Queen's Trust helped IntoUniversity open three more learning centres, this time in Southampton, Bristol and a second centre in Leeds. IntoUniversity works in close partnership with schools and universities that share its goals.

“ *The University of Leeds have worked with IntoUniversity to establish two centres based in the city. Whilst parents of children in Harehills and Beeston want the best for their children, it is set against a backdrop of low income households who may also have limited English.* ”



IntoUniversity Leeds East Centre

Louise Banahene, Head of educational Engagement, University of Leeds

“ *For me, the most memorable and positive part ...is the new drive, understanding and passion that the children have for learning and university...opening their eyes to an existence outside Witherwood.* ”

Teacher, Four Acres Academy, a partner of IntoUniversity Bristol South

³ Ibid



The Queen's Trust Trustees' Report (continued) for the year ended 31 March 2016

Teach First

Many schools in rural, isolated, coastal communities and market towns struggle to recruit teachers because they are far from urban centres with all the attractions these offer, particularly to young people. Teach First is working to address this by placing the majority of its trainees outside London in communities such as these. The Queen's Trust has supported Teach First since 2013, when it helped the charity to expand into Wales for the first time. Last year, The Queen's Trust support enabled Teach First to place 239 new teachers in schools that really need them. In 2016, The Queen's Trust extended its support for Teach First, providing funding for 60 new Early Years teachers to support children during these vital formative years.



Teach First: all children deserve a good education

“ *Blackpool was my first choice location as having been to university in Lancaster I was familiar with the area and recognised the challenges for community. Having a social impact has been the motivation behind teaching and I knew Blackpool would be somewhere that I could make a real difference.* ”

Teach First Teacher

City Year

Often many young people are not sure what career to choose after school, college or university. City Year offers a year-long volunteering opportunity, known as a Year of Service, to young people aged 18–25. This combines a placement in a school in a low-income community full-time four days a week and a professional and career development programme each Friday. In school, the volunteers lead before and after school clubs and activities, play games in the playground and give their company, particularly for more isolated children, in the dining room. They also work one to one with children identified as being at risk of falling behind because of attendance, punctuality or behaviour issues. Results are impressive, for both the children and young volunteers involved.

“ *City Year helps my education every day. They help with every subject and they have helped my behaviour get better. City Year is brilliant. They make my life better.* ”

Pupil



The Queen's Trust Trustees' Report (continued) for the year ended 31 March 2016

Because City Year volunteers are young too and although they are role-models, they are not seen as authority figures in the school hierarchy. This 'near-peer' support is proving extraordinarily powerful in bringing about not only improved results but also higher aspirations too – as children see the achievements of the volunteers and so believe success can be possible for them, too. This year, we supported teams of volunteers in schools in Birmingham and Manchester and helped the charity improve and enhance overall programme content and design, both in school and for the Friday leadership and career development sessions.



City Year Volunteer

“ *My Year Of Service has given me some fantastic experiences that will stay with me for the rest of my life. It has helped me develop my skills and confidence which will really help in the future.* ”

City Year Volunteer

Personal Development

As we discussed earlier in this Report, while attainment in education is important, the development of broader social and personal skills, such as self-confidence and self-belief, are also essential to securing the foundations for long term success in life.

OnSide Youth Zones has received major investment from us. Youth Zones are state-of-the art buildings that give young people safe and inspiring places to go in their leisure time. The buildings are designed to encourage young people to come in. Then, with light, bright open spaces and engaged and supportive volunteers and mentors, young people are encouraged to explore and try out new activities, including sport, drama, dance, enterprise, arts and crafts and in doing so find and develop new talents – some leading to new interests, others to further education, training and employment. It is the presence of engaged, trained and interested adults that often makes all the difference, giving young people mentors and supporters that they can trust, as so many have absolutely no-one to confide in. OnSide research shows that all this boosts confidence, self-esteem and self-belief, improves home and school-life and reduces anti-social behaviour – all because young people have the three things they want – somewhere to go, something to do and someone to talk to.



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2016



OnSide Youth Zones:
bringing young people
together



OnSide Youth Zones:
Wolverhampton



OnSide Youth Zones: Youth Zones offer
young people somewhere to go,
something to do, and someone to talk to

This year, The Queen's Trust helped OnSide open another centre in Wolverhampton, which had over 3,500 members within five months of opening. The construction of the centre in Birkenhead got well underway and will be open early in 2017. We also made rapid progress in bringing the OnSide model to London, to help not only young people in the capital but also raise the profile of the charity for further fundraising purposes.



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2016



Free The Children UK

Contrary to negative portrayals in the media, young people are characterised by their compassion, tolerance and motivation to tackle social issues. They are not passive observers but keen to get involved to make a difference for others. Young people who engage in social action initiatives report a range of benefits for themselves, such as increased confidence, improved likelihood of successful education and employment opportunities, as well as for the world around them.

The Queen's Trust has supported **Free The Children** since December 2012. This charity has long experience in Canada of providing the simple tools, confidence and encouragement young people need to volunteer. The Queen's Trust has helped Free The Children expand from a presence in 400 schools in 2012 to over 3,000 in 2016. Our grant in 2015 was used to expand further across Scotland, Wales and into Northern Ireland for the first time while building the charity's digital capability to reach and work with hundreds of thousands more young people in time.

As this Report has shown, the charities funded by The Queen's Trust are helping young people make a difference today and for others in the future. Not only in terms of increasing a sense of what is possible for thousands of children and young people and so encouraging them to take their first steps towards a positive future for themselves and their children to come, but also in changing policies that affect their lives. This is probably best seen in the work of The Adoptables, a Queen's Trust funded programme delivered by **Coram**.



The Queen's Trust Trustees' Report (continued) for the year ended 31 March 2016

Coram is the oldest children's charity in the UK, with huge experience and excellence in adoption and fostering. A trusted source of advice and guidance to Government on these matters, Coram always puts young people's voices and experience at the heart of its approach. To this end, The Adoptables has brought a group of adopted young people together to share their experience, to produce materials for use in schools and to inform policy in future regarding the adoption process. During 2015, The Adoptables continued to publish their regular newsletter and launched a new social media presence and a toolkit for schools to help children and teachers understand adoption more effectively to help stop the high incidence of bullying that adopted children and young people face. In March 2016, it was announced that The Adoptables would help inform Government policy on adoption in future.



“ *In school...I was often bullied for being adopted as people thought I was different. I also fell behind in class work quite a lot. I also didn't make many friends. My main highlight would be meeting Edward Timpson, talking to the Department for Education, particularly because I was really trying to get a point across to how education can be made so much easier for adopted people.* ”

Kelsey

Measuring Success

All grants that we make have outcomes that we expect the benefitting charities to achieve for those they help. These results will vary with regard to the specific programme of activity, but include number of young people supported, destinations they achieved (such as entry into employment, further education, improved results and/or improved attendance at school or improved confidence), facilities opened and so on.

Future Plans

We will continue the spend-down programme through 2016, supporting the charities we fund with money and in promoting the work they do to other funders. We will fund a programme for the Chief Executives of our nine core charities that will provide workshops where they might come together with a facilitator to share and discuss issues of concern. In addition, the facilitator will be available to help them with any specific issues that currently challenge their organisations.



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2016

One of the additional benefits of the decision to spend-out has been the opportunity it has given us to understand some of the characteristics that define successful grant applications. As our grants programme comes to an end, we are using the time that is becoming available to offer our insight to help other charities explore how they might appear to potential funders, large and small. Early trials of this idea seem favourable and we will continue to explore this into 2016.

Structure, governance and management

The governing body is the Board of Trustees. Trustees are appointed by HRH The Prince of Wales and the Chairman of the Board by HM The Queen. There are seven trustees who meet regularly to consider grant applications and reports on performance and finance. The Board of Trustees is actively involved in the work of The Queen's Trust and visit the work of charities that are in receipt of grants. In order to ensure the Trustees are able to fulfil their responsibilities, they seek and receive professional advice as required.

Alongside the Trust Deed, a set of rules agreed by the Board determines the governance of the organisation. These rules include matters such as division of responsibilities, delegated authorities and the management of conflict of interest.

In order to minimise the overhead costs for the charity, The Queen's Trust retains a full-time staff team of two and receives support as required and for an appropriate fee, from the finance, IT and internal audit functions within The Royal Household. Pay and remuneration for staff is determined on the same basis as that applied in relation to all roles (i.e. a system of job evaluation and market intelligence relating to comparable external roles).

The Board appoints representatives to the Investment Committee, which oversees the now limited investment activities of The Queen's Trust. The investment portfolio has been converted into cash or near cash given the decision to spend-out the fund by 2019. The Investment Committee reviews performance reports from Cazenove Capital Management before each Board meeting, convening meetings as required. During the year, the members of the Investment Committee were Michael Marks (Chairman), Peter Mimpriss and Sandra Robertson.



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2016

Reserves Policy

As a purely grant-making body with small overheads, only minimal reserves are required to close the organisation at the end of the spend-out period. We currently have net assets of £24.3m and our investments are in cash or near cash to ensure we have the resources available to meet our commitments as we wind down the activities of The Trust. The Trustees review the Reserves Policy on an annual basis.

Financial Review

The Trust's income in 2015–16 included investment income of £0.3m (2014–15: £0.5m) and capital losses of £0.1m (2014–15 gains: £1.7m). The Trust's expenditure in 2015–16 was £2.0m (2014–15: £6.6m). Net outgoing resources for the year were £1.7m (2014–15: £4.4m).

Designated funds of £2.2m comprise grant funding agreed by trustees during the year, but not committed to recipients at 31st March 2016. The grant expenditure is expected to occur within two years.

Investment Policy and Performance

Given the decision to spend-out, the investment policy is to own short-dated UK Government Treasury Bills. We have seen and accept that our investment returns will continue to be less than in previous years, however we consider the certainty that a cash/near cash portfolio provides as we close has the priority over the risk of market exposure. We remain open, however, to consider short-term, low risk market investments should conditions allow.

All cash held will be invested in bank deposits with leading UK banks.

As at 31 March 2016 the investment portfolio totalled £19.6m (2015–16: £25.5m) and including cash held for investment purposes, £26.8m (31 March 2015: £32.5m).

At 31 March 2016, £1.3m was invested with Coutts & Co in a call deposit account, and £1.9m was invested with Scottish Widows.



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2016

Risk Review

The Trustees keep risk management under review. The Trustees consider that The Queen's Trust is operating a reasonable and effective system of risk management and internal control that identifies and addresses the major risk facing the Trust. The risk of holding investments and cash is managed by spreading these assets across three separate institutions. The Trustees keep the assets under review to ensure The Queen's Trust can meet all of its commitments until it closes.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

Under the trust deed of the charity and charity law, the Trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Financial statements are required by law to give a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period. In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether 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;
- state whether the financial statements comply with the Trust deed, 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 its activities.

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



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2016

Related Parties / Connected Charities

The administration of The Queen's Trust requires the co-operation and support of various departments within the Royal Household. These departments are represented on the Board of Trustees by Sir Alan Reid GCVO. In addition, during the year to 31 March 2016, Michael Marks CVO CBE was a trustee of The Queen's Trust and The Prince's Trust. Details of material transactions during the year with other entities controlled by officials or Trustees on behalf of The Queen are set out in note 12 to the financial statements.

Going Concern

Albeit a decision has been made to wind down the activity of the charity by 2019, the trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern, as it has sufficient reserves to meet its obligations for at least twelve months from the date of signing this report.

Independent Auditors

A resolution to appoint KPMG LLP as auditors to The Queen's Trust was passed at a meeting of the Trustees on 3rd November 2016.

Signed on behalf of the Trustees:

Sir Alan Reid, GCVO
Chairman

23 November 2016



The Queen's Trust

Independent Auditor's Report to the Trustees

We have audited the financial statements of The Queen's Trust for the year ended 31 March 2016 set out on pages 22 to 34. 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 trustees as a body, in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 18 the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 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 March 2016 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 prepared in accordance with the requirements of the Charities Act 2011.



The Queen's Trust

Independent Auditor's Report to the Trustees (continued)

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 Trustees' 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.

Lynton Richmond
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

30 November 2016



The Queen's Trust

Statement of Financial Activities

for the year ended 31 March 2016

	Notes	2016 Total £'000	2015 Total £'000
Income from:			
Investments	2	310	536
Total income		<u>310</u>	<u>536</u>
Expenditure on:			
Investment Management Fees	3	34	120
Charitable activities	4	1,739	6,485
Total expenditure		<u>1,773</u>	<u>6,605</u>
Net (loss) / gain on investments	6	(78)	1,676
Net movement in funds		<u>(1,541)</u>	<u>(4,393)</u>
Reconciliation of funds:			
Funds brought forward at 1 April		26,091	30,484
Funds carried forward at 31 March		<u><u>24,550</u></u>	<u><u>26,091</u></u>

All funds are unrestricted.

All operations of the Trust are continuing.

There are no gains and losses other than the net movement in funds shown above and therefore no separate statement of total recognised gains and losses has been prepared.

The notes on pages 25 to 34 form part of these financial statements.



The Queen's Trust

Balance Sheet

at 31 March 2016

	Notes	2016 £'000	2015 £'000
Fixed Assets			
Investments	6	19,581	25,478
<i>Total fixed assets</i>		<u>19,581</u>	<u>25,478</u>
Current assets			
Debtors	7	5	1
Cash at bank and in hand	8	7,179	7,061
<i>Total current assets</i>		<u>7,184</u>	<u>7,062</u>
Liabilities			
Creditors: amounts falling due within one year	9	(2,035)	(5,583)
<i>Net current assets</i>		<u>5,149</u>	<u>1,479</u>
Creditors: amounts falling due after more than one year	10	(180)	(866)
Total net assets		<u>24,550</u>	<u>26,091</u>
The funds of the charity:			
Unrestricted funds		24,550	26,091
Total charity funds		<u>24,550</u>	<u>26,091</u>

The notes on pages 25 to 34 form part of these financial statements.

The financial statements on pages 22 to 34 were approved by the Trustees and were signed on their behalf by:

Sir Alan Reid GCVO
Chairman

23 November 2016



The Queen's Trust

Cashflow Statement

for the year ended 31 March 2016

	2016	2015
	£'000	£'000
Cash flows from operating activities:		
Net expenditure (as per the statement of financial activities)	(1,541)	(4,393)
Adjustments for:		
Net loss / (gain) on investments	78	(1,676)
Investment income receivable	(310)	(536)
(Increase) / decrease in debtors	(4)	24
(Decrease) / increase in creditors	(4,234)	2,718
Net cash used in operating activities	(6,011)	(3,863)
Cash flows from investing activities:		
Investment income received	310	536
Purchase of investments	(65,708)	(23,270)
Sale of investments	71,527	26,457
Net cash provided by investing activities	6,129	3,723
Change in cash and cash equivalents in the year	118	(140)
Cash and cash equivalents as at 1 April 2015 / 2014	7,061	7,201
Cash and cash equivalents as at 31 March 2016 / 2015	7,179	7,061
Analysis of cash and cash equivalents		
	2016	2015
	£'000	£'000
Cash at bank and in hand	5,289	5,179
Notice deposits (less than 3 months)	1,890	1,882
	7,179	7,061



The Queen's Trust

Notes to the Financial Statements

for the year ended 31 March 2016

1 Principal Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Trust's accounts.

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 notes 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.

Albeit a decision has been made to wind down the activity of the charity by 2019, the trustees consider that there are no material uncertainties about the Trust's ability to continue as a going concern, as it has sufficient reserves to meet its obligations for at least twelve months from the date of signing this report.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS102 a restatement of comparative items was needed. No restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income/(expenditure) for the year is provided with the net income/(expenditure) under previous GAAP adjusted for the presentation of investment gains/ (losses) as a component of reported income.

Reconciliation of reported net income:

	£'000
2015 net outgoing resources as previously stated	(6,069)
Adjustment for gains on investments (now treated as a component of net expenditure)	1,676
	<hr/>
2015 net expenditure as restated	(4,393)
	<hr/>



The Queen's Trust

Notes to the Financial Statements

for the year ended 31 March 2016

Charities SORP FRS102 requires all support and governance costs to be allocated to grants on a pro-rata basis. To be consistent, 2015 has been restated.

	Charitable distributions	Original Support costs	Original Total 2015	Restated Support costs	Restated Total 2015
	£'000	£'000	£'000	£'000	£'000
Unrestricted fund					
The Prince's Trust	1,500	71	1,571	73	1,573
IntoUniversity	1220	58	1,278	59	1,279
Teach First	766	37	803	37	803
City Year	500	24	524	24	524
Duke of Edinburgh's Award	399	19	418	19	418
Free The Children	304	14	318	15	319
Coram	300	14	314	15	315
Carers Trust	273	13	286	13	286
National Youth Orchestra	250	12	262	12	262
Frontline	200	10	210	10	210
PSBT (Fixers)	154	7	161	7	161
Young Enterprise	125	6	131	6	131
LEAP	90	4	94	4	94
The Orpheus Centre	60	3	63	3	63
Royal Commonwealth Society	45	2	47	2	47
	6,186	294	6,480	299	6,485



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2016

Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- **Investment income**

Dividends and interest are credited to income on the basis of the due date for payment and are recorded in the Unrestricted Fund.

- **Voluntary income**

This is included in the Statement of Financial Activities during the year in which it is received, together with any income tax reclaimable thereon.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Grants payable are recognised when the Trustees enter into an unconditional commitment to pay the grant.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

An accrual has been made for employee holiday pay in 2015–16. The 2014–15 holiday pay accrual was zero so no restatement has been made. The employee holiday year runs from January to December with a maximum carry over of leave from one year to the next of 9 days except where holiday is 'banked' in which case a maximum of 15 days can be held in the bank at any time. The holiday pay accrual is based on a combination of actual leave entitlement and actual carry forward or banked leave.

Expenditure

Expenditure (including irrecoverable VAT) is charged to the Statement of Financial Activities (SOFA).

Costs of raising funds comprise the expenditure incurred in managing the investment portfolio. Charitable activities include all direct and indirect costs incurred by the Charity in meeting its charitable objectives.

Grants payable is the total sum, once approved by the Trustees, awarded during the year. The amount is expensed in the SOFA, where a constructive obligation exists notwithstanding that a proportion will be disbursed in subsequent accounting periods.

Taxation

Under Section 505 ICTA 1988 the Charity is exempt from certain taxes. The charity is not registered for Value Added Tax. Irrecoverable Value Added Tax is aggregated along with the expenditure to which it relates.



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2016

Investments

Fixed asset investments are included in the accounts and at market values as at the balance sheet date. Realised and unrealised gains/losses are credited/debited to net expenditure in the Statement of Financial Activities in the year in which they arise.

Funds

The funds are all unrestricted funds and are expendable at the discretion of the Trustees in furtherance of the objectives of The Trust.

Trustees' Remuneration

The trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2014–15: £nil). Expenses paid to the trustees in the year totalled £604 (2014–15: £nil). These expenses were made up of 2 trustees reimbursed for their travel expenses.

2 Investment income	2016	2015
	£'000	£'000
Income from listed investments	294	506
Interest receivable	16	30
	310	536
	<hr/> <hr/>	<hr/> <hr/>
3 Investment manager's fees	2016	2015
	£'000	£'000
Investment manager's fees	34	120
	34	120
	<hr/> <hr/>	<hr/> <hr/>



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2016

4 Grants payable

Grants totalling £1,623,000 were made to 10 charity institutions (2014-15: £6,185,856 to 15 charity institutions)

	Charitable distributions	Support costs	Total 2016	Total 2015
	£'000	£'000	£'000	£'000
Unrestricted fund				
Duke of Edinburgh's Award	460	62	522	418
Teenage Cancer Trust	427	58	485	-
Free The Children	425	57	482	319
Frontline	200	27	227	210
Royal Commonwealth Society	50	7	57	47
Create Arts Limited	28	4	32	-
National Youth Orchestra	15	2	17	262
OnSide	10	1	11	-
The Orpheus Centre	7	1	8	63
City Year	1	-	1	524
Youth United	(103)	-	(103)	-
The Prince's Trust	-	-	-	1,573
IntoUniversity	-	-	-	1,279
Teach First	-	-	-	803
Coram	-	-	-	315
Carers Trust	-	-	-	286
PSBT (Fixers)	-	-	-	161
Young Enterprise	-	-	-	131
LEAP	-	-	-	94
	<u>1,520</u>	<u>219</u>	<u>1,739</u>	<u>6,485</u>

Support costs have been allocated to each grant on a pro-rata basis.

£102,635 unspent from a £300,000 grant awarded to Youth United in 2013–14 was released in the period. A new grant of £200,000 was awarded in April 2016.



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2016

4 Grants payable (cont)	2016	2015
	£'000	£'000
Commitments at 1 April 2015 / 2014	6,368	3,675
Charged to Statement of Financial activities	1,520	6,186
Paid in the year	(5,713)	(3,493)
	<hr/>	<hr/>
Commitments at 31 March 2016 / 2015	2,175	6,368
	<hr/> <hr/>	<hr/> <hr/>
	2016	2015
	£'000	£'000
Grant commitments due:		
Within one year	1,995	5,502
After more than one year	180	866
	<hr/>	<hr/>
	2,175	6,368
	<hr/> <hr/>	<hr/> <hr/>
5 Support costs	2016	2015
	£'000	£'000
Support costs		
Accounting	15	14
Professional	7	1
Consultancy	4	23
Salaries	171	233
Office expenses	9	12
Miscellaneous	9	11
Internal audit fees	-	1
External audit fees	4	4
	<hr/>	<hr/>
	219	299
	<hr/> <hr/>	<hr/> <hr/>



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2016

5 Support costs (cont)

Staff costs are made up as follows:	2016	2015
	£'000	£'000
Gross salaries and wages	135	184
Employer's national insurance	16	22
Pensions	20	27
	<u>171</u>	<u>233</u>

The Queen's Trust has two employees (2014–15: two).

The Director of The Queen's Trust received total employee benefits (including taxable benefits in kind but not employer pension contributions) amounting to £90,000 in the year to 31 March 2016.

The numbers of employees whose emoluments for the year were over £60,000 (including taxable benefits in kind but not employer pension contributions) fell in the following bands:

	2016	2015
	£'000	£'000
£90,000–£99,999	1	-
£80,000–£89,999	-	1
	<u>1</u>	<u>1</u>



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2016

6 Investments	2016	2015
	£'000	£'000
Listed investments at market value		
Open Ended Investment Companies	-	11,284
Common Investment Funds	-	3,696
Unit Trusts	-	2,547
Government/Corporate Bond	19,581	4,769
UK Equity	-	2,828
Other Managed Funds	-	354
	<u>19,581</u>	<u>25,478</u>
	<u>19,581</u>	<u>25,478</u>
UK investment assets	19,581	17,699
Global investment assets	-	7,779
	<u>19,581</u>	<u>25,478</u>
	<u>19,581</u>	<u>25,478</u>
Analysis of investment movement		
Balance at beginning of year	25,478	26,989
Additions at cost	65,708	23,270
Disposals, net proceeds	(71,527)	(26,457)
Net gains on revaluation of investments	(78)	1,676
	<u>19,581</u>	<u>25,478</u>
	<u>19,581</u>	<u>25,478</u>

The Trustees consider the value of the investments to be supported by their underlying assets.

The following investments are greater than 5% of the investment portfolio:

Investment	%	Fund
UK and NI Treasury Bill	100	Gilts



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2016

7 Debtors	2016	2015
	£'000	£'000
Amounts falling due within one year		
Accrued income	5	1
	<u>5</u>	<u>1</u>
	<u>5</u>	<u>1</u>

8 Cash held for investment purposes

At 31 March 2016, cash of £7,178,531 (2014-15: £7,060,562) was held for investment purposes. It has been treated as a current asset because the Trustees can draw from it on demand. The cash was held with the following counterparties:

	Rate	2016	2015
	%	£'000	£'000
Cazenove cash investment account	0.11	4,033	3,479
Scottish Widows – 7 day notice account	0.40	1,890	1,882
Coutts call deposit account	0.25	1,256	1,700
		<u>7,179</u>	<u>7,061</u>
		<u>7,179</u>	<u>7,061</u>

9 Creditors: amounts falling due within one year	2016	2015
	£'000	£'000
Other creditors	34	43
Grants payable	1,995	5,502
Accruals and deferred income	6	38
	<u>2,035</u>	<u>5,583</u>
	<u>2,035</u>	<u>5,583</u>



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2016

10 Creditors: amounts falling due after more than one year	2016	2015
	£'000	£'000
Grants payable	180	866
	<u>180</u>	<u>866</u>

11 Summary of fund movements

	Funds 1 Apr 2015 £'000	Income £'000	Expenditure £'000	Transfers £'000	Funds 31 Mar 2016 £'000
Unrestricted: general	26,091	310	(1,851)	(2,200)	22,350
Unrestricted: designated	-	-	-	2,200	2,200
	<u>26,091</u>	<u>310</u>	<u>(1,851)</u>	<u>-</u>	<u>24,550</u>

Designated funds comprise grant funding agreed by Trustees during the year, but not committed to recipients at 31st March 2016. The grant expenditure is expected to occur within two years.

12 Related party transactions

The following material transactions with other entities in which trustees have executive responsibilities occurred during the year:

An amount of £14,500 (2014–15: £13,481), to the Royal Household for accountancy fees for time spent in the preparation of the monthly management accounts and the financial statements during the year. The balance owing at the end of the year is £3,625 (2014–15: £3,370).

At 31 March 2016, the balance due to The Prince's Trust at the end of the year was £nil (2014–15: £1 million).

There were no other related party transactions during the year.