



Annual Report and Accounts
for the year ended 31 March 2017



The Queen's Trust

helping young people help others

Introduction

“If you want to make a difference in your own life, GET INVOLVED!!”

We are the Development Group for The Hive, Wirral Youth Zone. The Hive is a £6m building created just for young people. It has youth workers and an army of volunteers who are all multi-skilled across Sports, Arts, Inclusion and Personal Development. Our main aims are to offer young people of the Wirral the three simple things we know we need – somewhere to go, something to do and someone to talk to. It was brilliant that The Queen's Trust helped us to get this building open – it is really needed here and is already making such a difference.

Our job has been to help make The Hive exactly right for young people. Throughout the last couple of years, we have had the opportunity to shape the services that The Hive will deliver. We have been involved in consultations to gain young people's views, we've worked with designers to create the name and brand 'The Hive' and with the architects to help design the layout of the building. We visited other Youth Zones to gain an understanding of what we would like to see in ours and met loads of other young people. We also visited local industry leaders and asked them for help (which most of them did), we made presentations to various schools and colleges to inspire other young people to get involved. We also wrote and recorded a rap with football legend John Barnes to promote The Hive and so much more.

We have helped secure some of the most sought after resources like a 4G football pitch on the roof, the **only** open access climbing wall for young people on the Wirral, a vision media suite, a fully-fitted gym, an enterprise and employability zone and dance and drama studio. We had a target of 3,000 members by March 2018. We smashed that! The Hive had 4,000 members (over 10% of Wirral's young people) 7 weeks after opening. So we think we did a great job!





The Queen's Trust

helping young people help others

We love seeing other young people get involved in the life of The Hive, helping others with safety equipment, teaching others how to skate, climb, play the guitar or drums. It's amazing to see Wirral's young people making the most of The Hive. They are beginning to realise that they can talk to our workers safe in the knowledge that something good will come out of it. Our message to other young people is – if you want to change your life, get involved!

The aim of a Youth Zone is to help young people achieve their full potential and raise their aspirations, but most of all to have the confidence to be themselves. We have been able to deliver this for the young people here on the Wirral. We have made a huge difference now and for generations to come.

Lots of love Molly, June-Marie, Bo, Georgina, Natasha and Ryan



PS I'm Kev and at last I can get a word in! I worked with the Young People's Development Group for 15 months until The Hive opened. They have done so much to help other young people and I am so proud of all they have accomplished. However, it's the distance they have travelled with their own personal issues that has left me speechless. Every single member has overcome such overwhelming obstacles, stuff that would have floored other people. They just kept going – talk about resilience! They are now all walking tall and proud of who they are and what they have achieved. In trying to improve the lives of others, they have improved their own so much. All of them are well on the road to success.

Kev Burke
Youth Engagement, The Hive





The Queen's Trust

helping young people help others

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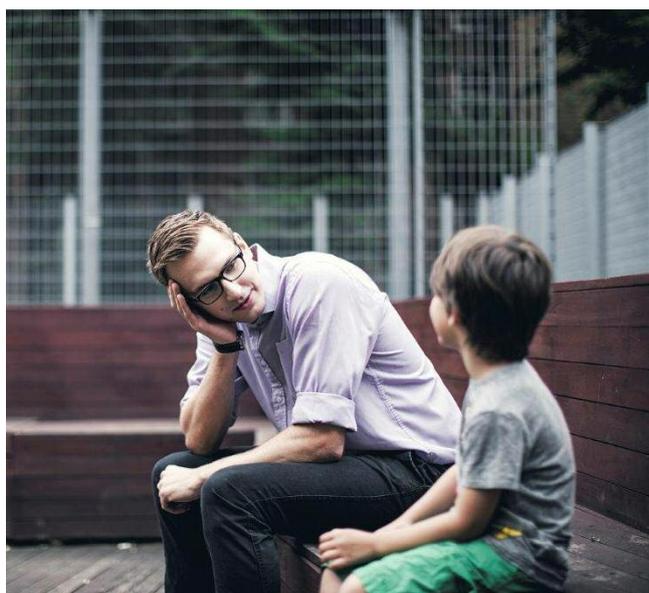
The Queen's Trust

Chairman's Introduction

The Queen has always believed in young people as a powerful force for good in the world. In our work, we see time and again the inspirational things young people are doing for each other and others, as we see again in the example of the young people of the Wirral who open our Report so brilliantly this year. We know that young people can achieve so much – as long as they have the right encouragement to believe in themselves and have the opportunities to get involved, feel confident and play their part.

Unfortunately, not all young people enjoy the levels of support from earliest childhood into adult life that others take for granted. Chances and opportunities come far more easily for some. Social mobility in the United Kingdom is uneven, with those from low-income families most at risk of achieving less than their peers simply because of the amount their parents earn. Troubles at home, a poor experience of education and a lack of role models can also hold these young people back. Later in this Report we touch on the corrosive effect this has for the life-chances and well-being for those left behind. We know the huge reservoir of potential that exists within them and have seen first-hand what happens when a near-peer mentor or a young adult steps in to encourage others to succeed. Our friends in the Wirral express this so well and every one of them played a role in bringing this project to life for over 4,000 other young people. How we can play our part to provide more help like this and give more young people a fair chance has been the driving force behind our work since 2012.

We have chosen to support youth charities that have at their heart our belief in young people and who offer the support and inspiration they need to succeed. Our approach is simple. We give substantial grants to enable these organisations to expand the practical support they offer, sustainably. Our support is not only financial. We stand alongside the charities we fund, supporting their wider fundraising, speaking at events on their behalf about why we support them – giving them profile and a lever to attract further funds and supporters.



Frontline: young social workers supporting vulnerable children and families



The Queen's Trust

Chairman's Introduction

Every day, our grants are providing more teachers in classrooms that desperately need them, more training courses to build confidence and job-readiness for those who feel a long way from the workforce, more social workers to help the most vulnerable families resolve their problems, more opportunities for young cancer survivors to move forward with their lives, more mentors and more encouragement for children to achieve all they can at school. Our decision to spend out was the boldest and best decision we ever made. We see the benefit of this through the changes young people are bringing about for others on every visit we make.

Finally, we have helped to start The Queen's Commonwealth Trust, a new organisation that will take The Queen's belief in young people even further. It will provide small grants to young people who are running charities or social enterprises that provide solutions to local problems across the Commonwealth. This means we can share our experience with this richly diverse group of organisations, all with the same aim at heart, to help make the world a better place. The Queen has always believed young people can change the world for good. **They are, every day.**

A handwritten signature in black ink, appearing to read 'Alan Reid'.

Sir Alan Reid, GCVO
Chairman

29 November 2017



The Queen's Trust

Reference and Administrative Details for the year ended 31 March 2017

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 and the Charity Commission was duly notified.

Trustees

The Trustees are appointed by HRH The Prince of Wales in accordance with the terms of the Deed of Revocable Delegation and Release dated 25 March 1981.

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

Sir Alan Reid GCVO (Chairman)

Christopher Coombe

The Lord Geidt GCVO KCB OBE (resigned on 17th October 2017)

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 2017

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 2017

Introduction

The Trustees present their report and audited financial statements for the year ended March 31st 2017. 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 24 to 35 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 highly effective 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

The conclusions of latest research into public attitudes to social mobility in the UK make for stark reading. Nearly half of those surveyed stated that likely achievement in life will be determined by background and who your parents are. Over half of the young people aged 18–24 surveyed believe this is the case, believing it is getting more difficult to move up in British society¹. The poorest find it hardest to progress, with only one in eight children from low-income backgrounds likely to become a high-income earner as an adult. From childhood through university and into work there is an established correlation between social class and success².

The statistics are daunting. The age at which a child's development can be used as a predictor for educational outcomes at age 26 is just 22 months. By the age of 5, children from low-income backgrounds are, on average, 15 months behind their better off peers in vocabulary, the linchpin of communication skills. In primary years, overall, just over a third of children from low-income backgrounds achieve the expected standards in reading, writing and maths, compared to 57% of their wealthier peers³.

¹Social Mobility Barometer: Public Attitudes to Social Mobility. June 2017. Social Mobility Commission

²State of The Nation 2016, The Social Mobility Commission

³Impossible? Social mobility and the seemingly unbreakable class ceiling, Teach First and Bridge Group 2016



The Queen's Trust Trustees' Report (continued) for the year ended 31 March 2017

Young people from low-income backgrounds start behind and never catch up. GCSE results at age 16 are usually considered the main benchmark by which society measures educational success. At present, just 5% of children eligible for free school meals gain 5 A grades at GCSE and only one in three achieves 5 GCSE A*–C grades. The list goes on – if you live in one of England's most disadvantaged areas you are 27 times more likely to go to an inadequate school than a child in the most advantaged⁴.

The Prince's Trust latest Youth Index found that those in receipt of free school meals throughout school are more likely to have experienced significant challenges during their school years, are more inclined to self-doubt and less likely to seek help when faced with a problem that distracts from their studies⁵.

A-levels remain the principal qualification for access to Higher Education particularly the most selective universities that are the gateway to the professions. Young people from low-income homes with similar GCSEs to their better-off classmates are one third more likely to drop out of education at 16 and 30% less likely to study A-levels that could get them into a top university. Barely 1 in 200 young people eligible for free school meals goes on to achieve the 3 As and Bs at A level that top universities expect, and 1 in 1,500 the chance for a child from a poor family winning a place at Oxbridge, compared to 1 in 20 from private schools⁶.

The Social Mobility Commission suggests that this is partly due to the treatment of children on free school meals. These children are more likely to be placed in lower sets, have access to less qualified teachers and have lower expectations set for them by the school. High quality teachers ambitious for their students and who believe that poor children are capable of making progress are key to ensuring progress, along with head-teachers who embed a school culture of high expectations for all⁷.

It is not only a formal education that makes a difference but informal education and experience in formative years – such as the learning of soft skills, having aspirations and role models to admire and emulate. The Inquiry launched by the All Party Parliamentary Group on Social Mobility (APPG) into access to the leading professions shows that employers look for confidence, resilience, social skills and self-motivation in their employees, but for those who have had little to no exposure to extra-curricular activities, work experience or mentoring, these skills can be difficult to acquire. The APPG concluded

⁴Ibid

⁵Youth Index, The Prince's Trust, 2017

⁶Low Income Pupils Progress at Secondary School. LKMco and Education Datalab. 2017

⁷The Class Ceiling: Increasing access to the leading professions, APPG Social Mobility & The Sutton Trust, 2017



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2017

that “a clear message from our Evidence Sessions was that we need to become better at inspiring our youngsters to reach their full potential, especially for those who start out at a disadvantage⁸”.

Employers want recruits to show leadership qualities, yet people from disadvantaged backgrounds often lack leaders in their lives as examples to emulate⁹. Leadership characteristics are often associated with confidence. The link between confidence and career progress has been quantified by the Sutton Trust in a report that shows highly extroverted people – those more confident, social or assertive – had a 25% higher chance of being in a high-earning job, with the odds higher for men than women. The report found personality and aspirations were found to be strongly affected by social background, showing those whose parents had professional jobs with significantly high levels of social extroversion and very substantially higher economic aspirations¹⁰.

The result of this for young people is stark. Research by The Prince's Trust¹¹ revealed that 40% of young people not in education, employment or training do not feel in control of their lives, 42% do not believe in themselves. Sadly, 28% feel of those questioned feel that their lives will never amount to anything, no matter how hard they try. What is clear from this is that great teachers, stable and supportive home lives, role-models and mentors make all the difference.

Our response

The Queen's Trust has chosen to support great charities that fill the gaps identified in the data above and provide champions for young people who are otherwise at risk of underachievement all their lives. These charities all demonstrate the belief that all young people have the potential to succeed – no matter what their background.

Home Life

A secure and stable home background is the bedrock for likely success in life for everyone. Experience of trauma in childhood and adolescence can have a long term, corrosive impact on life chances and outlook. The Prince's Trust Youth Index in 2015 revealed that 59% of young people out of education 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 of young people interviewed described

⁸ibid

⁹OpCit

¹⁰Leading People 2016. The Educational Backgrounds of the UK Professional Elite

¹¹Youth Index, The Prince's Trust, 2017



The Queen's Trust Trustees' Report (continued) for the year ended 31 March 2017

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, holding young people back in so many areas of life, from educational attainment and employment opportunities to good mental health and well-being.

Social workers play a key role in helping vulnerable children, young people and families to resolve their problems and live a more stable and fulfilled life. We heard one young person recently describing the best social workers are the ones that 'protect *and* inspire' – that is, they become the role models and mentors that so many young people otherwise lack. Almost 500,000 children in England receive support from social workers and there are many thousands of social workers providing essential care and support every day. There is however an urgent need for more passionate, exceptional people to join the profession.

The Queen's Trust is helping **Frontline** to expand the number of outstanding individuals coming into the profession through its leadership development programme. These social workers are quickly practice ready with evidence already showing the strength of their practice skill¹². Their motive is to bring about significant change for children at risk of abuse or neglect, and so positive, sustainable change for families. In doing so, they increase the well-being, safety and life-chances of the most vulnerable children.

The Queen's Trust grant was unrestricted across Frontline's leadership development programme, allowing the charity to use it where the need was greatest and develop and deliver it with confidence. Last year we saw the launch of the Frontline Fellowship, the alumni programme and the continued development of the coaching programme for participants in their second year, which was commended by 95% of those who received the sessions. We saw yet further progress on Frontline's ambition to raise the status of the profession and so



¹²Independent Evaluation of the Frontline Pilot. Maxwell, Scourfield et al. Cardiff University. 2016

Frontline: great social workers make all the difference



The Queen's Trust Trustees' Report (continued) for the year ended 31 March 2017

encourage more and more people to apply. 2,292 people applied for the 300 places available to start in July 2017. Frontline is on course to recruit one third of the social workers needed to join the profession annually. It has the potential to transform the way social workers are recruited, trained and supported in the future.

“ *Social work is a mentally and emotionally demanding career. You have to be prepared for some stressful days, difficult conversations and tears. But it's more than worth it. When a family lets you into their life and they tell you, 'I've never seen it like that' or 'I couldn't have got through this without you', you feel that you're making a direct difference to a child's future. There's nothing greater than that.* ”

Jordan, Frontline Social Worker

Other partners this year include **Teach First** and **OnSide** – two charities providing support to children and young people in and outside school hours. These charities are working to help close both the attainment gap and the aspiration gap – both major obstacles to success.

School Days

Teach First recruits, trains and places graduates and early career changers in schools in low income communities that otherwise struggle to attract talent to their classrooms.

Having made a measurable difference in London, Teach First's strategy is to expand its operation to help schools in rural, isolated, coastal communities and market towns. The Queen's Trust has helped Teach First to do this again during 2016 and last year we helped them to place 315 teachers across England. The difference these teachers are making is extraordinary, through believing in every child they come across and finding ways to engage with them and help them to succeed.



Teach First: all children deserve a good education



The Queen's Trust Trustees' Report (continued) for the year ended 31 March 2017

“ *The attitude [of students from difficult backgrounds] can change so much when they realise that you care and that you're invested in them. I think that's something they don't get a lot of the time – either from home or other support systems – so to have that in school is really important. There's a girl I teach in my year eight class, who I've developed a bit of a bond with. She's often removed from the classroom and on report a lot. I had her in detention once and we got talking. I discovered that her sister was the same age as me and that her home life was all over the place: she lives a lot with her grandma, her dad is in prison. What I tend to do now is have her in over lunch, not as a detention, so that she can do her homework. Because no-one sits her down in the evening to help her to get her homework done.* ”

Pip, Maths Teacher, Gateshead

A key priority for Teach First last year was to expand further its work in Early Years provision for, as mentioned earlier in the Report, a child's likely life-time chances can be determined from their success in these vital stages. The Queen's Trust has enabled Teach First to embed this provision as a core part of its offer alongside primary and secondary. As Andy points out, only too often, the teacher is one of the most fundamentally important people in children's lives.



Teach First: equality through education

“ *In Early Years education, you can be one of the only consistent and dependable people to these children. To me, it's about being honest and being someone that they can depend upon – it's about being there every day and establishing strong relationships with the children that are based on trust and openness. The children need to know that you are approachable but they also need to know that you are in charge.*

My vision for the children is that they're confident, independent learners and they're comfortable taking risks with their play. By the end of this year, I want my pupils to be confident to know what they want but willing to try new things as well. And I think if they're leaving me with those skills, I'm giving them a really solid footing. ”

Andy, Early Years Teacher, Medway



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2017

Leisure and Learning

OnSide Youth Zones, like The Hive in Birkenhead, provide children and young people with safe and inspirational places to go in their leisure time. The centres are open every day after school, all through the weekend and school holidays.

They provide youngsters with at least 20 high quality activities at a time but also a high ratio of trained, interested adults, staff and volunteers, who are there to provide a listening ear. The centres also offer help with careers advice, enterprise opportunities and connections to the many local employers that support OnSide.

A study by Amion¹³ into the benefits associated with membership of OnSide Youth Zones showed a strong link with improved education outcomes, with 80% of young people surveyed reporting getting better marks in class, 73% said they were getting better grades and 80% said they are thinking about their future and the steps to a career. Importantly, 89% said they feel more self-confident. And as we have seen, it is this self-confidence and self-belief that helps open doors in young adult life.

Many of those who join the Youth Zones find something special there that their lives otherwise lack. Many describe their Youth Zone as a 'second home'.



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

¹³Defining The Impact of an OnSide Youth Zone. Amion Consulting. 2016



The Queen's Trust Trustees' Report (continued) for the year ended 31 March 2017

Without facilities like these, young people too often have nowhere to go and many get into trouble. As Kev Burke, Youth Engagement Officer at The Hive Youth Zone explains:

“ It is a rare five minutes in The Hive when I have a moment to myself. On a break, I will normally get mobbed by young people, eager for a 1:2:1 or a group chat – they are looking for connection, for interest in them, to be noticed, cared about. Don't we all? Yesterday, I saw one of our members, a young man with autism, go through the building, high-fiving and fist-bumping everyone he passed, spreading joy as he went. This is a guy that only a few weeks ago didn't engage with anyone or anything. No-one could reach him. Thing was, he just liked the look of The Hive and came in. Something clicked for him about this place and now he can't get enough of it. Everyone here loves him, too. Even the toughest lads (and this is Birkenhead, remember) dive out of the way of his ball on a penalty shoot-out and makes sure he wins because they see how much it means to him. The whole place encourages him along. I was chatting to another member, a little pocket-rocket who causes murder every time she comes in. She thinks she has ADHD. I don't know, but what she has had is a number of time-outs for her behaviour. But she keeps coming back, keeps trying so hard to stay cool. She says this this is the first time in her life she has felt accepted and understood – it means she can start to understand herself. Her life is getting that bit easier. So many young people who come here have stories like this. Getting into trouble or getting left behind. The Hive just accepts them for who they are and helps them be the best they can be. This is the power of this place and its young people. Together, it's awesome. ”

Kev Burke, Youth Engagement Officer, The Hive

Employability and a Way Ahead

The Queen's Trust hopes to enable the organisations it supports to transform its work. It has worked with **The Prince's Trust** since 1983, helping with others to build this charity from its small beginnings to the international powerhouse it is today. As the relationship comes to an end, The Queen's Trust wanted to help The Prince's Trust fund an area of its work where it had really struggled to generate support. For a long time, securing income for The Prince's Trust's work in Wales had proved very difficult. Helping the charity turn this tide, grow sustainably across the country and to help even more young people to succeed became our final shared enterprise. Queen's Trust funds enabled bolder thinking and the creation of strategy and business plan distinct for the specific needs of The Prince's Trust in Wales. From a foundation year in 2015, the pace of change picked up rapidly from Spring 2016.



The Queen's Trust Trustees' Report (continued) for the year ended 31 March 2017

“ *The Queen's Trust is a key partner in Prince's Trust Cymru's ambition to help more people across Wales. The Trustees have given us the confidence needed to set in place plans for considerable growth to address a real need, and link young people to genuine opportunity. In fact, over 80% of the young people supported by The Queen's Trust tell us that they have moved into something positive. The Queen's Trust has allowed us to better address fundamental challenges faced by many young people, such as a lack of family support, chaotic lifestyles, or a lack of essential skills, attitude and experience. We do this through intensive personal development programmes that challenge young people to grow, and define a route to a positive ambition. In addition, future entrepreneurs are helped to explore self-employment and set up businesses with long-term mentors alongside them, bringing vitality and opportunity to communities across Wales. Together, we know that young people who need our help now, through The Queen's Trust's support, will build a positive future for Wales.* ”

Phil Jones, Director, Prince's Trust Cymru

All this is best expressed by the young people The Prince's Trust Cymru works alongside everyday.

“ *The Prince's Trust has had an overwhelming effect on my life; the programme and team leaders have saved me. The programme helped me gain confidence in myself and helped me believe that there was still hope for things to get better, and they surely did over the next 12 weeks. I conquered many of my fears including being able to speak to new people and talk about my past problems without shame and embarrassment.* ”

**Adrian, Merthyr Tydfil, Prince's Trust
Team Programme, now working full time
and living independently**





The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2017

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, improved confidence, facilities opened and so on. This report provides a number of examples of the changes arising from our funding and encouragement.

Future Plans

The Queen's Trust will close during the first half of 2019. We will put in a place a timetable that will set out the key steps required for closure during 2017 and we will plan how best to communicate how the Silver Jubilee Appeal Fund was spent out. We anticipate our grants will all come to an end by December 2018, to allow time for conclusions to be drawn and for the charity to wind up in an orderly fashion during 2019.

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 three times a year 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 regularly visit the work of charities that are in receipt of grants. We hold a Board Meeting on site with one of our charities every year. 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 key management personnel 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 Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2017

The Board appoints representatives to the Investment Committee, which oversees the now limited investment activities of The Queen's Trust, now that 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 a report from Cazenove Capital Management before each Board meeting. During the year, the members of the Investment Committee were Michael Marks (Chairman), Peter Mimpriss and Sandra Robertson.

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 £13.2m 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 2016–17 included interest income of £11,000 (2015–16 investment income: £310,000) and capital gains of £65,000 (2015–16 losses: £78,000). The Trust's expenditure in 2016–17 was £11,468,000 (2015–16: £1,773,000). Net outgoing resources for the year were £11,389,000 (2015–16: £1,541,000).



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2017

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 2017 the investment portfolio totalled £13.6m including cash held for investment purposes (31 March 2016: £19.6m).

During the year, the investment portfolio produced income of £11,000 (2015–16: £310,000) and capital gains of £65,000 (2015–16 losses: £78,000). At 31 March 2017, £2.8m was invested with Coutts & Co in a call deposit account, £1.9m was invested with Scottish Widows and £0.1m was held in cash by Cazenove.

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 risks facing the Trust. There is a risk over the holding of investments and cash which is managed by spreading the investments and cash across three separate institutions. The Trustees continue to monitor the performance of investments.



The Queen's Trust

Trustees' Report (continued)

for the year ended 31 March 2017

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 2017

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 2017, Michael Marks CVO CBE was a trustee of The Queen's Trust and The Prince's Trust; Christopher Coombe was a Trustee of The Queen's Trust and The Queen's Commonwealth Trust; and two members of Queen's Trust staff also worked for The Queen's Commonwealth 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 activities 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 7th November 2017.

Signed on behalf of the Trustees:

Sir Alan Reid, GCVO
Chairman

29 November 2017



The Queen's Trust

Independent Auditor's Report to the Trustees of The Queen's Trust

We have audited the financial statements of The Queens Trust for the year ended 31 March 2017 set out on pages 24 to 35. 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 145 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities set out on page 20 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 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 March 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 prepared in accordance with the requirements of the Charities Act 2011.



The Queen's Trust

Independent Auditor's Report to the Trustees of The Queen's Trust (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 (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

15 December 2017

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



The Queen's Trust

Statement of Financial Activities

for the year ended 31 March 2017

	Notes	2017	2016
		Total £'000	Total £'000
Income from:			
Voluntary		3	-
Investments	2	11	310
Total income		14	310
Expenditure on:			
Investment Management Fees	3	-	34
Charitable activities	4	11,468	1,739
Total expenditure		11,468	1,773
Net gain / (loss) on investments	6	65	(78)
Net movement in funds		(11,389)	(1,541)
Reconciliation of funds:			
Funds brought forward at 1 April		24,550	26,091
Funds carried forward at 31 March		13,161	24,550

All funds are unrestricted.

All operations of the Trust are continuing for the forthcoming year.

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 27 to 35 form part of these financial statements.



The Queen's Trust

Balance Sheet

at 31 March 2017

	Notes	2017 £'000	2016 £'000
Fixed Assets			
Investments	6	13,596	19,581
<i>Total fixed assets</i>		<u>13,596</u>	<u>19,581</u>
Current assets			
Debtors	7	2	5
Cash at bank and in hand	8	4,815	7,179
<i>Total current assets</i>		<u>4,817</u>	<u>7,184</u>
Liabilities			
Creditors: amounts falling due within one year	9	(4,482)	(2,035)
<i>Net current assets</i>		<u>335</u>	<u>5,149</u>
Creditors: amounts falling due after more than one year	10	(770)	(180)
Total net assets		<u>13,161</u>	<u>24,550</u>
The funds of the charity:			
Unrestricted funds	11	13,161	24,550
Total charity funds		<u>13,161</u>	<u>24,550</u>

The notes on pages 27 to 35 form part of these financial statements.

The financial statements on pages 24 to 35 were approved by the Trustees and were signed on their behalf by:

Sir Alan Reid GCVO
Chairman

29 November 2017



The Queen's Trust

Cash Flow Statement

for the year ended 31 March 2017

	2017	2016
	£'000	£'000
Cash flows from operating activities:		
Net expenditure (as per the statement of financial activities)	(11,389)	(1,541)
Adjustments for:		
Net (gain) / loss on investments	(65)	78
Investment income receivable	(11)	(310)
Decrease / (increase) in debtors	3	(4)
Increase / (decrease) in creditors	3,037	(4,234)
Net cash used in operating activities	(8,425)	(6,011)
Cash flows from investing activities:		
Investment income received	11	310
Purchase of investments	(38,649)	(65,708)
Sale of investments	44,699	71,527
Net cash provided by investing activities	6,061	6,129
Change in cash and cash equivalents in the year	(2,364)	118
Cash and cash equivalents as at 1 April	7,179	7,061
Cash and cash equivalents as at 31 March	4,815	7,179
Analysis of cash and cash equivalents		
	2017	2016
	£'000	£'000
Cash at bank and in hand	2,920	5,289
Notice deposits (less than 3 months)	1,895	1,890
	4,815	7,179



The Queen's Trust

Notes to the Financial Statements

for the year ended 31 March 2017

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 activities 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.

Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income, receipt is probable and measurement of the value is possible. 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.



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2017

Expenditure recognition (continued)

An accrual has been made for employee holiday pay in 2016–17. 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

The Queens Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable 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 Chapter 3 of Part 11 of the Corporation Tax 2010 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.

Investments

Fixed asset investments are included in the accounts at market value 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 (2015–16: £nil). Expenses paid to the trustees in the year totalled £177 (2015–16: £604). These expenses were made up of 1 trustee reimbursed for their travel expenses (2015–16: nil).



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2017

2 Investment income	2017	2016
	£'000	£'000
Income from listed investments	-	294
Interest receivable	11	16
	<u>11</u>	<u>310</u>

3 Investment manager's fees	2017	2016
	£'000	£'000
Investment manager's fees	-	34
	<u>-</u>	<u>34</u>



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2017

4 Charitable Activities

Grants totalling £11,249,034 were made to 11 charity institutions (2015–16: £1,623,000 to 10 charity institutions)

	Charitable distributions	Support costs	Total 2017	Total 2016
	£'000	£'000	£'000	£'000
Unrestricted fund				
OnSide	2,775	43	2,818	11
Coram	2,150	33	2,183	-
The Prince's Trust	1,670	26	1,696	-
IntoUniversity	1,270	20	1,290	-
City Year	1,000	15	1,015	1
Teach First	800	12	812	-
Teenage Cancer Trust	504	8	512	485
WE (Free The Children)	500	8	508	482
Frontline	350	5	355	227
Youth United	200	3	203	(103)
Royal Commonwealth Society	30	-	30	57
Duke of Edinburgh's Award	-	-	-	522
Create Arts Limited	-	-	-	32
National Youth Orchestra	-	-	-	17
The Orpheus Centre	-	-	-	8
	<u>11,249</u>	<u>173</u>	<u>11,422</u>	<u>1,739</u>
Donations in kind				
The Queen's Commonwealth Trust	46	-	46	-
	<u>46</u>	<u>-</u>	<u>46</u>	<u>-</u>
Total Charitable Activities	<u>11,295</u>	<u>173</u>	<u>11,468</u>	<u>1,739</u>

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

In the period from 1 November 2016 to 31 March 2017, a donation in kind in the form of 80% of the Director's and 20% of the Administrator's time was made to the Queen's Commonwealth Trust.

£102,635 unspent from a £300,000 grant awarded to Youth United in 2013–14 was released in 2015–16. 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 2017

4 Charitable Activities (cont)	2017	2016
	£'000	£'000
Grant commitments:		
Commitments at 1 April 2016 / 2015	2,175	6,368
Charged to Statement of Financial activities	11,249	1,520
Paid in the year	(8,228)	(5,713)
	<hr/>	<hr/>
Commitments at 31 March 2017 / 2016	5,196	2,175
	<hr/> <hr/>	<hr/> <hr/>
	2017	2016
	£'000	£'000
Grant commitments due:		
Within one year	4,426	1,995
After more than one year	770	180
	<hr/>	<hr/>
	5,196	2,175
	<hr/> <hr/>	<hr/> <hr/>
 5 Support costs	 2017	 2016
	£'000	£'000
Accounting	15	15
Professional	2	7
Consultancy	7	4
Salaries	132	171
Office expenses	8	9
Miscellaneous	5	9
External audit fees	4	4
	<hr/>	<hr/>
	173	219
	<hr/> <hr/>	<hr/> <hr/>



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2017

5 Support costs (cont)

Staff costs are made up as follows:	2017	2016
	£'000	£'000
Gross salaries and wages	104	135
Employer's national insurance	12	16
Pensions	16	20
	<u>132</u>	<u>171</u>

The Queen's Trust has two employees (2015–16: two).

In the period from 1 November 2016 to 31 March 2017, a donation in kind in the form of 80% of the Director's and 20% of the Administrator's time was made to the Queen's Commonwealth Trust. The figures included in this note exclude the value of this donation.

The Director of The Queen's Trust received total employee benefits (including taxable benefits in kind but not employer pension contributions) amounting to £62,000 for the year to 31 March 2017.

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

	2017	2016
	£'000	£'000
£90,000–£99,999	-	1
£60,000–£69,999	1	-
	<u>1</u>	<u>1</u>

The Director changed bands in the year due to the effect of the donation in kind.



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2017

6 Investments	2017	2016
	£'000	£'000
Listed investments at market value		
Government/Corporate Bond	13,596	19,581
	<u>13,596</u>	<u>19,581</u>
UK investment assets	13,596	19,581
	<u>13,596</u>	<u>19,581</u>
Total Fixed Asset Investments	13,596	19,581
	<u>13,596</u>	<u>19,581</u>
Analysis of investment movement		
Balance at beginning of year	19,581	25,478
Additions at cost	38,649	65,708
Disposals, net proceeds	(44,699)	(71,527)
Net gains / (losses) on revaluation of investments	65	(78)
	<u>13,596</u>	<u>19,581</u>
Balance at end of year	13,596	19,581
	<u>13,596</u>	<u>19,581</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 2017

7 Debtors	2017	2016
	£'000	£'000
Amounts falling due within one year		
Accrued income	2	5
	<u>2</u>	<u>5</u>
	<u>2</u>	<u>5</u>

8 Cash held for investment purposes

At 31 March 2017, cash of £4,815,328 (2015–16: £7,178,531) 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	2017	2016
	%	£'000	£'000
Cazenove cash investment account	0.00	84	4,033
Scottish Widows – 7 day notice account	0.01	1,895	1,890
Coutts call deposit account	0.15	2,836	1,256
		<u>4,815</u>	<u>7,179</u>
		<u>4,815</u>	<u>7,179</u>

9 Creditors: amounts falling due within one year	2017	2016
	£'000	£'000
Other creditors	50	34
Grants payable	4,426	1,995
Accruals and deferred income	6	6
	<u>4,482</u>	<u>2,035</u>
	<u>4,482</u>	<u>2,035</u>



The Queen's Trust

Notes to the Financial Statements (continued)

for the year ended 31 March 2017

10 Creditors: amounts falling due after more than one year	2017	2016
	£'000	£'000
Grants payable	770	180
	<u>770</u>	<u>180</u>

11 Summary of fund movements

	Funds 1 Apr 2016	Income	Expenditure	Transfers	Funds 31 Mar 2017
	£'000	£'000	£'000	£'000	£'000
Unrestricted: general	22,350	79	(11,468)	2,200	13,161
Unrestricted: designated	2,200	-	-	(2,200)	-
	<u>24,550</u>	<u>79</u>	<u>(11,468)</u>	<u>-</u>	<u>13,161</u>

Designated funds comprise grant funding agreed by Trustees during the year, but not committed to recipients at 31st March 2017. 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 £15,100 (2015–16: £14,500) to the Privy Purse 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 £3,775 (2015–16: £3,625).

An amount of £6,925 (2015–16: £17,689) to the Royal Household for recharges relating to administration costs including IT infrastructure and travel. The balance owing at the end of the year is £136 (2015–16: £392).

An amount of £45,988 (2015–16: £nil) was donated to the Queen's Commonwealth Trust, which shares resources with The Queen's Trust. In the period from 1 November 2016 to 31 March 2017, a donation in kind in the form of 80% of the Director's and 20% of the Administrator's time was made to the Queen's Commonwealth Trust. The balance due at 31st March 2017 was £nil (2015–16: £nil).

At 31 March 2017, the balance due to The Prince's Trust at the end of the year was £1,070,000 (2015–16: £nil).

There were no other related party transactions during the year.