

THE ROYAL ANNIVERSARY TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

THE ROYAL ANNIVERSARY TRUST
LEGAL AND ADMINISTRATIVE DETAILS

Trustees

Sir Damon Buffini, Chairman
Sir Martin Donnelly KCB CMG (appointed 28 October 2020)
Tracey-Joy Harrison (appointed 27 January 2021)
Dame Lin Homer DCB (appointed 28 October 2020)
Sir Frank McLoughlin, CBE
Mrs Heidi Mottram CBE
Sir Richard Mottram GCB
Professor Dame Shirley Pearce DBE

Chief Executive

Mr Peter J. Chenery

Principal Office

Second Floor
Sanctuary Buildings
20 Great Smith Street
London
SW1P 3BT

Charity Number: 1000000

Auditors

Crowe U.K. LLP
55 Ludgate Hill
London
EC4M 7JW

Bankers

CAF Bank Ltd
PO Box 289
West Malling
Kent
ME19 4TA

Solicitors

Taylor Wessing
Carmelite
50 Victoria Embankment
London
EC4Y 0DX

THE ROYAL ANNIVERSARY TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 5 APRIL 2021

The Trustees present their annual report and financial statements of the charity for the year ended 5th April 2021. The financial statements have been prepared in accordance with the principal accounting policies set out in Note 1 to the accounts and comply with the charity's trust deed, the Charities Act 2011 and the Statement of Recommended Practice: Accounting and Reporting by Charities SORP FRS102.

Structure, governance and management

The Trust is a registered charity created under a trust deed dated 24th July 1990 and amended by a scheme defining the Trust's role in respect of The Queen's Anniversary Prizes for Higher and Further Education sealed on 12th January 1994. The Trust was established with four principal objects: delivering an official programme in 1992 to commemorate the 40th anniversary of Her Majesty The Queen's accession to the throne; making educational awards; advancing the education of the public as regards the role of the constitutional monarchy of the United Kingdom; and promoting education, industry and commerce. The Trust has been funded from business, professional and private sources and charitable trusts, and supported from 2005 to end March 2018 by an annual grant towards the operating costs of the Prizes scheme (see below) from government (the former Department for Business Industry and Skills and latterly the Department for Education). This enabled the Trust to derive some of its income from the investment of donations. The Trust is also supported in operating the Prizes scheme by substantial pro bono help and advice from a wide range of experts and specialists.

Trustees are appointed by existing Trustees, on the basis of professional search commissioned from time to time. Trustee appointments, re-appointments and retirements are governed by the Trust's trustee rotation policy as set out in the Trust Deed. New trustees are appointed after consultation with the Private Secretary to The Sovereign. The induction process for new trustees includes an initial meeting with the Chair and other trustees, followed by meetings with the Chief Executive and the Trust Secretary. Written briefing is provided on the Trust's history, objectives and activity and in the form of trustee and sub-committee minutes for the previous twelve-month period, the two most recent annual reports and financial statements and the Trust Deed. Trustees are also referred to current Charity Commission guidance on the role and responsibilities of trustees and the requirements of a charity in relation to public benefit.

Trustees give their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in Note 2 to the accounts. Trustees are required to disclose all relevant interests and register them with the Secretary and to withdraw from decisions where a conflict of interest arises.

Trustees meet regularly to note and agree the overall strategic direction and activities of the Trust including matters concerning the operation of The Queen's Anniversary Prizes scheme, to approve the executive's proposals for investment of the Trust's funds, to note risk management issues and policies and to receive management accounts prepared by the Trust Secretary/Accountant. Day to day management of the business of the Trust, including the annual operating budget and delivery of the biennial Queen's Anniversary Prizes scheme, is delegated to the Chief Executive.

Remuneration for key management staff is regularly reviewed by the Trustees and set at an appropriate level for the size of organisation, taking into account expectations and day to day responsibilities.

THE ROYAL ANNIVERSARY TRUST
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

The Charity has not undertaken any fundraising activities in the year as defined by Section 13 of the Charities (Protection and Social Investment) Act 2016.

Risk management

Trustees have considered and reviewed the major risks to which the charity is exposed and have established systems and procedures to manage them. The main area of risk during the year continued to be security of the Trust's capital and obtaining a satisfactory return on the Trust's investments. As a protection against risk the Trust's investments are held in a combination of UK government stock, a mixed UK bond and UK and foreign equity portfolio managed by brokers (Brewin Dolphin) under a 'progressive risk' classification. The Covid-19 pandemic, which appeared in the UK in March 2020 posed an added area of operational risk which was dealt with as it progressed.

Objectives and activities for the public benefit

The main long-term object of the Trust is the encouragement and advancement of UK education, through a programme of national awards granted by The Queen in the honours system which recognise excellence, innovation and direct public and economic benefit in the UK and more widely. The awards are entitled The Queen's Anniversary Prizes for Higher and Further Education ("the Prizes scheme"). The history and scope of the Prizes scheme is summarised below:

Following the completion of the 1992 programme marking the 40th anniversary of the Queen's accession and with Her Majesty's approval, it was agreed that the balance of its funds remaining should be used by the Trust to institute a national award within the honours system for United Kingdom universities and colleges. It was determined that the award (the Prizes scheme) would be conferred every other year on a limited number of institutions according to their achievement under criteria calling for evidence of excellence and innovation, in any area of work, and the delivery of clear benefit both for the institution (and thus for UK education) and for the economy, progress and wellbeing of the UK and its citizens in general. The creation of the honour was announced by the Prime Minister in Parliament 1993 with all party support. The Prizes scheme was approved by the Charity Commission in 1994 and the inaugural biennial round was completed in 1995. Twelve rounds have been completed to date (June 2019) and the thirteenth round is in progress.

As required under the Charities Act 2011 Trustees have given appropriate attention to the public benefit guidance published by the Charity Commission. Trustees are satisfied that the Trust's activity, which is principally concerned with the operation of the Prizes scheme as a national honour granted by the Queen, encourages and assists Prize-winning institutions to promote their achievements and the quality and range of their educational work. Through this recognition institutions are motivated to enhance and develop their teaching, learning and research, for the general benefit of UK education and with consequent public benefit. Up to and including the thirteenth biennial round a total of 273 Prizes have been awarded to forty-nine individual further and eighty-two individual higher education institutions.

THE ROYAL ANNIVERSARY TRUST
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

Every two years UK universities and colleges offering full-time courses leading to recognised qualifications are invited to submit one entry for consideration by the Trust against the criteria of the Prizes scheme. It is for the institution to decide whether it wishes to enter and with what aspect of its work. Entries may be in any field or discipline and consist of a narrative description of the chosen area of work addressing the published criteria. Entries are subject to extensive independent review involving assessment by experienced members of the Trust's national panel of Readers, reference to appropriate specialist and technical sources and comment from relevant UK government departments. The Awards Council of the Trust (the Trustees plus others appointed by the Trust who include permanent secretaries of UK governments and the Department primarily concerned with education) makes recommendations for the award of Prizes from a short-list prepared by the Trust executive. The recommendations are submitted for The Queen's approval on the Prime Minister's advice. Readers and other reviewers and advisers provide their services on a pro bono basis and the Trust is grateful for this invaluable help. Other reviewers include individuals with extensive knowledge and experience of the further and higher education sectors, often having served as heads of institutions or as senior officials in relevant bodies, who assist the Trust on advisory panels in the assessment of the entries on a voluntary basis. The Trust pays tribute to the many who support its objectives and operations in this way.

The Prizes are non-monetary and are unique in the honours system in being awarded to institutions rather than to individuals. They are presented at an honours ceremony taking the form of a personal investiture held in the ballroom at Buckingham Palace. With effect from the eleventh round (2014-16) the presentations have been made on The Queen's behalf by a senior member of the royal family. The Prize consists of a medallion and a certificate inscribed to the institution and signed by The Queen. Prize-winning institutions are entitled to use the logo of the Prizes scheme for a period of four years from the date of presentation.

The Prizes scheme confers national recognition at the level of the head of state. It provides a regular opportunity for institutions to review the quality and strategic direction and ultimate practical value of their work, as part of an evaluation process which is separate from and independent of measurement or assessment schemes used from time to time by government or official bodies. Universities and colleges do this through their particular internal processes for selecting what subject to put forward. They regularly cite the benefit arising to them from the process itself, whether or not an entry goes on to win a Prize. A Prize-winning institution will benefit from the resulting increased recognition and reputational profile, through consequent motivation of its staff and students, the enhancement of its standing and prestige in the UK and in many cases internationally and the opportunity to attract new business and funding. The UK's global reputation in education is also directly and indirectly enhanced through the status of the Prizes, which are widely seen as a distinguished mark of excellence. These and other outcomes are regularly attested to by the wide range of institutions which have participated in the scheme over the years, and contribute to the nation's educational, intellectual, economic and social progress.

THE ROYAL ANNIVERSARY TRUST
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

Achievements and performance

The Trust's main activity during the year has been concerned with preparations for the fourteenth biennial round of the Prizes scheme 2020-22. The impact of the coronavirus pandemic at the start of this preparatory year in the biennial cycle required urgent consultation and decisions to be taken regarding the scheduling of the award procedures. It was decided to defer the announcement of the competition by six weeks to allow space for institutions to deal with the effects of the pandemic likely to arise at the beginning of the next academic year, and to defer the deadline for receipt of entries by the Trust similarly to allow adequate time for preparation. A separate decision was taken to adhere to the customary timeframe for the awards leading to recommendations for Prizes being made in the autumn of 2021. This decision was warmly supported by the Palace, who were consulted. In addition, the normal programme of visits by the executive to heads of institutions around the UK had to be transferred to a virtual programme. All the planned meetings were carried out by Zoom or Teams links and institutions told the Trust that they had welcomed the adjustments made, and the opportunity offered by the Prizes scheme to look beyond the pandemic to the celebration of their achievements. The executive also held broadcast events for the higher and further education sector leaders to offer information about the scheme and guidance on how to enter. These events were well subscribed and feedback was positive. The Trust also promoted the Prizes scheme, the assessment criteria and how to enter on the Trust website and on social media platforms. The executive took part in a Q & A broadcast session as part of the programme of the annual national conference of the Association of Colleges in January 2021. Separate contacts were made with other representative bodies relevant to the scheme including Universities UK. [The action taken during the year generated a total of 114 entries in round 14 of the Prizes scheme by the closing date of 10 May 2021, the highest number since round 9, 2010-12]

Financial review

During the year the Trust received income of £101,992 (2020: £125,843). Expenditure on its general purposes was £349,277 (2020 £604,237). There was a net gain on the Trust's investments of £948,905 (2020 loss of £629,666). Total funds carried forward increased to £3,637,857 (2020 £2,936,237). The Trust's principal financial management policy is to safeguard its assets, derive income under agreed investment policies and have regard to its capacity to meet future obligations as regards delivery of the Prizes scheme.

Charitable expenditure during the year was principally directed to funding the staffing and operating costs of the Prizes scheme.

The majority of the Trust's investments are held in a portfolio managed on a discretionary basis by professional investment managers. These managers have been instructed to adopt a moderate risk approach to the portfolio management giving due regard to the liquidity requirements of the Trust. Six-monthly reviews are held with the investment managers. Trustees gain satisfaction through these meetings that the gross return on its portfolio is in line with benchmarks for similar risk profile investments.

THE ROYAL ANNIVERSARY TRUST
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

Having assessed the Charity's financial position and plans for the foreseeable future, the trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

Reserves Policy

At the year end the Trust held funds totalling £3,637,857 (2020: £2,936,237) all of which were held within the General Fund Endowment. As the General Fund Endowment Fund is an expendable endowment the Trust does not maintain a separate income fund or carry any free reserves as any expenditure in excess of income received in the year is covered by the conversion of capital from the endowment.

The balance of decision as regards spending the trust's endowment and engaging in new fund-raising activity is related to the intentions, to be determined in due course, of the Palace on the longer-term future of the Prizes scheme. It is at present envisaged that a fund-raising programme will be initiated at some point.

Future plans

The Trust's principal objective for the immediate future will be to complete the assessment process for the fourteenth biennial round of the Prizes scheme and submit a list of recommended institutions for The Queen's approval on the advice of the prime minister. Following Her Majesty's approval the Trust will plan for and implement a programme of national events marking the awards including a public announcement at St James's Palace and a Prize-winners Dinner at the Guildhall. The Trust will collaborate with the Royal Households in the holding of the presentation ceremony for the round.

THE ROYAL ANNIVERSARY TRUST
REPORT OF THE TRUSTEES (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

Statement of Trustees' responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming/outgoing resources for that period. In preparing these financial statements, the trustees are required to:

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

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

So far as the trustees are aware, there is no relevant audit information of which the Charity's auditors are unaware. The trustees have taken all the steps that ought to have been taken by trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditors

The Trustees thank Crowe U.K. LLP, the Trust's auditors, who were appointed in 2007 and provide their services to the Trust on a pro bono basis.

Approved by the Trustees on 21 July 2021 and signed on their behalf by:

Diana M. Buffin

11 August 2021

Heidi Mottam

11 August 2021

**THE ROYAL ANNIVERSARY TRUST
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 5 APRIL 2021**

Opinion

We have audited the financial statements of The Royal Anniversary Trust for the year ended 5 April 2021 which comprise the Statement of financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 5 April 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

**THE ROYAL ANNIVERSARY TRUST
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 5 APRIL 2021**

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011, and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

**THE ROYAL ANNIVERSARY TRUST
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 5 APRIL 2021**

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were Taxation Legislation

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor

London

12 August 2021

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE ROYAL ANNIVERSARY TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 5 APRIL 2021

	Notes	Total Funds 2021 £	Total Funds 2020 £
INCOME FROM			
Donations and legacies		5,406	5,300
Investments	3	<u>96,586</u>	<u>120,543</u>
Total income		<u>101,992</u>	<u>125,843</u>
EXPENDITURE ON			
Raising funds	4	46,714	40,399
Charitable activities:			
Promotion of excellence in higher and further education: Queen's Prizes scheme	5	<u>302,563</u>	<u>563,838</u>
Total expenditure		<u>349,277</u>	<u>604,237</u>
Net gains on investments		<u>948,905</u>	<u>(629,666)</u>
Net income/ (expenditure)		701,620	(1,108,060)
Total Funds brought forward at 6 April 2020		<u>2,936,237</u>	<u>4,044,297</u>
Total Funds carried forward at 5 April 2021		<u>3,637,857</u>	<u>2,936,237</u>

All the activities above arise from continuing operations

The notes on pages 14 to 21 form part of these financial statements

THE ROYAL ANNIVERSARY TRUST
BALANCE SHEET
FOR THE YEAR ENDED 5 APRIL 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	8	3,501,095	2,571,619
CURRENT ASSETS			
Debtors	9	69,881	11,118
Cash at bank and in hand		<u>93,853</u>	<u>398,727</u>
		163,734	409,845
CREDITORS: amounts falling due within one year	10	<u>(26,972)</u>	<u>(45,227)</u>
NET CURRENT ASSETS		<u>136,762</u>	<u>364,618</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,637,857</u>	<u>2,936,237</u>
THE FUNDS OF THE CHARITY			
General Fund Endowment		<u>3,637,857</u>	<u>2,936,237</u>

Approved by the trustees on 21 July 2021 and signed on their behalf by:

Diana M. Buffin

Heidi Mottam

11 August 2021

11 August 2021

The notes on pages 14 to 21 form part of these financial statements

THE ROYAL ANNIVERSARY TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 5 APRIL 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Net cash provided by operating activities	(a)	(401,460)	(490,098)
Cash flows from investing activities			
Investment income		96,586	120,543
Cash withdrawn from fixed asset investments		-	500,000
		96,586	620,543
Net cash provided by/(used in) investing activities		96,586	620,543
Change in cash and cash equivalents in the period		(304,874)	130,445
Cash and cash equivalents as at 6 April 2020		398,727	268,282
Cash and cash equivalents as at 5 April 2021		93,853	398,727

NOTES TO THE CASHFLOW STATEMENT
YEAR ENDED 5 APRIL 2021

(a) Reconciliation of net Income to net cash flow from operating activities

Net (expenditure)/income for the year	701,620	(1,108,060)
Investment income	(96,586)	(120,543)
Investment manager expenses	19,430	24,688
Net losses/(gains) on investments	(948,905)	629,666
Decrease/(increase) in debtors	(58,764)	66,575
Increase/(decrease) in creditors	(18,255)	17,576
Net cash (outflow) from operating activities	(401,460)	(490,098)

The notes on pages 14 to 21 form part of the financial statements

THE ROYAL ANNIVERSARY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

1. PRINCIPAL ACCOUNTING POLICIES

a) Charity Information

Royal Anniversary Trust is a registered charity (charity number 1000000). Its registered office is Second Floor, Sanctuary Buildings, 20 Great Smith Street, London, SW1P 3BT.

b) Basis of preparation

The accounts (financial statements) have been prepared in accordance with the Charities SORP (FRS102) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland, FRS 102, the Charities Act 2011 and UK Generally Accepted Practice.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The Royal Anniversary Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Having assessed the Charity's financial position and plans for the foreseeable future and taking into account the impact of Covid-19, the trustees are satisfied that it remains appropriate to prepare the financial statements on the going concern basis.

The principal accounting policies adopted in the preparation of the financial statement are set out below.

c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, which are described in Note 1, Trustees are required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

THE ROYAL ANNIVERSARY TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 5 APRIL 2021

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

d) Income

Voluntary income comprises gifts, grants and donations that provide core funding or are general in nature and are recognised where there is entitlement, receipt is probable and the amount can be measured with sufficient reliability. Investment income is recognised on a receivable basis. Income from charitable activities comprises contributions received towards the printing costs of additional manuals and brochures purchased from the Trust.

e) Volunteers and donated services and facilities

Donated services and gifts in kind to the Charity are recognised as incoming resources where the benefit to the Charity is reasonably quantifiable and measurable. They are valued at open market value, i.e. what it would have cost the organisation to acquire the same or similar products or services on the open market. An equivalent amount is also included as either expenditure under the appropriate heading in the Statement of Financial Activities. As required by the SORP, the value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' annual report where appropriate.

f) Expenditure and irrecoverable VAT

Liabilities are recognised as resources expended as soon as there is a legal or constructive obligation. All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. VAT is charged against the category of resources expended for which it was incurred. The Charity is unable to recover any VAT paid.

Costs of generating funds comprise staff costs and support costs of those staff members involved in fund raising activities.

Charitable activities comprise the costs of delivering the charitable objectives through The Queen's Anniversary Prizes scheme. It includes directly attributable costs and a proportion of support costs.

THE ROYAL ANNIVERSARY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

1. PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Governance costs include those costs in connection with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to strategic management of the Charity.

Support costs are allocated based on the estimated staff time spent on each category.

g) Investments

Investments are included in the accounts at their market value at the balance sheet date. Any gains and losses on revaluation or disposal are reported in the Statement of Financial Activities.

Realised gains and losses on investment disposals are accounted for in the period the disposal takes place as the difference between the net sale proceeds and the opening market value, or cost if purchased in the year.

h) Funds structure

Under the terms of the Trust Deed, the Trust Fund is an expendable endowment and unless donors intend otherwise, all gifts, grants and donations are automatically accrued to the Trust Fund and are treated as expendable endowment funds. The Trustees are empowered to capitalise unspent income, but when expenditure exceeds income a corresponding amount of capital is converted to income to cover the deficit. For simplicity of presentation in these circumstances, all general purpose income and expenditure is shown in the General Fund Endowment column of the Statement of Financial Activities.

i) Financial instruments

The Royal Anniversary Trust has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, current asset investments and accrued income. Financial liabilities held at amortised cost comprise accruals.

Investments, including bonds held as part of an investment portfolio are held at fair value at the Balance Sheet date, with gains and losses being recognised within income and expenditure.

THE ROYAL ANNIVERSARY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

2. RELATED PARTY TRANSACTIONS

The Trustees do not receive any remuneration. During the year no trustees (2020: two Trustees) claimed travel expenses (2020: £2,104).
There were no additional costs borne by the Trust for Trustee meetings (2020: £1,766).

There were no related party transactions during the current year.

3. INVESTMENT INCOME

	2021	<i>2020</i>
	Total	<i>Total</i>
	£	<i>£</i>
Dividends and investment income	96,433	<i>120,226</i>
Bank deposit interest	153	<i>317</i>
	<u>96,586</u>	<i><u>120,543</u></i>

4. ANALYSIS OF COSTS OF GENERATING FUNDS

	2021	<i>2020</i>
	Total	<i>Total</i>
	£	<i>£</i>
Staff costs	8,828	<i>8,592</i>
Investment managers fees	21,419	<i>22,447</i>
Rent and office overheads	8,318	<i>6,284</i>
Brochures, supplements and other costs	8,149	<i>3,076</i>
	<u>46,714</u>	<i><u>40,399</u></i>

THE ROYAL ANNIVERSARY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

5. ANALYSIS OF COSTS OF CHARITABLE EXPENDITURE

	Support Costs £	The Queen's Anniver sary Prizes Scheme £	2021 Total £	<i>2020 Total £</i>
Staff costs	70,639	-	70,639	68,735
Consultancy fees and secretarial support	-	54,494	54,494	93,098
Rent & office overheads	68,615	-	68,615	50,271
Assessment costs	-	-	-	3,709
Printing & photography	-	-	-	9,156
Travel & expenses	-	-	-	1,300
Website design	-	66,844	66,844	91,268
Announcement costs	-	-	-	30,563
Prize giving ceremony & event costs	-	-	-	109,448
Medals and certificates	-	-	-	73,655
Entry Costs	-	6,520	6,520	-
Governance costs	35,451	-	35,451	32,636
Total charitable activities	174,705	127,858	302,563	563,838

Support costs are allocated on the basis of the estimated staff time spent on each activity.

THE ROYAL ANNIVERSARY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

6. ANALYSIS OF GOVERNANCE COSTS

	2021	<i>2020</i>
	£	£
Staff costs	8,828	<i>8,592</i>
Rent and office overheads	8,318	<i>6,284</i>
Accountancy and professional fees	12,899	<i>12,460</i>
Auditor's Remuneration	5,406	<i>5,300</i>
	35,451	<i>32,636</i>

The auditor's remuneration disclosed above relates to services that were provided on a pro-bono basis and have been included in both expenditure and income at the estimated value of the donated services.

7. STAFF COSTS

	2021	<i>2020</i>
	£	£
Wages and salaries		<i>77,149</i>
	80,061	
Social security costs		<i>6,456</i>
	5,836	
Pension costs		<i>2,314</i>
	2,402	
	88,299	<i>85,919</i>

During the year, one individual was paid between £80,000 and £90,000 (2020: one individual was paid between £70,000 and £80,000). Contribution amounts totalling £2,402 (2020: £2,314) were made to a defined contribution pension scheme on behalf of this individual.

During the year, total remuneration (including employer's NI and Pension) of one (2020: one) key management personnel totalled £88,299 (2020: £85,919).

The average number of employees during the year was one (2020: one).

THE ROYAL ANNIVERSARY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

8. FIXED ASSETS INVESTMENTS

	Total £
Market value as at 6 April 2020	2,571,619
Additions	-
Withdrawals	-
Investment Manager Fees	(19,429)
Gain on valuation	948,905
	3,501,095
Market value at 5 April 2021	3,501,095
Historical cost at 5 April 2021	2,972,778
Historical cost at 5 April 2020	2,841,624

Investments are represented by (at market value):

	2021 £	2020 £
UK equity shares	892,711	857,150
UK bonds	181,822	333,414
Overseas equity shares	1,437,424	948,843
Overseas bonds	90,277	72,842
Absolute Return bonds	50,630	-
Property	101,444	120,887
Private equity	107,763	86,865
Other investments	111,200	130,223
Cash product	527,824	32,513

9. DEBTORS

	2021 £	2020 £
Prepayments and accrued income	69,881	11,118

THE ROYAL ANNIVERSARY TRUST
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 5 APRIL 2021

10. CREDITORS

	2021	<i>2020</i>
	£	£
PAYE	2,839	2,601
Accruals	24,133	42,626
	26,972	45,227

11. FINANCIAL INSTRUMENTS

At the balance sheet date, the charity held financial assets at amortised cost, comprising cash and short-term deposits, current asset investments, and accrued income of £163,734 (2020: £409,845) and financial liabilities at amortised cost, comprising accruals of £24,134 (2020: £42,627). Total interest income received in respect of financial assets held at amortised cost totalled £153 (2020: £317).

The charity held assets at fair value through income and expenditure of £3,501,095 (2020: £2,571,619). Movements in the year through the statement of financial activities comprised income of £96,586 (2020: £120,226) and gains of £948,906 (2020: Loss £629,666).