

THE QUEILLE TRUST

20 Crooms Hill • Greenwich • London • SE10 8ER • 4420 8858 1940 •

trust@queille.com

Annual Report for the Period ended 30 September, 2007

The Queille Trust, registered number 1103176, is a UK Charity. It is constituted by a Declaration of Trust dated 5th January 2004. The Trust's registered address is 20 Crooms Hill, Greenwich, London SE10 8ER. This is the Trust's third report and covers the period from 1st October 2006 to 30th September 2007. During the period under review the Trust's Trustees, who have the power to appoint new or additional trustees, were always:

David Aspinall,
Gerry Grimstone,,
Rachel Lethbridge and
Michael Perry.

31 JAN 2008

Nicolas Lethbridge, who was the founder of the Trust, a Trustee, and one of its principal benefactors, very sadly died on 16th August 2007 after an accidental fall at his home in Queille, France. Nico was the driving force behind the Trust as well as being a remarkable individual full of compassion, insight, and energy. He was much loved by all who knew him and our deepest sympathies go to his family.

Ms Liping Yan continued to act as the Trust's Independent Examiner.

The Queille Trust is a private trust whose objects are to benefit, either by means of monetary grants or otherwise, persons who are in necessitous circumstances; persons who, through their economic, social or other circumstances lack access to facilities for education and to advance the education of the public in the performing arts particularly by organising, maintaining and otherwise supporting the Queille Festival. In practice, the Trust has taken over the sponsorship and organisation of the Queille Festival, a biennial festival of music and drama held at the Château de Queille in southwest France. In doing so it supports young and emerging performing artists and creates an audience for them, which it is hoped will generate recognition and commissions for them. In addition the Trust has given grants to various performing arts schools and ensembles. The Trustees are also prepared to consider making grants or otherwise supporting individuals or entities engaged in other areas of activity.

The Queille Trust raises its funding from donations made to the trust and from donations made in connection with the sale of tickets to the Queille Festival or other events. In addition the Trust had been gifted stock in various publicly listed companies, some of which has been sold. The donors involved asked that these major gifts be treated as an Expendable Capital Endowment; accordingly, the Trustees have the power to convert the Endowment into income at their discretion. All other funds of the Trust are held in an Unrestricted Fund. During the period of this report, £50,000 of the Trust's Expendable Capital Endowment was converted into income.

The 5th Queille Festival was held in May 2007 and was widely recognised as being a cultural and artistic success. Details of the festival may be seen at the festival website www.queille.net which was developed with the support of the Trust.

As previously, the Queille Trust enters next year with substantial reserves. The Trustees consider that such reserves are healthy and allow the Trust to be confident of fulfilling its objects by producing the Queille Festival for many years to come without upsetting the established character of the festival itself in terms of performance standards, costs or access for patrons of all income groups.

The Trustees are not aware of any significant risks, which might affect the operation of the Trust.

The Trust's statutory accounts are available on the Trust's website www.queilletrust.org.

The Trust's bankers are HSBC Private Bank.



Gerry Grimstone

Trustee

For and on behalf of the Trustees

26th January, 2008

THE QUEILLE TRUST

20 Crooms Hill • Greenwich • London • SE10 8ER • 4420 8858 1940 • trust@queille.com

Accounts for the Year to 30 September 2007

Statement of Financial Activities

	<i>Notes</i>	General Fund £	Capital Endowment £ <i>note 2</i>	Total Funds £	Prior Year Total Funds £
Incoming resources					
Incoming resources from generated funds					
Voluntary income					
Donations	<i>note 7</i>	50	-	50	458
Gift Aid	<i>note 8</i>	250	-	250	26
		<u>300</u>		<u>300</u>	<u>484</u>
Activities for generating funds					
Festival ticket sales	<i>note 10</i>	24,721	-	24,721	553
Investment income					
Bank interest	<i>note 9</i>	10,042	-	10,042	6,590
		<u>35,063</u>	<u>-</u>	<u>35,063</u>	<u>7,627</u>
Total incoming resources					
Resources Expended					
Costs of generating funds					
Queille Festival expenses	<i>note 11</i>	29,652	-	29,652	4,922
Charitable activities					
General grants	<i>note 12</i>	4,000	-	4,000	3,000
Queille Festival production costs	<i>note 11</i>	34,884	-	34,884	3,217
Provision of Steinway piano	<i>note 14</i>	7,314	-	-	-
Governance costs	<i>note 5</i>	1,075	-	1,075	592
Other resources expended	<i>note 16</i>	268	-	-	-
		<u>77,194</u>	<u>-</u>	<u>77,194</u>	<u>11,731</u>
Total resources expended					
Net resources before transfers					
		<u>-42,131</u>	<u>-</u>	<u>-42,131</u>	<u>-4,104</u>
Transfers					
Gross transfers between funds	<i>note 2</i>	50,000	-50,000		-
		<u>7,869</u>	<u>-50,000</u>	<u>-42,131</u>	<u>-4,104</u>
Net resources after transfers					
Other recognised gains/losses					
Foreign exchange gains or losses	<i>note 15</i>	-50	-	-	-
Gains/losses on investment assets	<i>note 13</i>	-	-	-88,730	-88,730
		<u>7,819</u>	<u>-50,000</u>	<u>-42,181</u>	<u>-92,834</u>
Net movement in funds					
Reconciliation of funds					
Total funds brought forward		36,309	191,234	227,543	
Total funds carried forward		<u>44,128</u>	<u>141,234</u>	<u>185,362</u>	

THE QUEILLE TRUST

20 Crooms Hill • Greenwich • London • SE10 8ER • 4420 8858 1940 • trust@queille.com

Accounts for the Year to 30 September 2007

Balance Sheet

	<i>Notes</i>	This Year £	Prior Year £
Fixed assets			
Medieval tents	<i>note 14</i>	2,990	-
Steinway piano	<i>note 14</i>	29,256	-
	Total fixed assets	<u>32,246</u>	<u>-</u>
Current assets			
Investments	<i>note 13</i>	-	-
Cash at bank		153,117	227,543
Debtors	<i>note 17</i>	-	-
	Total current assets	<u>153,117</u>	<u>227,543</u>
Liabilities			
Creditors: Amounts falling due within one year	<i>note 17</i>	-	-
	Total assets less current liabilities	<u>185,363</u>	<u>227,543</u>
 The funds of the charity			
Endowment fund		141,234	191,234
General fund		44,128	36,309
	Total charity funds	<u>185,362</u>	<u>227,543</u>



Gerry Grimstone

Trustee

For and on behalf of the Trustees

26th January, 2008

THE QUEILLE TRUST

Notes to the Accounts for the Period to 30 September 2007

1. Accounting Policies

These accounts have been prepared in accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) ("SORP 2005"). Because the Trust falls within the relevant financial thresholds set out in the Companies Act 1985, it is entitled to apply the Financial Reporting Standard for Smaller Entities such that an audit of the accounts is not required. These accounts are however subject to scrutiny by an Independent Examiner whose report is appended to the Trust's Report and Accounts.

2. Funds Structure

In the year ended 30 September 2005, The Blueberry Charitable Trust, The Strawberry Charitable Trust, The Cheshire Children's Charitable Trust and Mr. Nicolas Lethbridge, a Trustee, all made donations to the Trust with wishes that their donations be treated as an Unrestricted Expendable Capital Endowment. The Trustees have the power to convert such Expendable Capital Endowments into income at their discretion. All other funds of the Trust are held in the General Fund which is Unrestricted. Expendable Capital Endowments amounting to £50,000 were converted into income during the year ended 30 September 2007 and transferred to the General Fund.

3. Related Party Transactions

There were no disclosable Related Party Transactions with the Trustees. From time to time, the Trustees have acted as agents of the Trust and made purchases on its behalf or loaned the Trust money on an interest-free basis to cover short-term expenditure requirements. All such expenditure or loans have been or will be repaid or reimbursed by the Trust and no Trustee incurred any benefit as a result of these arrangements.

4. Staff Costs and Emoluments

The Trust employs no staff.

5. Governance Costs

Governance Costs include expenses associated with Trustee meetings which amounted to £395, and the fees of the Independent Examiner (see note 6).

6. Costs of Independent Examination

The fees of the Independent Examiner amounted to £680.

7. Donations

Donations have been received both to support the general purposes of the Trust and as donations made on a voluntary basis along with the sale of tickets for the Queille Festival, which is sponsored and produced by the Trust (see note 9).

8. Gift Aid

Where applicable, the Foundation is able to reclaim from the Inland Revenue income tax that has been paid in connection with eligible donations.

9. Bank Interest

Funds are held in a deposit account unless likely to be used in the foreseeable future in which case they are held in a current account.

10. Festival Ticket Sales

Tickets are sold for the Queille Festival, held each second year in France. Income from Festival ticket sales is used to meet both the cost of food and drink provided during the Festival to ticket holders themselves and to meet other miscellaneous Festival expenses.

11. Festival expenses

The total expenses of the Festival comprise payments to performers and directly-related production costs ("Queille Festival Production Costs"), and the miscellaneous expenses associated with mounting the Festival and providing food and drink to festival participants ("Queille Festival Expenses"). Productions costs can occur in anticipation of a future Festival.

12. General Grants

The Trust made the following charitable grants from its General Fund in the year ended 30 September, 2006:

Joe Timmons (tenor)	£1,000
The Gabrieli Trust	£2,000

In the year ended 30 September, 2007, a grant of £4,000 was made to The Theatre of Memory. An additional charitable payment of £6,000 was paid to them in connection with their performance at the 2007 Queille Festival. This has been accounted for within "Queille Festival Production Costs".

13. Valuation of stock holdings

At the close of the accounting period, the Trust held 60,000 shares in Optimistic Entertainment plc and 4.9 million shares in Ethanol Investments plc. All these shares are held in the Unrestricted Endowment Fund. Optimistic Entertainment plc is in administration and the shares are presently worthless and likely to remain so. Ethanol Investments plc shares have been suspended but there is some corporate action presently underway and the company intends to change its name to Evergreen Securities plc. There is not a ready market in either of these two shares at present and, on grounds of prudence, the Trustees have ascribed a nil value to both these holdings as at 30 September 2007.

14. Expenditure on Fixed Assets

Some "Queille Festival Production Costs" are for the purchase of equipment and production items which may be used again in forthcoming festivals. The Trustees consider it is prudent generally to write off this expenditure as it is incurred. Six used Medieval Tents were purchased at a cost of £3,588 to be used as accommodation for Queille Festival guests. It is expected that these tents can be used for at least three Festivals so they are being depreciated over a six-year period meaning that £598 has been charged against "Queille Festival Expenses" during the accounting period.

A Steinway piano was purchased during the period at a cost of £36,570 for use both at the Queille Festival and by artistes from time to time for rehearsals and performances. The Trustees have determined to write-off the costs of this piano over a period of 5 years and a charge of £7,314 was taken as a Charitable Activity during the present accounting period.

15. Foreign Exchange

Much of the Festival Expenses and Festival Production costs, some ticket sales, and some donations are denominated in Euros. For accounting purposes, the exchange rate prevailing at the year end is used (1 Euro = £0.69 as at 30 September 2007).

16. Other resources expended

Costs amounting to £268 were incurred for electronic payment systems and for money transmission charges.

17. Debtors and Creditors

The Trust had no debtors or creditors as at 30 September 2007.

Independent Examiner's Report to the Trustees of The Queille Trust

I report on the accounts of the Trust for the year ended 30 September 2007.

The charity's trustees consider that an audit is not required for this year (under section 43(2) of the Charities Act 1993 (the Act), as amended by s.28 of the Charities Act 2006) and that an independent examination is needed.

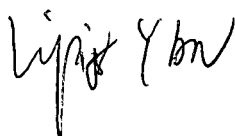
It is my responsibility to:

- examine the accounts (under section 43 of the Act, as amended),
- to follow the procedures laid down in the General Directions given by the Charity Commission (under section 43(7)(b) of the Act, as amended), and
- to state whether particular matters have come to my attention.

My examination was carried out in accordance with General Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from the trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit, and consequently I do not express an audit opinion on the accounts.

In the course of my examination, no matter has come to my attention:

1. which gives me reasonable cause to believe that in, any material respect, the trustees have not met the requirements to ensure that:
 - proper accounting records are kept (in accordance with section 41 of the Act); and
 - accounts are prepared which agree with the accounting records and comply with the accounting requirements of the Act; or
2. to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.



LI PING YAN
Member of the Association of Accounting Technicians
44c Gunther Grove, London SW10 0UJ
26 January 2008