

**QUEEN ELIZABETH'S HOSPITAL**

**ANNUAL REPORT AND  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**Registered Charity No. 1104871  
Company No. 5164477**

**QUEEN ELIZABETH'S HOSPITAL**  
**(A company limited by guarantee)**

**Financial Statements**  
**for the year ended 31 August 2020**

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**GOVERNORS' REPORT**  
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**GOVERNORS, DIRECTORS AND CHARITY TRUSTEES**

The Governors of Queen Elizabeth's Hospital are the School's charity trustees under charity law and the directors of the charitable company. The members of the Governing Body who served in office as Governors during the year and subsequently are detailed below:

<b>Governor</b>	<b>Committee Membership at 31 August 2020</b>
Mr P A Keen (Chair of Governors – appointed as Chair 5 December 2019)	A* C E* H*
Mr D A Smart (Former Chair of Governors – resigned 5 December 2019)	- -
Mrs C Bateson	B C E
Mrs S Blanks	A G*
Mr J Buchanan	C D F H
Mr A J Cherry (appointed 9 September 2019)	B F
Mr E Corrigan	A D*
Mrs S Cosgrove	B C
Mr T Davis	B C F*
Mr J Hirst (appointed 9 September 2019)	A C G
Mr J Hollingdale	A D G
Mr M Jones (appointed 15 November 2019)	A B E
Mr J E Milne	A B* C
Mr K Riley	A B H
Mr C Woodford	A C*

The following sub-committees have been in operation during the year:

- A Finance and General Purposes Committee
- B Regulatory Committee
- C Development and Strategy Committee
- D Audit Committee
- E Health and Safety Committee
- F Investment Management Committee
- G Fundraising Committee
- H Remuneration Committee

\* Denotes Chair of Committee

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**Key Management Personnel and Professional Advisors**

Headmaster:	Mr R D Heathcote BSc (from 14 April 2020) Mr S W Holliday MA (to 14 April 2020)
Deputy Head (Academic):	Mr J E Martin MA
Head of Junior School:	Mr D Kendall BA
Bursar and Clerk to the Governors:	Mr M K Suddaby MA FCA
Registered Office:	Queen Elizabeth's Hospital Berkeley Place Clifton Bristol BS8 1JX
Company Number:	5164477
Registered Charity Number:	1104871
Bankers:	Lloyds Bank Plc George White Street Bristol BS1 3BA
Investment Managers:	Quilter Cheviot Ltd 85 Queen Victoria Street London EC4V 4AB
Auditors:	Bishop Fleming LLP 10 Temple Back Bristol BS1 6FL
Website:	<a href="http://www.qehbristol.co.uk">www.qehbristol.co.uk</a>

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The Board of Governors presents its annual report and audited accounts for the year ended 31 August 2020 and confirms that it complies with the requirements of the Companies Act 2006 and the Charities Act 2011, the Company's Articles of Association and the Charities SORP (FRS 102) 2019. The annual report serves the purpose of both a Governors' Report and a Directors' Report under company law.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

**The Company**

Queen Elizabeth's Hospital ("the Company") is a company limited by guarantee (number 5164477) with the liability of its members limited to £1 each by guarantee. It is registered as a charity under registration number 1104871.

**The School**

The School known as Queen Elizabeth's Hospital ("the School" or "QEH") was founded by Royal Charter in 1590. All the assets, liabilities and contracts of the School were transferred to the Company pursuant to a Charity Commission Scheme dated 31 August 2004 ("the Scheme"), and the Company has carried on the business of the School since that date.

**Linked Charities**

Under the Scheme, the permanent endowment assets of the School are held by the Company as the trustee of a separate charity called Queen Elizabeth's Hospital Trust ("QEH Trust"). Under a further Charity Commission Scheme dated 25 August 2005, the Company is also the trustee of another separate charity called Queen Elizabeth's Hospital Scholarship, Bursary and Prize Fund ("QEH SBP"), which has the object to further the education of pupils attending Queen Elizabeth's Hospital by the provision of scholarships, bursaries and prizes.

On 25 August 2005, The Charity Commission made a Uniting Direction under section 96(5) of the Charities Act 1993, directing that QEH Trust and QEH SBP ("the linked charities") should be treated as forming part of the charity called Queen Elizabeth's Hospital for the purposes of Part II (registration) and Part VI (accounting) of the Charities Act 1993. The main effect of the Uniting Direction is that the linked charities are aggregated into the Statement of Financial Activities and the Balance Sheet of the Company. They remain, however, legally distinct charities, the funds of which are to be applied solely in accordance with their respective trusts. An analysis of the net assets of the linked charities is shown in Note 14.

Details of the Governing Body, together with the School's officers and principal advisors, are given on pages 1 and 2.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Documents**

The Company is governed by its Articles of Association and, in its capacity as Trustee of the School's permanent endowment assets, by the Charity Commission Schemes dated 31 August 2004 and 25 August 2005. The Articles were amended by Special Resolutions on 25 May 2012, 23 February 2016 and 2 July 2018 to reflect changes in the Charities Act and Companies Act since incorporation and to allow for the admission of girls from September 2017 and to widen the geographic area in which the charity can meet its objects.

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**Governing Body**

The Governing Body is self-appointing. The Governors have control of the Charity and its property and funds including, as Corporate Trustees, the endowment assets of the Charity. The Governing Body consists of at least 6 but not more than 20 members. One third of the Governors must retire at each AGM but are normally eligible for re-election for consecutive periods not exceeding 9 years. Nominations for new Governors are considered by the Regulatory Committee.

**Recruitment and Training of Governors**

New Governors are inducted into the workings of the School, and also of the Company and registered charity, by the Bursar and Headmaster during a familiarisation visit. They are issued with a pack of information including the following:

- AGBIS Publication – Guidelines for Governors;
- Articles of Association of the Company;
- A copy of the most recent financial statements;
- A copy of the School prospectus;
- Minutes of Governors' meetings for the previous 12 months;
- Charity Commission Booklet CC3 – The Essential Trustee;
- Key School policies;
- The School's Safeguarding Policy and a copy of Part 1 and Annex A of 'Keeping Children Safe in Education';
- The School's Conflict of Interest policy.

Governors are also encouraged to attend regular training seminars organised by the Association of Governing Bodies in Independent Schools (AGBIS) and other professional organisations. From time to time the Governing Body will arrange in house training sessions.

**Organisational Management**

The Governors normally meet as a Board 3 times a year to determine the general policy of the Company and review its overall management and control, for which they are legally responsible.

The work of implementing most of the Board's policies is delegated to the Finance and General Purposes Committee which normally meets at least twice every term. The second of these termly meetings is mainly concerned with financial matters including review of the previous term's management accounts and any outstanding fees. The second Finance and General Purposes meeting each calendar year is concerned with agreeing the following year's Financial Plans and recommendations for the Spring Board Meeting regarding fee levels.

The Regulatory Committee meets each term to review policy, practice and procedure, monitors compliance with regulatory requirements, and receives and considers reports following visits to the school by individual governors. It also acts as a nominations committee to review governor recruitment and training.

The Development and Strategy Committee considers proposals for the development of the School and advises senior management on the strength and weaknesses of strategic options. It also reviews opportunities to open schools in other countries in partnership with overseas investors with a view to providing additional sources of income for the School's charitable activities.

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The Audit Committee considers the format and presentation of the annual financial statements and the statutory audit findings. The Committee meets at least once each year with the Senior Statutory Auditor.

The Health and Safety Committee considers policy relating to Health and Safety and normally meets once each term with the Health and Safety Officer and members of key academic and support departments. The Committee reports to the Finance and General Purposes Committee.

The Investment Management Committee considers policy in respect of the School's investments, including its endowment assets. It normally meets termly and reports to the Finance and General Purposes Committee.

The Fundraising Committee considers the fundraising activity of the School and meets as required. The Committee reports to the Finance and General Purposes Committee.

The Remuneration Committee considers proposals for remuneration of senior executives and, when necessary, changes to the School's teaching and support staff remuneration scales. The Committee reports to the Finance and General Purposes Committee.

The day to day running of the School is delegated to the Headmaster and Bursar (who is also Clerk to the Governors and Company Secretary), who in turn allocate responsibilities to the Senior Leadership Team. The Headmaster and Bursar attend all the meetings of the Governing Body.

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed periodically, including, where information is publicly available, by reference to comparisons with other similar organisations to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the School's charitable vision and purpose is primarily dependent on its key management personnel and staff costs are the largest single element of the School's charitable expenditure.

The Headmaster of Queen Elizabeth's Hospital is a member of the Headmasters' and Headmistresses' Conference (HMC), and the School is a member of the Independent Schools Council (ISC) and the Independent Schools Bursars Association (ISBA), all of which provide the School with regular information and advice about relevant changes in regulations and advice to ensure compliance and best practice. The Headmaster of the Junior School is a member of the Independent Association of Preparatory Schools (IAPS).

**Employment Policy**

The School is an equal opportunity employer and is committed to a working environment that is free from any form of discrimination on the basis of age, sex, marriage and civil partnership, gender reassignment, race, disability, sexual orientation, religion or belief, pregnancy and maternity and part-time or fixed-term employment. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

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**Investment Policy and performance**

Investment activities are managed in line with the requirements of the Trustee Act 2000. During the year ended 31 August 2020 the Governors appointed Quilter Cheviot Ltd as investment managers to manage the portfolio of the Company, QEH Trust and QEH SBP on a discretionary basis with a mandate to ensure that the investment policy objectives set by the Governors are met.

The purpose of the Governors' investment policy is to provide income for current charitable activity and provision of bursaries to provide assistance with school fees to pupils at the school whose parents otherwise would not be able to afford the fees; and for the capital to remain invested to provide growing future income for future beneficiaries.

The investment objectives are to invest the endowment funds to produce the best financial return within an acceptable level of risk; to balance the income and capital returns; and to at least maintain the real capital value of the endowment whilst generating a sustainable level of investment income which rises at above inflation.

**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

The objects of the charity are the advancement of education of boys and girls by the provision and maintenance of a school or schools in or near the City of Bristol and elsewhere in the world and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

**AIMS AND VALUES**

The School's aims and values are as follows:

- QEH aims to nurture and develop each pupil's intellectual and spiritual independence, their creativity and ability to appreciate beauty and excellence through activities in and out of class
- QEH aims to support each pupil's personal development within a caring community, helping them to become resilient, self-confident and self-aware
- QEH aims to help pupils to appreciate the importance of working with others and forming and maintaining good friendships, of respecting different views, having a global perspective and of understanding that life is not just about themselves
- QEH aims to help pupils to develop a strong character and a clear sense of right and wrong based on Christian principles whilst welcoming pupils of all faiths and none
- QEH aims to prepare pupils to enter the next phase of their lives as leaders with appropriate confidence, aspiration and skills
- QEH enables pupils from a wide variety of social, ethnic and financial backgrounds to attend the school, support the work of local maintained schools and encourage pupils to seek to serve the community locally and beyond.



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**OBJECTIVES**

The School's objectives are set to reflect the educational aims and the ethos of QEH.

The key objectives for the year included:

- To recruit sufficient pupils able to benefit from the education offered by the School
- To maintain the School's high level of academic performance
- To continue to provide assisted places for families with limited financial means
- To continue to develop the facilities at the School
- To appoint a new Headmaster to succeed Mr Holliday following his retirement

**STRATEGY AND POLICIES**

The Governors are responsible for agreeing a strategy to achieve the objectives they have set. The focus of the strategy is the development of the School's pupils to ensure continued high level of academic achievement and to further widen access to the education that the School provides. In taking forward the School's strategy the Governors:

- monitor the effectiveness of the School's curriculum and teaching
- review the School's academic standards at all levels
- ensure that the range of extra-curricular activities available is stimulating and challenging
- monitor the effectiveness of pastoral and safeguarding arrangements
- invest in new facilities and the infrastructure of the School
- continue to review the provision of bursaries and scholarships to ensure wider access to pupils from all backgrounds.

The Governors set the fees at a level which aims to ensure the financial viability of the School and is consistent with their objective of providing a first-class education.

The School is academically selective and welcomes pupils from a wide range of ethnic and social backgrounds. The School aims to admit children of sufficient ability to sustain and enhance the academic standards of the School and of sufficient number to sustain and enhance the financial viability of the School. Admission to the School depends upon the availability of places and the ability of the candidate to gain optimum benefit from educational opportunities provided at the School. Detailed arrangements are set out in the School's Admissions Policy.

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QEH is committed to safeguarding and promoting the welfare of its pupils and expects all staff and volunteers to share this commitment. In the last Independent Schools' Inspectorate report, the contribution of the School's arrangements for pastoral care was assessed as excellent. Parents are given clear information about their child's progress at parents' evenings in addition to regular written reports. Contact is maintained with parents throughout the year informally and through newsletters and the website. In addition, regular parental surveys are carried out. The School operates a very successful peer support system to promote the welfare of pupils in years 7, 8 and 9.

**PUBLIC BENEFIT**

The Governors have given due regard to the Charity Commission guidance on public benefit under the Charities Act 2011.

The School is involved in a range of activities which are of benefit to its pupils, the wider local community and indeed the international community. The main activities can be summarised under the following headings.

**Grants for fee assistance**

QEH awards a number of grants for assistance with fees each year; the amount available for such assistance is determined annually by the Governing Body and is dependent upon the availability of funds, including endowment income. These grants ensure that children from families who would otherwise not be able to afford the fees can access the education offered by the School. The School uses a sliding scale to determine the level of any grants. In making decisions about the allocation of grants a number of factors are taken into consideration including the child's performance in the entrance examination, the family's income and assets and any other relevant personal circumstances.

Grants for assistance with fees range from full grants (i.e. free places) for families whose parental income is very low, to small grants for those whose incomes are higher. Assistance may also be given to those in receipt of grants for extra-curricular activities and school trips. Information about fee assistance is provided to all applying for a place in the School.

During the year a total of 98 pupils (2019:71 pupils) were awarded assistance with fees. 14% (2019: 10%) of the senior school pupils received fee assistance. The cost of this assistance amounted to £556,663 (2019: £383,251), of which £152,607 was funded from restricted funds and donations. 50 pupils received assistance of 50% or more (2019: 43) and 23 pupils received assistance of 75% or more (2019: 19). This assistance is reassessed every year on a means tested basis. Several pupils also receive scholarship awards in addition to assistance.

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**Benefit to the local community and use of School facilities**

The school is very active in supporting teacher training. We train four PGCE students most years, in partnership with Bristol University. Using our facilities, orchestra and the expertise of one of our music teachers we annually offer a conducting workshop for Bristol University PGCE students. Three of our teachers (in Music, MFL and RP) have also helped Bristol University to interview their potential PGCE trainee teachers and one has also been involved giving regular seminars to the trainees.

Unfortunately, due to restrictions caused by the Covid-19 pandemic, we had to put many of the following activities on hold from March 2020, but hope to resume them as soon as is possible.

In the Junior School, the QE Award has service to the community as part of the Award. This year has seen Year 5 pupils work with the Forestry Commission in clearing woodlands that had become overgrown. Closer to Bristol, our Harvest Festival was directed at collecting food for the Julian Trust here in Bristol. Year 6 pupils collected food and took it to the centre where they helped make the evening meal. Year 6 were also instrumental in collecting food for the West Bristol Food Bank, which they delivered and then helped out in storing and cleaning. Prior to the Covid-19 pandemic, Year 6 pupils were due to return to the centre to make the evening meal and sandwiches for the evening outreach work. We were also intending to host a year 2 soccer tournament for local schools on our pitches at Failand in the Spring term and host a Round Robin of Summer Sports in June, again for local state schools.

In the Senior School, a substantial number of our students have been engaged in voluntary service activities outside school.

As an alternative to sport, around 15 sixth formers have volunteering placements for two hour slots on Thursday afternoons at a variety of locations, including local hospices, elderly care homes, primary schools, and a variety of local charity shops. A member of staff has responsibility for co-ordinating Thursday afternoon sixth form volunteering placements and visits the students while they are volunteering, and the feedback received about them is always extremely positive. Unfortunately this activity has had to be suspended temporarily due to the current pandemic, although we will be back up and running as soon as we are able to.

Six gifted Year 12 mathematicians have volunteered at Oasis Academy John Williams in Horfield as part of a structured programme supporting Year 11 students with GCSE mathematics. In February members of the IRIS group (researching into ionic liquids) spent the day at wethecurious talking to members of the public about their research.

Year 11 and 12 pupils are encouraged to apply to join the National Citizen Service scheme over the summer holidays, organised externally but which includes a charitable / community project element.

The school is also very successful at encouraging pupils to take part in the Duke of Edinburgh programme. There are currently 120 pupils from Year 10 to 13 completing one of the three levels, all of whom will do at least 1 hour per week of voluntary service in the community for either three, six or twelve months.

Service to the community has been a key part of our weekly Enrichment programme in the Senior School. Normally, Years 7-10 volunteer at Trinity Church every Thursday afternoon, serving tea and coffee

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to the elderly lunch club. Year 10 volunteer in care homes in Bedminster (Amerind Grove Care Home) and several homes in Westbury and Clifton, while our Year 9s volunteer in local primary schools, including Christ Church, St Johns, SS Peter and Paul, Cotham Gardens. Whilst this has not been possible during the pandemic, several students volunteered to exchange letters with members of the Trinity Lunch Club, which proved to be a very successful way of tackling isolation in elderly communities during lockdown.

The school puts on a broad range of dramatic productions and musical concerts and performances, which are enjoyed by members of the wider community. These mostly take place at school but also in venues such as Bristol Cathedral and St George's. At times these are combined with raising money for charities, or carol-singing at a major shopping centre. The school also provides the choir and choirmaster for Council prayers prior to meetings of Bristol City Council, which takes place twice per term. Staff members have offered Oxbridge interview preparation to schools such as St Mary Redcliffe. The school also loans out school equipment, such as sports equipment, to help local community events. In March 2020 the school donated stocks of PPE type equipment (gloves, masks, safety goggles, hand sanitiser etc) to St Peter's Hospice and a Care Home in Bedminster. Our DT department also donated QEH's stock of acetate to Cotham Grammar School who were co-ordinating the making of visors for NHS staff in their DT Department

We have granted Long Ashton Football Club free use of a football pitch for one of their junior sides, and Gordano Rugby Football Club free use of facilities for junior rugby training.

Several of our staff, whom the school has supported through courses to achieve coaching and refereeing awards, also use these skills and qualifications to the benefit of local football and rugby clubs. For example, one teacher is helping to run a football club for Fairlawn School, Montpellier and St Barnabas Primary School, St Pauls on Sunday mornings and we are also loaning the use of some footballs, cones and training bibs.

Although not currently running due to the Covid-19 pandemic, QEH also normally provides use of the school gymnasium on a weekly basis to the Salle Hunt-Roeder Fencing Club and the Bristol Morris Men, both of whom offer membership to young people in the local area.

### **Charitable Fundraising**

QEH began the year with a mufti day in October for the local charity Bristol Churches Winter Night Shelter, which raised over £1000. The next event was a Tea & Talk at break in the schoolroom for the Mental Health Foundation organised by pupils in year 13 which raised over £170.

In November the school supported Children in Need with a mufti day and a cake sale and over £1350 was donated, again this was an event organised by year 13, led by the Captain of Boarders. The next charitable donation was for Caring at Christmas, a charity supported by QEH every year; with Christmas jumpers being worn on the day of the school Christmas lunch and the collection at the school carol service at Bristol Cathedral nearly £1500 was raised. Also at the end of term the Head of Art raised some money for the British Heart Foundation.

In February the school caterers Holroyd Howe organised a cake sale for the Children of the Mountain charity and collected nearly £240. Also in February saw the school raise over £930 on the third mufti day of the year for the Trinity Care lunch club for the elderly, a charity supported on a weekly basis by boys going to help on a Thursday afternoon as part of the school's Enrichment programme. Then in February the year 13 pupils

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organised a number of events to raise money for Sports Relief collecting over £1170 including a cake sale and a mufti day.

With the school being closed from the end of March for the remainder of the year due to the Covid-19 pandemic charitable donations almost stopped at this point. However to their credit year 9 continued with their annual fundraising day in the summer term, with boys taking part in physical challenges at home to raise nearly £1850 for the charity Props, which supports adults with learning difficulties in the Bristol area.

Unfortunately due to the global pandemic the amount raised by the school in the year ended 31 August 2020 was lower than normal, but with a total of over £8500 a considerable number of donations were made to both local and national charities.

**Links with local state schools**

The school seeks mutually beneficial partnerships with other schools and has in a variety of ways enhanced the provision in local state schools.

One of our maths teachers has been working with the Year 6 students at Horfield C of E school for 2 hours a week, every Thursday since for a number of years. He has been supporting their maths learning in small groups and individually. Last year he worked with 60 students (the whole of the year group). The impact of this has been to stretch the most able and give confidence to the less able. We have now extended this support to Y6 and Y5 pupils at Barton Hill Academy, a primary school in one of the least affluent parts of Bristol, and our maths teacher will this year share his afternoon between the two schools. During the summer term we also lent a class set of laptops to Barton Hill school to support their curriculum.

Our senior Deputy Head has been trained as an SLE (Specialist leader in Education) and as such has ongoing work sharing his expertise to help raise standards in local state schools, though this is temporarily on hold due to Covid.

Each year we host several A Level maths competitions to which all Bristol schools are invited and up to 5 state schools attend. We have taken part in the Bristol School's Art Competition at the Bristol Cathedral - an open exhibition and work was selected to be shown at the RWA. We also took part in a Bristol Schools Y11 and Y13 online exhibition to showcase work for the Exam groups all over Bristol. This year we intended to host the 'Youth Speaks' debating competition in November in the QEH theatre, with several other local schools invited to participate. This has unfortunately been moved to Zoom due to the pandemic. In October we again this year hosted the local round of the Worldwide Quiz and in November organised a "Meet the medic" event; for both of these a number of local state schools including St Mary Redcliffe were invited and took part. When the History Squad visited the Junior School, 80 pupils in Years 5 and 6 from St George's and St Michael's on the Mount took part in a very successful joint workshop.

We have taken part in the Bristol School's Art Competition at the Bristol Cathedral - an open exhibition and work was selected to be shown at the RWA. We also took part in a Bristol Schools Y11 and Y13 online exhibition to showcase work for the Exam groups all over Bristol.

For our large summer drama production we annually invite pupils in year 5 and 6 from Barton Hill Primary School to see our matinee performance. We organise coaches and refreshments and last year they had a short lighting and sound demonstration. So far they have seen productions of Private Peaceful and Oliver Twist.

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We would have organised this again in the summer term but due to the closure of the school this was not possible.

The Covid-19 pandemic has stopped most sporting collaborations, but normally there are a good number of sporting events throughout the year which a variety of state schools take up the invitation to enter. For example, we host the Gloucester Rugby 7s and the Bristol Rugby 7s tournament at two different age groups and organise it for four other year groups. We also have a Year 2 invitation Football Tournament for local primary schools and are working on broadening further our selection of games on offer for pupils from local primary schools.

## **PROMOTING HIGH ACADEMIC STANDARDS**

### **Scholarship Policy**

The School offers a number of academic, music and sports scholarships each year to recognise high potential or ability. Scholarships are awarded on the basis of a pupil's academic potential or evidence of exceptional musical or sporting abilities which will contribute to the life of the School.

Scholarships are awarded as a percentage of the full fee, usually between 10% and 25%. Scholarships can be awarded in addition to a means-tested bursary for assistance with fees.

During 2019-20 the School awarded scholarships to 124 pupils, to the value of £375,923. The progress of pupils receiving scholarships is reviewed at least annually to ensure that each pupil is fulfilling the requirements of the scholarship with regard to effort and progress.

### **Family Discounts Policy**

To underline the value we place on continuity for families, we offer discounts where parents have more than one child at the School.

## **STRATEGIC REPORT**

### **Overview**

The year was significantly affected by the global Covid-19 pandemic, and the school was physically closed to most pupils for the whole of the summer term. It remained open each day for the children of key workers and all other pupils continued their education remotely using Microsoft Teams, Seesaw and other remote technology. The whole school community responded magnificently to the challenge of operating a "virtual school" and thanks are due to all staff, pupils and parents for their support during this challenging period.

Prior to the onset of the pandemic, the school continued to offer a very broad and diverse curricular and co-curricular programme and some highlights are set out in the sections below. All of the key objectives for the year which are set out on page 7 were met.

In April 2020 Mr Stephen Holliday retired after 20 years as Headmaster of QEH and the Governors would like to thank him for his enormous contribution to the school during that period. His successor Rupert Heathcote was appointed to replace Mr Holliday and, despite the challenges of managing the school during

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the lockdown period, has quickly gained the support and trust of the school community through his excellent leadership. The Governors would also like to record their thanks to Mr David Smart, who retired as Chair of Governors in December 2019 after 12 years' outstanding service as a Governor, including 5 years as Chair of Governors.

**Pupil Numbers and Fees**

Pupil numbers at the start of the academic year were 632 in the Senior School and 102 in the Junior School.

Fees increases for the year were restricted by the Governors to a minimum consistent with prudent budgeting for an adequate operating surplus before depreciation. Termly fees were:

Senior School	£4,970
Junior School	£3,331

**Financial Result**

Net incoming resources for the year, before transfers and investment gains, were £290,474 (2019: £2,025,379). Net fee income was affected by the Covid-19 pandemic due to a decision to reduce fee levels in the Summer Term 2020 whilst the school remained physically closed to the majority of pupils, to whom education was provided through remote technology; and to additional bursaries provided to support pupils whose parents' income was significantly affected by the pandemic. This loss of income was partly offset by cost savings and by support received through the Government's Coronavirus Job Retention Scheme.

**Academic Results**

The impact of the Covid-19 pandemic meant that this year was an exceptional year in all ways regarding exam results. The eventual awarding of Centre Assessed Grades at both GCSE and A Level was nonetheless a fair reflection of the hard work of staff and students alike. 41% of grades at A Level were A\* and 87% were A\*/B. At GCSE 33% of grades were awarded at A\* with 77% at A\* to B.

**Music**

The first half of the year was crammed full of wonderful events. The House Music Solos kicked off the term with individual concerts for each year group. It is so pleasing to see an ever increasing number of students taking part each year. The Jazz Band enjoyed entertaining the crowds at Open Morning and the choir performed a wonderful rendition of Swing Low & Swing Down at the Prize Giving Service. The second half of term started with a trip to the Hippodrome with 75 students to watch the Lion King. Open Mic Night was packed full of bands and solo artists and the Autumn Concert was a great opportunity for our chamber ensembles and choirs to get an early outing.

After half term all focus moved to preparing for the Christmas events. The Jingle Jam was another hugely successful and enjoyable event and we are grateful to the Friends of QEH for putting on such a fun evening and for kick starting the festive season with a bang! The Jazz Band were once again in action, performing at the Christmas lunches, and senior members of the choir sang carols at the Mansion House for the Lord Mayor and at Ashton Gate for the Bristol Sports Gala. The Carol Service is one of the highlights of the year and

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**GOVERNORS' REPORT**  
**For the year ended 31 August 2020**

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the 112 strong school choir were once again on top form. We then squeezed in a short music tour to Belgium before finally calling it a day and enjoying a well earned break.

The Spring term started off as normal, with all attention focussed on preparations for the Musician of the Year Final and the House Music Finals. These two events reflect perfectly both sides of the music at QEH. On one side we have serious performance platforms for our many talented performers, and the other events that are open to anyone wanting to get involved. Both finals were hugely enjoyable and of such a high standard. Battle of the Bands would end up being our final event of the year, and what a great event to go out on! Songwriting remains very strong at QEH with many soloists and bands enjoying the platforms we offer to showcase their music. Sadly the music programme was disrupted in the Summer term due to the Covid-19 pandemic but we were still able to provide a variety of online choirs, ensembles and performances.

### **Drama**

We had a busy and exciting year last year with many pupils achieving very strong exam grades and large numbers involved in school productions.

We began the year with a highly successful production of *Education Education Education* with sixth form and staff. This play offered opportunities for girls to perform and helped many of them to get to know others as well as act alongside some of their teachers! The company who created the show are based in Bristol and we had them into school to do a workshop. Their particular style of theatre was also chosen by the Yr13 group for their exam so it was great to see the production feed into the A Level curriculum in this way. Members of the company also came to see the show and spoke to the cast about it afterwards which was fantastic for them! Several new staff members were also involved and the whole experience was one of community and camaraderie.

In March, just before lockdown, we did a production of Orwell's *1984* with year 9 and above. This powerful dystopian world of Big Brother resonated with audiences and we were delighted that so many students were involved. We wanted the production to be high profile and thanks to promotions by the library and the office staff, the audiences were bigger than usual for our Easter show.

We had a large production of *Emil and The Detectives* planned for the summer term for year 7 and 8. We have put these plans on hold for now but will be offering future opportunities for these year groups (who are now current year 8 and 9).

Drama club was well attended and gave many students an opportunity to hone their performance skills and have fun with others from different year groups.

We had several theatre trips to London and Bristol, but those planned for the summer term were obviously cancelled when the theatres closed. We can't wait to get back to watching live theatre!

We had a very strong and closely bonded Year 13 group who did some extraordinary performance work, and the Year 11 group also produced some original work.

The technical crew for the productions last year was particularly strong with some students becoming involved in set design and digital mapping.



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## **Sport**

The impact of the pandemic unfortunately curtailed any sport from March onwards.

Rugby was played in the Autumn Term with around 200 matches played. The 1st XV had their most successful season for 10 years following the highly successful tour to Canada. The U13 team was unbeaten with 11 wins, a great achievement. Sadly most of the rugby 7's was not possible although the U13 won the Bristol Schools played at Failand early in the Spring term with the U18 runners up. 40 boys are still hoping to go to South Africa/Namibia in July 2021 with the prospect of seeing the British Lions play their final game before the 1st Test.

Football was successfully played in the Spring Term although this was also curtailed part way through the term due to the pandemic. Up to that point the 1st XI, U14A, U13A and U12A were all unbeaten.

Our facilities came to the fore in the very wet January/February period with many schools cancelling matches but we were able to play back to back football matches on our new 4G pitch.

Girls' sport is progressing well with a number of hockey and netball fixtures being played.

Sadly there was no sport in the summer term so cricket and tennis matches were not possible. Similarly there was no Sports Day. However, pupils were able to keep active through an extensive programme of online sports and activities.

## **Outdoor Activities**

Even through a year of disruption Outdoor Pursuits again played a pivotal part in the development of the students at QEH. Year 7-9 enjoyed making fires, building dens and tackling the orienteering course at Ashton Court as part of Enrichment on a Thursday afternoon. Year 10 began Ten Tors training and certainly developed resilience as we faced the wettest February on record.

Unfortunately, many of the expeditions were cancelled due to the Covid-19 pandemic. However, the students set new records with DofE. We topped the charts in Bristol for most awards achieved and ranked in the top 10 in the South West. For a small school this was outstanding and just further emphasises the commitment of the students. The most impressive statistic of all was that students spent a total of 2184 hours volunteering.

It has been a difficult year but the students' endeavour has shone through. "The mountains are calling" and we hope to get back there soon.

## **Elizabethan Society and Friends of QEH**

The School maintains close links with its alumni and the "Friends" parents' organisation, which support the School and contribute financially to various prize funds and projects.

The Elizabethan Society continued to arrange a number of events, publications and communications to enable alumni to keep in contact with the School.

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**For the year ended 31 August 2020**

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**Fundraising Performance**

During the year the School raised £169,186 (2019: £470,685) through gifts and donations.

**Investment Performance**

Investment income for the year was £354,777 (2019: £466,306). See Note 3 to the Financial Statements.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The School has a Risk Management Register which is reviewed annually by the Finance and General Purposes Committee and the Senior Management Team.

As part of the regular review of risks Governors have identified seven key strategic risks:

**1. Covid-19**

The Covid-19 pandemic has significantly affected the operation of the school and has led to a reduction in income due to a decision to reduce fee levels in the Summer Term 2020 whilst the school remained physically closed to the majority of pupils, to whom education was provided through remote technology. The general economic outlook, and the impact on the independent school sector of the pandemic, remain very uncertain and there is a risk that future income may be reduced if the school's operations are affected by the virus or if parents are unable to afford fees or if pupil numbers are reduced. These risks are mitigated by having a detailed risk assessment to ensure that the operations of the school during the pandemic comply with Government guidance and public health advice; and by the control measures set out in key risks 2, 3 and 4 below.

**2. Government policy**

There is a risk that changes to government policy (such as amendments to VAT legislation on educational supplies, business rates relief, levy charges, and Teachers Pension contribution levels) would have a significant impact on the School's ability to operate, and links closely with another key strategic risk of affordability. This in turn could have a large impact on the demand for places, and therefore on fee income. QEH mitigates this risk by regularly reviewing its reserves policy, by preparing long-term forecasts which include contingency planning in the event of changes in policy and by taking an active role in supporting the Independent Schools Council in promoting public affairs and parliamentary engagement on behalf of the sector.

**3. Long-term financial viability**

To secure its long-term financial viability, the School has to balance the investment it makes in its staff and buildings with its funding, the key source of which is fee income. To ensure all its commitments are met, the School has robust management processes. These include forecasting pupil numbers, detailed budgeting and cash flow projections which are prepared by the Senior Management Team and subject to detailed scrutiny by Governors. Progress against this plan is monitored continually by the Senior Management Team and termly by Governors.

**4. Affordability**

The School operates in a very competitive market with fees increasing faster than earnings. We are conscious that the cost of private education is increasingly beyond the financial means of many families.

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In addition, affordability of fees and therefore pupil numbers could be affected by macro-economic factors. Recognising this, QEH looks to ensure it achieves value for money in every area of its operations, while maintaining the excellent all-round education for which it is renowned. In addition, the School continues to seek donations to increase the funding it has available for means-tested bursaries in order to provide financial support to even more families than it currently does. The School is also exploring the possibility of opening one or more overseas schools with a view to providing additional funding for means-tested bursaries.

**5. Safety and security of pupils, staff and premises**

The School aims to provide a safe and secure environment. To do this it has in place detailed policies and procedures including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber-security, wellbeing and critical incident management. These are regularly reviewed by Governors. Staff and pupils are provided with detailed training, as appropriate, to ensure these policies are adhered to across the School. The School employs (jointly with two other independent schools in Bristol) a full-time Health and Safety Officer who, in conjunction with the Bursar, Estates Bursar and Maintenance Supervisor, carries out regular inspections of the School buildings and maintains various departmental risk assessments.

**6. Recruitment and retention of key staff**

The School relies on its ability to recruit and retain high quality staff to carry out its charitable activities and achieve its objectives. In order to achieve this the School provides a comprehensive range of financial and non-financial benefits to staff, including competitive salaries and training and development opportunities.

**7. Effectiveness of Governance**

The Governors recognise that strong governance is essential to the School's success. In order to ensure that governance is effective Governors are appointed based upon a skills matrix. Comprehensive induction and refresher training is provided to governors. Committee structures are in place supported by clear terms of reference. Governors actively monitor the implementation of policies and compliance within the School.

The generic controls used by the School to minimise risk include:

- detailed terms of reference together with formal agendas for Committees and Board activity
- strategic development planning reviewed by the Development and Strategy Committee and the Board
- comprehensive budgeting and management accounting
- established organisational structures and lines of reporting
- formal written policies including clear authorisation levels
- safeguarding procedures, as required by law, for the protection of children

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks for the School.

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**GOVERNORS' REPORT**  
**For the year ended 31 August 2020**

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## **FUTURE PLANS**

The School intends to continue to achieve its aims and values, and to further develop its public benefit activities including the provision of bursaries and partnerships with maintained schools. Further work is planned to develop and enhance the facilities of the school.

The key objectives for the year ending 31 August 2021 include:

- To recruit sufficient pupils able to benefit from the education offered by the School
- To maintain the School's high level of academic performance
- To continue to provide assisted places for families with limited financial means
- To continue to develop the facilities at the School
- To continue to operate the School effectively and safely during the Covid-19 pandemic and to ensure that the financial position of the School remains sound.

## **FINANCES**

The School's main source of income is from fees and investments, the latter being mainly derived from permanent endowment.

The Governors' principal financial policy is to set the fees at a level which will be sufficient to generate net income and resources of 8% of fees, to fund development work and to provide free reserves equivalent to a term's expenditure when funds permit. All available endowment income will be used to provide assistance with fees.

As a charity the parents of pupils have the assurance that the income of the School must be applied for educational purposes. As an educational charity we enjoy a tax exemption on our educational activities and on our investment income and gains, provided these are applied for charitable aims. As a charity we are also entitled to an 80% reduction on our business rates on the property we occupy for charitable purposes. The financial benefits we receive from this tax exemption are all applied for educational purposes and indirectly help us to maintain our bursary provision.

However, as an educational charity, we are unable to reclaim VAT input tax on our costs as we are exempt for VAT purposes. We also pay taxes as an employer through the national insurance contributions.

In addition to the very substantial benefits our school brings to our pupils, the local community and society through the education we offer, we provide education to our pupils which would otherwise have to be funded by the Exchequer.

### **Developments**

During the year a number of refurbishment and capital projects were carried out including the completion of the new sports facilities at Failand; a redevelopment of the reception area at the school; the replacement of

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For the year ended 31 August 2020

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the theatre boiler; the creation of a new photographic studio in the art department; and refurbishment of various classrooms in the Senior and Junior schools.

In October 2019, the school signed a memorandum of understanding with a development partner in China to explore the possibility of opening a new school in Guangdong province.

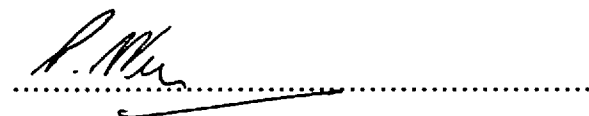
**Reserves and Financial Health**

In common with most other independent schools, the School operates with a limited amount of free reserves (unrestricted funds less tangible fixed assets), but we use our annual operating surpluses to finance capital expenditure for improving buildings and facilities to enable us to continue to provide a first class education for our pupils.

The School's unrestricted funds stood at £12,012,612 at year end, of which £9,804,910 represented funds deployed as part of the School's fixed assets, leaving £2,207,702 (2019: £2,247,111) as free reserves. The School also held £11,041,356 in Endowment Funds and £1,337,004 in Restricted Funds. The School aims to retain sufficient reserves to ensure continuity in the event of unforeseen circumstances. The current objective is to retain a level of free reserves equivalent to approximately one term's expenditure. The Governors consider the current level of reserves to be in line with that objective. This objective is reviewed on a regular basis and adjusted if appropriate.

**AUDITORS**

A resolution to re-appoint Bishop Fleming LLP as auditors for next year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.



P A Keen  
Governor

This report, including the Strategic Report, was approved by order of the Board of Trustees on 3 December 2020.

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**STATEMENT OF GOVERNORS' RESPONSIBILITIES**  
**for the year ended 31 August 2020**

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The Governors (who are also directors of Queen Elizabeth's Hospital for the purpose of company law) are responsible for preparing the Governors' Report, including the Strategic Report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK 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 charitable company will continue in operation.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**QUEEN ELIZABETH'S HOSPITAL**  
**for the year ended 31 August 2020**

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**Opinion**

We have audited the financial statements of Queen Elizabeth's Hospital (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statements and the related 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 charitable company's affairs as at 31 August 2020, and of its incoming resources and application of resources, including its income and expenditure, 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 Companies Act 2006.

**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 charitable company 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
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**for the year ended 31 August 2020**

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**Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Governors' 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report (incorporating the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
**QUEEN ELIZABETH'S HOSPITAL**  
**for the year ended 31 August 2020**

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**Responsibilities of Governors**

As explained more fully in the Governors' Responsibilities statement set out on page 20, the Governors (who are also the directors of the charitable company for the purposes of company law) 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 Governors are responsible for assessing the charitable company's 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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

**Use of our report**

This report is made solely to the School's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the School's members those matters we are required to state to them in an Auditors' 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 School and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Scaife FCA DChA (Senior Statutory Auditor)

For and on behalf of

**BISHOP FLEMING LLP**

Chartered Accountants

Statutory Auditors

10 Temple Back

Bristol

BS1 6FL

Date: 16/12/20

**QUEEN ELIZABETH'S HOSPITAL**  
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**STATEMENT OF FINANCIAL ACTIVITIES**  
(including income and expenditure account)  
for the year ended 31 August 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
<b>Voluntary sources</b>						
Grants and donations		6,360	162,826	-	169,186	805,589
<b>Charitable activities</b>						
School fees receivable	2	9,059,673	-	-	9,059,673	9,636,932
Ancillary trading income		370	-	-	370	832
<b>Other trading activities</b>						
Other activities – sundry letting		32,926	-	-	32,926	29,990
<b>Investments</b>						
Investment income	3	307,232	19,266	-	326,498	427,136
Bank and other interest	3	28,279	-	-	28,279	39,170
<b>Other</b>						
Profit on sale of fixed assets		-	-	-	-	89,900
Other income		152,250	-	-	152,250	-
<b>Total income and endowments</b>		<u>9,587,090</u>	<u>182,092</u>	<u>-</u>	<u>9,769,182</u>	<u>11,029,549</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Financing costs		35,950	-	-	35,950	38,112
Investment management		107,731	-	44,229	151,960	108,284
Fundraising costs		(3,349)	-	-	(3,349)	25,942
<b>Total deductible costs</b>		<u>140,332</u>	<u>-</u>	<u>44,229</u>	<u>184,561</u>	<u>172,338</u>
<b>Charitable activities</b>						
Education and grant making		9,122,198	171,949	-	9,294,147	8,831,832
<b>Total expenditure</b>	4	<u>9,262,530</u>	<u>171,949</u>	<u>44,229</u>	<u>9,478,708</u>	<u>9,004,170</u>
<b>Net income before transfers and investment gains</b>						
		324,560	10,143	(44,229)	290,474	2,025,379
Gains on investments		-	7,368	228,186	235,554	12,114
Gains on investment properties		-	-	70,000	70,000	55,000
Transfers between funds	12	(53,260)	-	53,260	-	-
<b>Net movement in funds</b>		<u>271,300</u>	<u>17,511</u>	<u>307,217</u>	<u>596,028</u>	<u>2,092,493</u>
Fund balances brought forward		11,741,312	1,319,493	10,734,139	23,794,944	21,702,451
<b>Fund balances carried forward</b>		<u>12,012,612</u>	<u>1,337,004</u>	<u>11,041,356</u>	<u>24,390,972</u>	<u>23,794,944</u>

The notes on pages 27 to 49 form part of these financial statements


**QUEEN ELIZABETH'S HOSPITAL**  
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Company No. 5164477  
**BALANCE SHEET**  
as at 31 August 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	6	9,804,910	9,808,625
Securities investments	7	7,977,025	7,785,699
Property investments	7	3,227,527	3,157,527
		<hr/>	<hr/>
		21,009,462	20,751,851
		<hr/>	<hr/>
<b>Current assets</b>			
Debtors	8	137,998	117,771
Cash and deposits		6,771,484	6,668,688
		<hr/>	<hr/>
		6,909,482	6,786,459
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	9	(2,623,446)	(2,767,318)
		<hr/>	<hr/>
<b>Net Current Assets</b>		4,286,036	4,019,141
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		25,295,498	24,770,992
<b>Long term liabilities</b>			
Creditors: amounts falling due after one year	10	(904,526)	(976,048)
		<hr/>	<hr/>
<b>Net assets</b>		24,390,972	23,794,944
		<hr/>	<hr/>
<b>Endowed Funds</b>	12	11,041,356	10,734,139
<b>Restricted Funds</b>	13	1,337,004	1,319,493
<b>Unrestricted Funds</b>		12,012,612	11,741,312
		<hr/>	<hr/>
		24,390,972	23,794,944
		<hr/>	<hr/>

Included within total funds is an investment revaluation reserve of £3,656,720 (2019: £3,395,394). £1,065,207 was borrowed from the Endowment Fund in 2006/07 and is repaid from unrestricted funds in equal instalments over a 20 year period. The amount still due at the year end was £319,567 (2019: £372,827).

These financial statements were approved by the Governors on 3 December 2020 and signed on their behalf by:

  
P A Keen  
Chairman

The notes on pages 27 to 49 form part of these financial statements

**QUEEN ELIZABETH'S HOSPITAL**  
(A company limited by guarantee)

**CASH FLOW STATEMENT**  
**for the year ended 31 August 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities:</b>			
Net cash provided by operating activities	15a)	435,206	2,400,353
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		326,498	401,446
Purchase of property, plant and equipment		(574,985)	(2,758,956)
Purchase of investments		-	(352,463)
Net cash (used in) investing activities		(248,487)	(2,709,973)
<b>Cash flows from financing activities:</b>			
Cash inflows from new borrowing		-	-
Cash repaid on borrowings		(47,973)	(45,997)
Interest paid on borrowings		(35,950)	(38,112)
Net cash provided by financing activities		(83,923)	(84,109)
<b>Change in cash and cash equivalents in the reporting period</b>		102,796	(393,729)
<b>Cash and cash equivalents at 1 September 2019</b>		6,668,688	7,062,417
<b>Cash and cash equivalents at 31 August 2020</b>	15b)	6,771,484	6,668,688

The notes on pages 27 to 49 form part of these financial statements

**QUEEN ELIZABETH'S HOSPITAL**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020 (continued)**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

The financial statements have been prepared in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Charities Act 2011 and the Companies Act 2006. These financial statements are drawn up on the historical cost accounting basis as modified by the revaluation of investment properties and other investments.

The accounts of the Company have been prepared in accordance with a Uniting Direction issued by the Charity Commission dated 25 August 2005. The Commission has directed that the charities called Queen Elizabeth's Hospital Trust (charity number 1104871-1) and Queen Elizabeth's Hospital Scholarship, Bursary and Prize Fund (charity number 1104871-2) shall be treated as forming part of the charity called Queen Elizabeth's Hospital (charity number 1104871) for the purposes of Part VI of the Charities Act 1993. The three charities are aggregated in the Statement of Financial Activities and on the face of the Balance Sheet, with note 14 detailing individual fund balances and analysing the assets and liabilities between each type of fund.

Queen Elizabeth's Hospital constitutes a public benefit entity as defined by FRS102.

**Going concern**

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the School to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements. The current levels of cash and unrestricted reserves, combined with strong pupil numbers and controls over operating expenditure, have enabled the Governors to conclude that the School has adequate resources to continue in operational existence for the foreseeable future and to mitigate the risk from a reduction in fees should this be required as a result of the Covid-19 pandemic. There are no material uncertainties about the School's ability to continue as a going concern, and therefore the Governors continue to adopt the going concern basis in preparing the financial statements.

**General information**

The School is a private company limited by guarantee and is incorporated in England and Wales. The registered office is: Queen Elizabeth's Hospital, Berkeley Place, Clifton, Bristol, BS8 1JX.

**Charitable Activities**

Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions from Restricted Funds for Scholarships, Bursaries and other grants.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020 (continued)**

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**1. ACCOUNTING POLICIES (continued)**

**Voluntary sources**

Income from voluntary sources for the general purposes of the Charity are included as unrestricted funds. Voluntary incoming resources for activities restricted by the wishes of the donor or the terms of the appeal are taken to "restricted funds". Voluntary income required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction. Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

**Expenditure**

Expenditure is accounted for on an accruals basis as soon as a liability is considered probable. Expenditure is allocated to functional headings, which aggregate all costs relating to the category on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

**Investment Income**

Investment income from dividends, property funds, bank balances and fixed interest securities is accounted for on an accruals basis. Income from investment properties is accounted for in the period to which the rental income relates.

**Tangible fixed assets**

All fixed assets are initially recorded at cost. It is the policy of the School to review all expenditure over £5,000 and capitalise where necessary and appropriate.

Depreciation is provided on all assets except freehold land based on the historical cost less the estimated residual value of the asset based on current market prices at the end of its useful economic life. Depreciation is provided at the following rates:

Freehold buildings	-	over 50 years
Freehold improvements	-	over 15-50 years
Fixtures, fittings and equipment	-	over 3 to 5 years
Motor vehicles	-	over 5 years

**Investment assets**

Investment properties are shown at professional estimates of open market value made by Jones Lang LaSalle, Chartered Surveyors, as at 31 August 2019. Any deficit or surplus is included in endowments.

Listed investments other than property are included at their bid price at the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020 (continued)**

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**1. ACCOUNTING POLICIES (continued)**

Any surplus or deficit on the sale of investment assets included in the Statement of Financial Activities is calculated by reference to the market value at the opening balance sheet date of the property sold.

Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

**Fund accounting**

The charitable trust funds of the School are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's objectives or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

Permanent endowment arises where a donor intends the gift to be retained permanently for use by the School (eg freehold land) or for its financial benefit (ie by investment).

Expendable endowment funds are accounted for similarly, except that all capital can be converted to income for spending either at the Governors' own discretion or else upon the happening of some event contemplated by the donor (eg annual depreciation charges on a building or other wasting asset retained for use by the School on a continuing basis – ie as a fixed asset).

**Pension schemes**

The School contributes to the defined benefit scheme for teaching staff which is run by Teachers' Pensions. The Teachers' Pension Scheme (TPS) is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 5, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The School participates in Series 1, 2 and 3 of The Pensions Trust Growth Plan (the Plan). This is a multi-employer pension plan, which is funded and is not contracted out of the State's scheme. The Plan's assets are co-mingled for investment purposes, and benefits are paid out of the total assets. It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS 102 represents the employer

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020 (continued)**

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**1. ACCOUNTING POLICIES (continued)**

contribution payable. Further details of the scheme are set out in Note 5 and details of a contingent liability in respect of these contributions is set out in Note 16. This pension scheme is in deficit and the School is committed to making contributions towards this deficit. In accordance with FRS 102 the total of the deficit payments are included as a liability within the financial statements. Other than the deficit contribution no ongoing employer contributions are being made to these Series of the Pensions Trust Growth Plan.

The School contributes to Series 4 of the Pensions Trust Growth Plan, a defined contribution scheme for certain other support staff. The assets of the scheme are held separately from those of the School. The annual contributions payable are charged to the Statement of Financial Activities as they become payable.

The School is also liable for payments to employees who joined a defined benefit scheme in operation between 1979 and 1984. This was a non-contributory ex gratia retirement pension and was available to full time support staff who joined the Scheme by 1984 and have continued in service at the School until the normal retirement age. No contributions are made by the employee or the School during the period of service, but the School is liable for ex gratia pension payments if any employees meet the retirement criteria.

**Debtors**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**Cash at Bank and in Hand**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 3 months.

**Liabilities and Provisions**

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020 (continued)**

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**1. ACCOUNTING POLICIES (continued)**

**Financial Instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the School after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

**Critical Accounting Estimates and Areas of Judgement**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are the revaluations of investment properties.

**2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE**

	2020 £	2019 £
<b>The School's fee income comprised:</b>		
Gross fees	10,134,691	10,545,974
Less: Total scholarships, bursaries and allowances	(1,227,625)	(1,053,056)
	<u>8,907,066</u>	<u>9,492,918</u>
Add back: Bursaries etc paid for by restricted funds	152,607	144,014
	<u>9,059,673</u>	<u>9,636,932</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**3. INVESTMENT INCOME**

	2020	2020	2020	2020	2019
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total	Total
	£	£	£	£	£
Property income	100,205	-	-	100,205	93,436
Interest receivable	28,279	-	-	28,279	39,170
Income from investments	207,027	19,266	-	226,293	333,700
	<u>335,511</u>	<u>19,266</u>	<u>-</u>	<u>354,777</u>	<u>466,306</u>

Of the total unrestricted investment income £307,232 (2019: £401,448) arose from permanently endowed assets. There are no restrictions placed on the income generated from any of the permanently endowed assets.

**4. ANALYSIS OF TOTAL EXPENDITURE**

	Staff Costs	Depreciation	Other	2020	2019
	£	£	£	£	£
<b>Raising funds:</b>					
Financing costs	-	-	35,950	35,950	38,112
Investment management	-	-	151,960	151,960	108,284
Fundraising costs	-	-	(3,349)	(3,349)	25,942
Total costs of raising funds	<u>-</u>	<u>-</u>	<u>184,561</u>	<u>184,561</u>	<u>172,338</u>
<b>Charitable expenditure:</b>					
Teaching	5,051,859	191,502	479,971	5,723,332	5,523,555
Welfare	74,506	-	462,065	536,571	652,001
Premises	386,253	387,198	1,040,916	1,814,367	1,506,193
Support and governance	594,953	-	452,975	1,047,928	996,707
Grants, awards and prizes	-	-	171,949	171,949	153,376
	<u>6,107,571</u>	<u>578,700</u>	<u>2,607,876</u>	<u>9,294,147</u>	<u>8,831,832</u>
<b>Total Expended</b>	<u>6,107,571</u>	<u>578,700</u>	<u>2,792,437</u>	<u>9,478,708</u>	<u>9,004,170</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**4. ANALYSIS OF TOTAL EXPENDITURE (continued)**

<b>Grants, awards and prizes</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>From Restricted Funds:</b>		
Bursaries and other grants and awards	152,607	144,014
Prizes and leaving awards	4,125	3,450
Other costs	15,217	5,912
	<u>171,949</u>	<u>153,376</u>

<b>Staff costs comprise:</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	4,782,326	4,543,443
Defined contribution pension scheme employer's contributions	53,943	46,908
Defined benefit pension scheme operating costs	800,711	548,324
Social Security	470,591	449,666
	<u>6,107,571</u>	<u>5,588,341</u>

No Governors received any remuneration or other benefits from the School or from any connected body during the year.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Aggregate employee benefits of key management personnel	<u>693,001</u>	<u>516,620</u>

Employee benefits include wages and salaries, social security and employer's pension contributions, and other benefits in kind.

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**4. ANALYSIS OF TOTAL EXPENDITURE (continued)**

The average total number of staff employed during the year was 140 (2019: 143). The average number of full time equivalent staff employed during the year was 109 (2019:112):

	2020	2019
Teaching	75	76
Welfare	2	1
Premises	6	6
Support	26	29

	2020	2019
Number of higher paid employees in bands of:		
£140,001 to £150,000	1	1
£90,001 to £100,000	1	-
£70,001 to £80,000	-	2
£60,001 to £70,000	3	1

The total amount relating to termination payments during the year was £44,000 (2019: £26,664). These amounts relate to agreements made with employees to end employment contracts.

Mr David Smart who was a Governor until his retirement on 5 December 2019 was also a minor shareholder (less than 1%) of Smith & Williamson Holdings Ltd which owns Smith & Williamson Investment Management LLP ('Smith & Williamson'). At the beginning of the year the balance of investments under the management of Smith & Williamson was £4,443,439. In October 2019 the School changed its investment manager following a competitive tender from Quilter Cheviot Ltd and the investments were transferred to a nominee account with the new manager. During the year £14,078 (2019: £21,820) was paid by the School for investment management charges to Smith & Williamson.

No emoluments were paid to the Governors in respect of their services during the year, nor have they received any other form of disclosable trustee benefit (2019:£Nil). The Company provided indemnity insurance for Governors, the cost of which was included as part of the overall insurance premium for the year. During the year the Governors received £2,198 for reimbursement of training and travel expenses (2019: £2,765).

Administration costs include:	2020	2019
	£	£
Depreciation - owned assets	578,700	386,273
Auditors' remuneration	9,360	9,146
Auditors' non-audit remuneration	1,130	1,158

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020 (continued)**

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**5. PENSION COSTS**

There are several pension schemes open to certain employees of the School which include the Teachers' Pension Scheme for teaching staff and other schemes as detailed in Note 1.

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £800,520 (2019: £548,324) and at the year-end £98,015 (2019: £73,439) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

**QUEEN ELIZABETH'S HOSPITAL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020 (continued)**

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Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

**Defined contribution scheme**

The School also contributes to a defined contribution scheme for support staff, as detailed in Note 1.

Total employer contributions to the scheme for the year amounted to £52,857 (2019: £46,908).

In 2012, following a ruling by the Supreme Court, The Pensions Trust Growth Plan Series 3 was reclassified as a defined benefit scheme alongside Series 1 and 2; Series 4 remains a defined contribution scheme and further disclosure is given below.

**The Pensions Trust Growth Plan**

The School participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay further additional contributions from 1 April 2019 to 31 January 2025 (unless a concession has been agreed with the Trustee).

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

The recovery plan currently requires that from 1 April 2019, additional annual contributions of £12,763 are made over the term of the recovery plan. The additional contributions will increase on 1 April each year by 3% per annum compound. This liability has been recognised in the financial statements. The amount due at 31 August 2020 is £61,050 (2019: £72,764).

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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020 (continued)**

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**5. PENSION COSTS (continued)**

**The Pensions Trust (Scottish Voluntary Sector Pension Scheme)**

The School no longer participates in The Pension Trust (Scottish Voluntary Pension Scheme), but continues to make contributions to the scheme as part of a recovery plan. The amount due at 31 August 2020 is £48,656 (2019: £55,850). This liability has been recognised in the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**6. TANGIBLE FIXED ASSETS**

	Freehold Land £	Freehold Building £	Freehold Improvement £	Fixtures, fittings Equipment £	Motor Vehicles £	Total £
Cost	180,020	7,336,003	3,955,753	1,555,648	99,633	13,127,057
As at 1 September 2019						
Additions	-	-	419,468	155,517	-	574,985
Transfers	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
As at 31 August 2020	180,020	7,336,003	4,375,221	1,711,165	99,633	13,702,042
Depreciation						
As at 1 September 2019	-	1,565,244	735,173	918,382	99,633	3,318,432
Charge for year	-	146,720	240,478	191,502	-	578,700
Disposals	-	-	-	-	-	-
As at 31 August 2020	-	1,711,964	975,651	1,109,884	99,633	3,897,132
Net Book Value						
At 31 August 2020	180,020	5,624,039	3,399,570	601,281	-	9,804,910
At 31 August 2019	180,020	5,770,759	3,220,580	637,266	-	9,808,625

**CAPITAL COMMITMENTS**

As at the year end the School had no capital commitments (2019: £0.2 million).



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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**7. FIXED ASSET INVESTMENTS**

	Property investments £	Securities investments £	Total £
Market value at 1 September 2019	3,157,527	7,785,699	10,943,226
Costs of maintaining the endowed funds	-	(46,001)	(46,001)
Change in market value	70,000	237,327	307,327
	<u>          </u>	<u>          </u>	<u>          </u>
Market value at 31 August 2020	3,227,527	7,977,025	11,204,552
	<u>          </u>	<u>          </u>	<u>          </u>
Historical cost	1,098,127	6,759,705	7,547,832
	<u>          </u>	<u>          </u>	<u>          </u>

Securities investments comprise:	<b>Value</b>
	£
Quilter Cheviot Portfolio	7,970,172
Investments held with Smith & Williamson	6,851
Investment in subsidiary, QEH International Schools Limited	2
	<u>          </u>
	7,977,025
	<u>          </u>

The school holds 100% of the issued capital of QEH International Schools Limited (Company Number: 10665787). The company did not trade during the year to 31 August 2020.

**8. DEBTORS**

	2020 £	2019 £
Fees receivable	1,229	95
Other debtors	6,001	4,455
Prepayments and accrued income	130,768	113,221
	<u>          </u>	<u>          </u>
	137,998	117,771
	<u>          </u>	<u>          </u>

**QUEEN ELIZABETH'S HOSPITAL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**9. CREDITORS: Amounts falling due within one year**

	2020	2019
	£	£
Fees in advance	1,492,257	1,711,553
Sundry creditors and accruals	960,467	893,593
Taxation & Social Security	119,983	114,199
Bank loan	50,739	47,973
	<u>2,623,446</u>	<u>2,767,318</u>

**10. CREDITORS: Amounts falling due after more than one year**

	2020	2019
	£	£
Sundry creditors and accruals (1-2 years)	20,708	20,708
Sundry creditors and accruals (2-5 years)	58,973	72,325
Sundry creditors and accruals (over 5 years)	9,318	15,476
Deferred income (1-2 years)	1,272	1,272
Deferred income (2-5 years)	3,817	3,817
Deferred income (over 5 years)	137,427	138,700
Bank loan (1-2 years)	53,224	50,739
Bank loan (2-5 years)	175,556	167,402
Bank loan (over 5 years)	444,231	505,609
	<u>904,526</u>	<u>976,048</u>

The School took out an unsecured bank loan for £900,000 with Lloyds Bank to assist in the funding of the new science and art facility. The 15 year loan was drawn down during the year to 31 August 2016 on a floating basis at an interest rate set at 2% over bank base rate. The loan was converted to a fixed rate loan at a 4.82% interest rate on 1 September 2016.

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**10. CREDITORS: Amounts falling due after more than one year (continued)**

**DEFERRED INCOME**

	£
Deferred income at 1 September 2019	1,931,063
Resources deferred during the year	1,530,072
Amounts released from previous years	(1,787,273)
	<u>1,673,862</u>
Deferred income at 31 August 2020	<u>1,673,862</u>

Deferred income includes fees received in advance, monies received for trips taking place after the year end and income received in advance in respect of a property.

**11. FINANCIAL INSTRUMENTS**

	2020 £	2019 £
<b>Financial assets measured at fair value through income and expenditure</b>		
Securities investments	7,977,025	7,785,699
<b>Financial assets measured at amortised cost</b>		
Fees receivable	1,229	95
Other debtors	6,001	4,455
Cash and deposits	6,771,484	6,668,688
	<u>6,778,714</u>	<u>6,673,238</u>
<b>Financial liabilities measured at amortised cost</b>		
Sundry creditors and accruals	867,862	468,168
Bank loan	723,750	771,723
	<u>1,591,612</u>	<u>1,239,891</u>

The fair values of the assets and liabilities held at fair value through income and expenditure at the balance sheet date are determined using quoted prices.

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

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**12. ENDOWMENTS**

	£
Balance at 1 September 2019	10,734,139
Change in market value	298,186
Transfer from unrestricted fund	53,260
Costs of maintaining the endowed funds	(44,229)
	<hr/>
Balance at 31 August 2020	11,041,356
	<hr/>

Pre-incorporation the Permanent Endowment Fund assets were invested in the name of the Trustees of Bristol Charities and managed by them on behalf of the School. The Trustees were bound to pay the net income generated by the assets to the Governors of the School to be used in accordance with the stated objectives. Following the incorporation of the School, the permanent endowment was transferred to QEH Trust. As the assets form a permanent endowment the Governors have no access to the capital of the fund without permission from the Charity Commission.

In the financial year 2006-2007, the Charity Commission agreed that QEH Trust trustees could spend £1,065,207 of the permanent endowment fund converting the charity's property to provide enhanced accommodation. The Charity must replace the sum by setting aside £53,260 each year until 31 August 2026 to be invested as part of the charity's permanent endowment fund.

Movements in the year were as follows:

	£
Balance at 1 September 2019	372,827
Amount repaid in the year	(53,260)
	<hr/>
Balance remaining at 31 August 2020	319,567
	<hr/>

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**13. RESTRICTED FUNDS**

	As at 1 September 2019 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	As at 31 August 2020 £
Josella Trust	31,140	-	-	(31,140)	-
John James Prize Fund	12,028	3,222	-	-	15,250
John James Gift	746	30,000	(30,746)	-	-
Bursary Fund	734,212	131,061	(97,190)	149,732	917,815
QEH Old Boys' Benevolent Fund	317,810	8,715	(26,667)	7,368	307,226
Scholarship, Bursary & Prize Fund	-	9,094	(17,346)	104,965	96,713
Other funds	223,557	-	-	(223,557)	-
	<u>1,319,493</u>	<u>182,092</u>	<u>(171,949)</u>	<u>7,368</u>	<u>1,337,004</u>

	As at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	As at 31 August 2019 £
Josella Trust	29,314	1,826	-	-	31,140
John James Prize Fund	10,714	3,781	(2,467)	-	12,028
John James Gift	2,294	30,000	(31,548)	-	746
Bursary Fund	407,026	402,346	(75,160)	-	734,212
QEH Old Boys' Benevolent Fund	-	346,622	(28,812)	-	317,810
Other funds	201,065	37,881	(15,389)	-	223,557
	<u>650,413</u>	<u>822,456</u>	<u>(153,376)</u>	<u>-</u>	<u>1,319,493</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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The John James Prize Fund is to be used for awards to pupils or projects at the Headmaster's discretion.

The John James Gift represents specific funds received for the awarding of bursaries during the year.

The Bursary Fund represents funds received from fundraising activities restricted to providing bursaries.

The QEH Old Boys' Benevolent Fund is to be used for:

- (a) The relief of poverty through the provision of:
  - (i) Grants to former scholars of QEH and their dependents in cases of need;
  - (ii) Bursaries and other grants to individual pupils at QEH or on leaving QEH, when need arises;
- (b) The advancement of education in particular through the provision of:
  - (i) Bursaries, prizes and other grants to individual pupils at, or after leaving, QEH;
  - (ii) Funds for specific projects of a charitable nature.

The Scholarship, Bursary and Prize Fund is to be used to further the education of pupils attending Queen Elizabeth's Hospital by the provision of scholarships, bursaries and prizes.

Where restricted funds have been used to purchase fixed assets a transfer has been made from restricted to unrestricted as the restriction placed on the funds by the donor have been satisfied.

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Endowment Funds £</b>	<b>Total £</b>
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	9,804,910	-	-	9,804,910
Securities investments	2	307,227	7,669,796	7,977,025
Property investments	-	-	3,227,527	3,227,527
Current assets	5,735,672	1,029,777	144,033	6,909,482
Liabilities	(3,527,972)	-	-	(3,527,972)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	12,012,612	1,337,004	11,041,356	24,390,972
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

	<b>Linked Charities QEH £</b>	<b>QEH SBP £</b>	<b>QEH Trust £</b>	<b>Total £</b>
Fund balances at 31 August 2020 Analysed between the linked charities				
Tangible fixed assets	9,804,910	-	-	9,804,910
Securities investments	307,229	371,950	7,297,846	7,977,025
Property investments	-	-	3,227,527	3,227,527
Current assets	6,668,736	96,713	144,033	6,909,482
Liabilities	(3,527,972)	-	-	(3,527,972)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	13,252,903	468,663	10,669,406	24,390,972
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**QUEEN ELIZABETH'S HOSPITAL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)**

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Endowment Funds</i>	<i>Total</i>
	£	£	£	£
<i>Fund balances at 31 August 2019 are represented by:</i>				
<i>Tangible fixed assets</i>	9,808,625	-	-	9,808,625
<i>Securities investments</i>	2	299,858	7,485,839	7,785,699
<i>Property investments</i>	-	-	3,157,527	3,157,527
<i>Current assets</i>	5,676,051	1,019,635	90,773	6,786,459
<i>Liabilities</i>	(3,743,366)	-	-	(3,743,366)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total net assets</i>	11,741,312	1,319,493	10,734,139	23,794,944
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

	<i>Linked Charities QEH</i>	<i>QEH SBP</i>	<i>QEH Trust</i>	<i>Total</i>
	£	£	£	£
<i>Fund balances at 31 August 2019</i>				
<i>Analysed between the linked charities</i>				
<i>Tangible fixed assets</i>	9,808,625	-	-	9,808,625
<i>Securities investments</i>	299,860	363,029	7,122,810	7,785,699
<i>Property investments</i>	-	-	3,157,527	3,157,527
<i>Current assets</i>	5,676,051	1,019,635	90,773	6,786,459
<i>Liabilities</i>	(3,743,366)	-	-	(3,743,366)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<i>Total net assets</i>	12,041,170	1,382,664	10,371,110	23,794,944
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**15. NOTES TO CASH FLOW STATEMENT**

**a) Reconciliation of net incoming resources to net cash flow from operating activities**

	2020 £	2019 £
Net income/expenditure for the reporting period (as per the statement of financial activities)	596,028	2,092,493
Depreciation charges	578,700	386,273
Disposal of Fixed Assets	-	12,681
Dividends, interest and rents from investments	(326,498)	(401,446)
(Increase)/decrease in debtors	(20,228)	56,811
Increase/(decrease) in creditors	(167,421)	260,723
Endowment costs	44,229	21,820
Interest on loans	35,950	38,112
Gains on investments	(305,554)	(67,114)
	<u>435,206</u>	<u>2,400,353</u>
<b>Net cash inflow from operating activities</b>	<u>435,206</u>	<u>2,400,353</u>

**b) Analysis of net funds**

	At 1 September 2019 £	Cash flow £	At 31 August 2020 £
Cash at bank	6,668,688	102,796	6,771,484
	<u>6,668,688</u>	<u>102,796</u>	<u>6,771,484</u>

	2020 £	2019 £
<b>c) Analysis of cash and cash equivalents</b>		
Cash in hand	2,178,988	2,086,751
Notice deposits (less than 3months)	4,592,496	4,581,937
	<u>6,771,484</u>	<u>6,668,688</u>
<b>Total cash and cash equivalents</b>	<u>6,771,484</u>	<u>6,668,688</u>

**QUEEN ELIZABETH'S HOSPITAL**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 August 2020 (continued)**

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**16. OPERATING LEASE COMMITMENTS**

At 31 August 2020 the aggregate of the School's future minimum lease payments under non-cancellable operating leases was:

	<b>2020</b>	<b>2019</b>
	£	£
<b>Amounts payable:</b>		
Within 1 year	6,339	6,339
Between 1 and 5 years	17,961	24,300
	<hr/>	<hr/>
Total	24,300	30,639
	<hr/>	<hr/>

**17. CONTINGENT LIABILITY**

The School has a contingent liability which has not been provided for in these accounts in relation to the Pensions Trust Growth Plan described in Note 5. This liability would crystallise only if the School withdrew from the Growth Plan or if the Plan was to be wound up with no participants.

The School continues to offer membership of the Plan to its employees and as at the balance sheet date there were 43 (2019: 41) active members of the Plan employed by the School. There is no current intention to leave the Plan and trigger the contingent liability.

The Pensions Trust has estimated that, if the School ceased to participate in the Plan as at 30 September 2019, the School would have to pay £196,926 including Series 3 liabilities (September 2018: £197,219) based on the financial position of the plan and the employers that, as at that date, were relevant employers.

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**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 August 2020 (continued)

**18. 2019 STATEMENT OF FINANCIAL ACTIVITIES**

<i>Notes</i>	<i>Unrestricted Funds £</i>	<i>Restricted Funds £</i>	<i>Endowment Funds £</i>	<i>Total 2019 £</i>
<b><i>Income and endowments from:</i></b>				
<b><i>Voluntary sources</i></b>				
Grants and donations	8,821	796,768	-	805,589
<b><i>Charitable activities</i></b>				
School fees receivable	9,636,932	-	-	9,636,932
Ancillary trading income	832	-	-	832
<b><i>Other trading activities</i></b>				
Other activities – sundry letting	29,990	-	-	29,990
<b><i>Investments</i></b>				
Investment income	401,448	25,688	-	427,136
Bank and other interest	39,170	-	-	39,170
<b><i>Other</i></b>				
Profit/(loss) on sale of fixed assets	-	-	89,900	89,900
<b><i>Total income and endowments</i></b>	<u>10,117,193</u>	<u>822,456</u>	<u>89,900</u>	<u>11,029,549</u>
<b><i>Expenditure on:</i></b>				
<b><i>Raising funds</i></b>				
Financing costs	38,112	-	-	38,112
Investment management	86,464	-	21,820	108,284
Fundraising costs	25,942	-	-	25,942
<b><i>Total deductible costs</i></b>	<u>150,518</u>	<u>-</u>	<u>21,820</u>	<u>172,338</u>
<b><i>Charitable activities</i></b>				
Education and grant making	8,678,456	153,376	-	8,831,832
<b><i>Total expenditure</i></b>	<u>8,828,974</u>	<u>153,376</u>	<u>21,820</u>	<u>9,004,170</u>
<b><i>Net income before transfers and investment gains</i></b>	<u>1,288,219</u>	<u>669,080</u>	<u>68,080</u>	<u>2,025,379</u>
Gains on investments	-	-	12,114	12,114
Gains on investment properties	-	-	55,000	55,000
Transfers between funds	(53,260)	-	53,260	-
<b><i>Net movement in funds</i></b>	<u>1,234,959</u>	<u>669,080</u>	<u>188,454</u>	<u>2,092,493</u>
<b><i>Fund balances brought forward</i></b>	<u>10,506,353</u>	<u>650,413</u>	<u>10,545,685</u>	<u>21,702,451</u>
<b><i>Fund balances carried forward</i></b>	<u><u>11,741,312</u></u>	<u><u>1,319,493</u></u>	<u><u>10,734,139</u></u>	<u><u>23,794,944</u></u>