



QUEEN ELIZABETH'S HOSPITAL

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2021

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

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

Financial Statements
for the year ended 31 August 2021

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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:

Governor	Committee Membership at 31 August 2021
Mr P A Keen (Chair of Governors)	A* D* E*
Mrs C Bateson	C
Mrs S E Blanks	C G*
Mr J Buchanan	B F
Mr A J Cherry	B* C F
Mr E J Corrigan	A B D
Mrs S Cosgrove	C
Mr T J Davis	A F*
Mr J Hirst	A G
Mr J A Hollingdale	A G
Mr M C Jones	B E
Mr J E Milne	A C* D G
Mr K Riley	C D
Mr C J Woodford (resigned 3 December 2020)	-
Ms T M Yianni (appointed 17 February 2021)	A

The following committees have been in operation during the year:

- | | |
|---|--|
| A | Finance and Estates Committee |
| B | Governance, Risk and Audit Committee |
| C | Education Committee |
| D | Nominations and Remuneration Committee |
| E | Health and Safety Committee ‡ |
| F | Investment Committee ‡ |
| G | Development and Alumni Relations Committee ‡ |
| | |
| * | Denotes Chair of Committee |
| ‡ | Denotes Sub-Committee of Finance and Estates Committee |

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Key Management Personnel and Professional Advisors

Head:	Mr R D Heathcote BSc
Deputy Head (Academic):	Mr J E Martin MA
Deputy Head (Pastoral):	Mr N J Pursall BA
Head of Junior School:	Mr D M 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:	www.qehbristol.co.uk

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GOVERNORS' REPORT
For the year ended 31 August 2021

The Board of Governors presents its annual report and audited accounts for the year ended 31 August 2021 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 15.

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

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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.

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 normally exceeding 9 years. Nominations for new Governors are considered by the Nominations and Remuneration 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 Head during a familiarisation visit. They are issued with a pack of information including the following:

- The School's Governance Manual, which includes details of Governors' roles and responsibilities, the School's Code of Conduct for Governors, the School's Conflict of Interest policy, the School's Principles of Delegation policy, and Committee terms of reference;
- 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'.

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 three times a year to determine the general policy of the Company and review its overall management and control, for which they are legally responsible.

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Some of the work of implementing the Board's policies is delegated to Committees, which operate under terms of reference and in accordance with the Governors' 'Principles of Delegation' policy, which are approved and regularly reviewed by the Board of Governors. Each Committee normally meets on at least a termly basis and all acts and proceedings of Committees are reported to the Governing Body fully and promptly through Committee minutes.

The Finance and Estates Committee takes delegated responsibility on behalf of the Governing Body for overseeing all financial aspects of the School, working alongside the Bursar so as to ensure the School's short and long-term viability. It also takes delegated responsibility on behalf of the Governing Body for maintaining and developing the School's buildings, plant and vehicles, grounds, gardens, roadways and security; and ensuring compliance with health and safety requirements.

The Education Committee takes delegated responsibility on behalf of the Governing Body to monitor and review the agreed academic, curricular, co-curricular and pastoral provision of the School and make recommendations as appropriate to the Governors.

The Governance, Risk and Audit Committee takes delegated responsibility on behalf of the Governing Body for implementing and advising on the external audit; for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the School is complying with all aspects of the relevant law, regulations and good practice. It also takes delegated responsibility on behalf of the Governing Body for integrating and co-ordinating all aspects of corporate governance, legal and regulatory compliance and risk management to improve the quality of the School's governance arrangements for the purpose of enhancing overall performance.

The Nominations and Remuneration Committee takes delegated responsibility on behalf of the Governing Body for conducting a regular skills audit of the Governing Body, identifying current or potential future gaps, seeking suitable applicants to fill those gaps, and coordinating the appointment process. It also takes responsibility for overseeing the School's remuneration policy for the Head and senior leadership team.

The Health and Safety Committee, which is a sub-Committee of the Finance and Estates Committee, takes delegated responsibility on behalf of the Governing Body for overseeing the School's arrangements for ensuring the health, safety and welfare of its employees, pupils, contractors, members of the public and any others who may be affected by the activities of the school, and for ensuring compliance with the Health and Safety at Work Act 1974 and other relevant health and safety legislation, and with the relevant provisions of the Education (Independent Schools Standards) Regulations 2014.

The Investment Committee, which is a sub-Committee of the Finance and Estates Committee, takes delegated responsibility on behalf of the Governing Body for overseeing the School's investment portfolio and investment properties, including permanent endowment. The Committee advises the

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Governing Body on the performance of the School's investments portfolio and the overall rate of return, and on discharging its duties in line with the School's investment policy.

The Development and Alumni Relations Committee, which is a sub-Committee of the Finance and Estates Committee, takes delegated responsibility on behalf of the Governing Body for overseeing the School's development, alumni relations and fundraising activities.

The day to day running of the School is delegated to the Head and Bursar (who is also Clerk to the Governors and Company Secretary), who in turn allocate responsibilities to the Senior Leadership Team. The Head 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 Head 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 Head 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. The School will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Investment Policy and performance

Investment activities are managed in line with the requirements of the Trustee Act 2000. The Governors have 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.

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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 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.

These objectives were satisfactorily achieved.

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 and actively promote the wellbeing of pupils;
- 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.

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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.

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 means-tested 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 80 pupils (2020: 98 pupils) were awarded means-tested assistance with fees. The cost of this assistance amounted to £584,867 (2020: £556,663), of which £175,271 (2020: £152,607) was funded from restricted funds and donations. 40 pupils received assistance of 50% or more (2020:

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50) and 23 pupils received assistance of 75% or more (2020: 23). This assistance is reassessed every year on a means-tested basis.

Benefit to the local community and use of School facilities

The School remains very active in supporting teacher training and once again trained four PGCE students in partnership with Bristol University. The School also offers an annual conducting workshop for Bristol University PGCE students, putting the expertise of a music teacher, and the school orchestra, at their disposal. Two teachers helped Bristol University to interview their potential PGCE trainee teachers and one has also been involved in giving regular seminars to the trainees.

The School continues to run a successful Duke of Edinburgh programme. There are currently 146 pupils from Year 10 to 13 completing one of the three levels, all of whom will do at least one hour per week of voluntary service in the community for either three, six or twelve months. QEH students completed 1560 hours of voluntary service.

Service to the community has been a key part of the weekly Enrichment programme in the Senior School. Whilst the normal volunteering in local care homes and primary schools 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.

Staff members have offered Oxbridge interview preparation to schools such as St Mary Redcliffe. The School also loans out equipment, such as sports equipment, to help local community events, and makes pitches available to local junior football and rugby club teams.

Several staff also use their coaching skills and qualifications to the benefit of local football and rugby clubs, and also to run clubs in local primary schools.

QEH also 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

Despite the restrictions caused by the pandemic, members of the School community continued to participate in a variety of charitable activities to raise funds for both local and national charities, with much of the fundraising being undertaken by students at home in lockdown. For example the "Shave, Donate, Nominate" campaign led by QEH rugby raised over £1,500, and students and their families joined the school Strava club and raised £2,683 for FareShare Southwest, a food parcel charity.

A number of staff took part in the Movember charity fundraising event by growing moustaches and raised a total of £3,310, making QEH one of the top twenty fundraisers in the charity's UK schools challenge.

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A Year 7 student raised over £3,000 for the Bone Cancer Research Trust by shaving his head in support of his friend, another Year 7 pupil, who was diagnosed with osteosarcoma.

When students returned to school for the Summer term, a 'Ride4Hugo' fundraising day in remembrance of a former student who sadly died in a car accident, raised over £5,000 which was shared between several charities. The day involved a series of sporting challenges, including a 100km cycle ride. At the end of the Summer term Year 9 pupils undertook a series of adventure challenges and raised over £5,000 for Grief Encounter South West. A non-uniform day raised over £900 for the Mike Procter Foundation.

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. During the year the School joined a group of 15 schools, the two Bristol Universities and Bristol City Council in the Bristol Education Partnership. Its aim is to "broaden young people's experience of education, opening up new opportunities and overcoming disadvantage".

One of the School's maths teachers has been working with the students at Barton Hill primary school for two hours each week. He has been supporting their maths learning in small groups and individually. The impact of this has been to stretch the most able and give confidence to the less able. He has also been taking two sixth form pupils to help with maths and reading.

The Deputy Head has been trained as an SLE (Specialist Leader in Education) and is sharing his expertise to help raise standards in local state schools.

Each year the School hosts several A Level maths competitions to which all Bristol schools are invited and a number of state schools attend. The 'Youth Speaks' debating competition in November, with several other local schools invited to participate, was moved to Zoom due to the pandemic.

Economic Impact

The School also brings significant economic benefits to the UK and local economy. On the basis of a model developed by Oxford Economics in conjunction with the Independent Schools Council, the School estimates that during the year ended 31 August 2021 it contributed over £14.9 million to UK GDP and over £9.4 million to the local economy in Bristol. In addition, it supported over 300 UK jobs, including over 200 locally, and supported over £4.4 million of tax payments to the exchequer. It also saved over £4.6 million to the UK taxpayer as a result of attendance at the School by pupils who would otherwise have been eligible to take up a free state school place.

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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 academic, 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 the year the School awarded scholarships to 120 pupils (2020: 124 pupils), to the value of £366,294 (2020: £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 the School places on continuity for families, sibling discounts are offered where parents have more than one child at the School.

STRATEGIC REPORT

Overview

The year was once again significantly affected by the global COVID-19 pandemic. Following the physical closure of the school to most pupils (other than the children of key workers) during the first national lockdown in the summer term 2020, and the provision of virtual education during this period, it was excellent to welcome all pupils and staff back to school for the Autumn Term 2020. Schools, including QEH, remained open during the second national lockdown from 5 November – 2 December 2020.

However, the Government announced in January 2021 that schools in England would be closed from 6 January as part of the third national lockdown and once again most pupils reverted to learning at home via Microsoft Teams, Seesaw and other remote technology, which enabled live lessons to be provided by the School's teaching staff. The School remained open each day for the children of key workers. The whole school community again responded exceptionally well to the challenge of operating a virtual school and thanks are due to all staff, pupils and parents for their support.

All pupils were able to return physically to school on 8 March 2021 following the Government's decision to resume in-school education for pupils in England from that date.

The School implemented a number of measures to reduce the risk of transmission of the COVID-19 virus, in line with public health guidance and the School's own risk assessment. These resulted in some restrictions in various aspects of school life, and significant disruption to the educational programme for many pupils, particularly in the summer term 2021 when many pupils had to self-isolate for periods

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of time either because they had tested positive for the virus themselves or were close contacts of people who had tested positive.

Despite the restrictions and disruption caused by the pandemic, the School continued to offer a 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 8, were met.

The Governors would like to record their thanks to all staff, pupils and parents for their support during this difficult period.

Pupil Numbers and Fees

Pupil numbers at the start of the academic year were 672 in the Senior School and 109 in the Junior School.

Termly fees were maintained at the same level as the previous year and were:

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

Financial Result

Net incoming resources for the year, before transfers and investment gains, were £714,379 (2020: £290,474). Net fee income was affected by the COVID-19 pandemic due to a decision to provide a partial fee rebate of 15% of net fees to parents for the Spring Term 2021, when the school remained physically closed to the majority of pupils to whom education was provided through remote technology. In addition, the decision to maintain fees at the prior year levels and not to increase them by inflation, in recognition of the financial pressures on parents caused by the pandemic, and to provide additional bursaries to support pupils whose parents' income was significantly affected by the pandemic, also impacted net fee income. 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 year was another challenging one for the School's extra-curricular programme, with no audiences permitted and restrictions on playing and singing in large groups.

With all events needing to be filmed, recorded, edited and posted online, the appointment of the School's first Music Assistant proved to be very successful, with her expertise in technology providing

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vital support to the department's virtual productions of the usual concerts, as well as a weekly lunchtime concert throughout the year.

The Autumn term started with the usual house music solos weekly concerts. With limited time available all students not involved in the lunchtime concert were invited to upload a performance and send it in virtually, resulting in an impressive 165 entrants. The Autumn concert offered a number of smaller ensembles the opportunity to perform as well as the school choir which was a huge undertaking, due to the limited number allowed to sing at one time. Open Mic Night also went ahead and saw the usual mix of bands and solo performances from all years of the school. The usual flurry of Christmas events at the end of term was replaced with the '12 Days of Christmas' which saw a festive musical item being released on each of the last 12 days of term. This culminated in a shortened Carol Service to end the term which included a couple of sing-a-long carols for the whole school to join in with.

During the Spring term the weekly Lockdown Lunchtime Concert programme was kept running throughout lockdown, courtesy of the many students who sent in performances from home. Choir rehearsals were possible in the last two weeks of term for the Charter Day service.

The Summer term included the delayed Musician of the Year and House Music Finals which were again filmed and posted online. The efforts of all students involved in both of these events are to be commended as rehearsals (for the house choirs especially) were particularly disrupted and a real challenge to film and record whilst keeping the bubbles separate. The Junior Music Showcase was the final offering of the year and offered the opportunity for some of the junior ensembles and class items to be watched and enjoyed by all.

Drama

It has been a challenging year for the arts in the wider community, and drama departments in schools and colleges around the country have had difficult decisions to make.

The drama department was determined to offer the usual three productions, one each term, aimed at different year groups. At Christmas, a filmed version of Bugsy Malone was made with year 10-13 students. At Easter an audio version of The Tempest was produced with years 7-9 and in the Summer term there was a filmed production of Emil and the Detectives with years 7-9.

Drama club went online during lockdown and then in person once school re-opened, and GCSE and A Level exam performances went ahead without an audience. Also during lockdown students wrote and recorded monologues and short scenes as part of the School's extra-curricular provision.

Drama students have missed out on workshops with actors and theatre visits which are so important for their courses. Whilst there have been some wonderful plays to see online, it is not the same as seeing live performance, and trips and workshops are planned for the next academic year.

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Sport

The pandemic had a huge influence on sport for the whole academic year.

In the Autumn term normal competitive fixtures with other schools did not take place. As a result summer sports were played for the first half term. The boys played cricket with House matches on some Saturdays and there were other summer activities such as tennis. There was also some mixed hockey, which was enjoyed by all.

After half term a combination of touch rugby, football and hockey took place, with some Saturday House competitions and a very successful mixed sixth form touch rugby tournament.

When school resumed in March 2021 the winter sports programme of touch rugby, football and hockey resumed.

Early in the Summer term some fixtures with other schools took place, including a Year 13 event with Cathedral School Llandaff. Touch rugby and football for the boys and hockey and netball for the girls were followed by a barbeque.

Local cricket fixtures returned for a few weeks when some local travel resumed in bubbles. The 1st XI were unbeaten but unfortunately the senior season was curtailed after half term due to disruption caused by pupils self-isolating.

Sports day returned at the end of June on a glorious summer day, but without parents attending. The rolling programme throughout the day was very enjoyable.

Outdoor Activities

Another year of disruption meant that after the initial Ten Tors training day in December the rest of the training programme stopped, and the event was then cancelled.

However, with many other options available in the Outdoor Pursuits programme, students were once again able to enjoy all that was on offer. The Duke of Edinburgh programme continues to go from strength to strength and, with a backlog of expeditions, the Summer term saw several expeditions to Dartmoor and Exmoor at a range of levels. In the final week of term 115 students across 4 year groups completed their Bronze, Silver and Gold expedition sections on Exmoor. Many students were involved in a variety of Duke of Edinburgh activities, with home gyms created and plenty of opportunities for volunteering in the local community. In total, QEH students completed 1560 hours of voluntary service.

The Enrichment programme continued in the Autumn and Summer terms and once again students were lighting fires in Belmont Woods, cooking in the expedition store gardens and mountain biking in Ashton Court.

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

GOVERNORS' REPORT
For the year ended 31 August 2021

Elizabethan Society and Friends of QEH

The School maintains close links with its alumni and the Friends of QEH, 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.

Fundraising Performance

During the year the School raised £176,662 (2020: £169,186) through gifts and donations.

Investment Performance

Investment income for the year was £372,985 (2019: £354,777). See Note 3 to the Financial Statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The School maintains a Risk Management Register which is reviewed annually by the Governing Body and the Senior Leadership Team.

As part of the regular review 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 Spring Term 2021 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 pandemic, 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.

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GOVERNORS' REPORT
For the year ended 31 August 2021

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 Leadership Team and subject to detailed scrutiny by Governors. Progress against this plan is monitored continually by the Senior Leadership Team and termly by Governors.

4. Affordability

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

QUEEN ELIZABETH'S HOSPITAL
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GOVERNORS' REPORT
For the year ended 31 August 2021

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 Governing Body and its Committees
- 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.

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 2022 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
- 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.

The parents of pupils have the assurance that the income of the School, as a charity, must be applied for educational purposes. The charitable status permits a tax exemption on educational activities and on investment income and gains, provided these are applied for charitable aims. As a charity, the School is also entitled to an 80% reduction on business rates on the property occupied for charitable purposes. The financial benefits received from this tax exemption are all applied for educational purposes and indirectly help to maintain the School's bursary provision.

QUEEN ELIZABETH'S HOSPITAL
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GOVERNORS' REPORT
For the year ended 31 August 2021

However, as an educational charity, the School is unable to reclaim VAT input tax on costs as it is exempt for VAT purposes. The School also pays taxes as an employer through national insurance contributions.

In addition to the very substantial benefits the School brings to its pupils, the local community and society through the education offered, it provides education 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 redevelopment of the 'Pit' entrance area at the School, the replacement of 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.

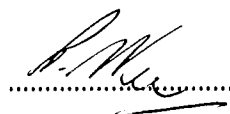
Reserves and Financial Health

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

The School's unrestricted funds stood at £12,713,329 at the year end, of which £9,326,103 represented funds deployed as part of the School's fixed assets, leaving £3,387,226 (2020: £2,207,702) as free reserves. The School also held £12,686,703 in Endowment Funds and £1,393,388 in Restricted Funds. It is anticipated that approximately £518,000 of the Restricted Funds will be applied in future years to support pupils currently at the School. 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 2 December 2021.

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES
for the year ended 31 August 2021

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.

QUEEN ELIZABETH'S HOSPITAL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUEEN ELIZABETH'S HOSPITAL
for the year ended 31 August 2021

OPINION

We have audited the financial statements of Queen Elizabeth's Hospital (the School) for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 School's affairs as at 31 August 2021 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the School in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

QUEEN ELIZABETH'S HOSPITAL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUEEN ELIZABETH'S HOSPITAL
for the year ended 31 August 2021

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 Auditors' 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.

OPINION 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have 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 School 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 we to report to you if, in our opinion:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUEEN ELIZABETH'S HOSPITAL
for the year ended 31 August 2021

RESPONSIBILITIES OF GOVERNORS

As explained more fully in the Governors' Responsibilities statement, the Governors 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 Governors 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 School'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 Governors either intend to liquidate the School or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Identifying and assessing potential risks related to irregularities

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have considered the nature of the sector, control environment and financial performance of the School;
- We have considered the results of enquiries with management and Governors, including the committees charged with governance over the School's finance and control, in relation to their own identification and assessment of the risk of irregularities within the entity;
- We have considered any matters we identified having obtained and reviewed the School's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks or fraud or noncompliance with laws and regulations;

QUEEN ELIZABETH'S HOSPITAL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUEEN ELIZABETH'S HOSPITAL
for the year ended 31 August 2021

- We have considered the matters discussed among the audit engagement team and involving relevant internal independent schools specialists regarding how and where fraud might occur in the financial statements and any potential indications for fraud;
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the highest area of risk to be in relation to revenue recognition, with a particular risk in relation to year-end cut off. In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained understanding of the legal and regulatory frameworks that the School operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Charities Act 2011, Charity SORP 2019 and FRS 102. In addition, we considered the provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the School's ability to operate or avoid a material penalty. These included data protection regulations, health and safety regulations and employment legislation.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing committee meeting minutes;
- Enquiring of Governors and management in relation to actual and potential claims or litigations;
- Performing detailed transactional testing in relation to the recognition of revenue with a particular focus around year-end cut off; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgments made in accounting estimates are indicative of potential bias; and evaluating the business rationale of significant transactions that are unusual or outside the normal course of business.

We also communicated identified laws and regulations and potential fraud risks to all Governors of the engagement team and remained alert to possible indicators of fraud or non-compliance with laws and regulations throughout the audit.

QUEEN ELIZABETH'S HOSPITAL
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUEEN ELIZABETH'S HOSPITAL
for the year ended 31 August 2021

As a result of the inherent limitations of an audit, there is a risk that not all irregularities, including a material misstatement in financial statements or non-compliance with regulation, will be detected by us. The risk increases the further removed compliance with a law and regulation is from the events and transactions reflected in the financial statements, given we will be less likely to be aware of it, or should the irregularity occur as a result of fraud rather than a one off error, as this may involve intentional concealment, forgery, collusion, omission or misrepresentation.

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

10/12/2021

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

STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
for the year ended 31 August 2021

	<i>Notes</i>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
Income and endowments from:						
Voluntary sources						
Grants and donations		9,686	166,976	-	176,662	169,186
Charitable activities						
School fees receivable	2	9,992,443	-	-	9,992,443	9,059,673
Ancillary trading income		-	-	-	-	370
Other trading activities						
Sundry letting		21,090	-	-	21,090	32,926
Investments						
Investment income	3	344,692	21,634	-	366,326	326,498
Bank and other interest	3	6,659	-	-	6,659	28,279
Other						
Other income	4	18,908	-	-	18,908	152,250
Total income and endowments		10,393,478	188,610	-	10,582,088	9,769,182
Expenditure on:						
Raising funds						
Financing costs		33,568	-	-	33,568	35,950
Investment management		63,242	1,835	46,470	111,547	151,960
Fundraising costs		-	-	-	-	(3,349)
Total deductible costs		96,810	1,835	46,470	145,115	184,561
Charitable activities						
Education and grant making		9,542,691	179,903	-	9,722,594	9,294,147
Total expenditure	5	9,639,501	181,738	46,470	9,867,709	9,478,708
Net income before transfers and investment gains		753,977	6,872	(46,470)	714,379	290,474
Gains on investments		-	49,512	1,258,557	1,308,069	235,554
Gains on investment properties		-	-	380,000	380,000	70,000
Transfers between funds	13	(53,260)	-	53,260	-	-
Net movement in funds		700,717	56,384	1,645,347	2,402,448	596,028
Fund balances brought forward		12,012,612	1,337,004	11,041,356	24,390,972	23,794,944
Fund balances carried forward		12,713,329	1,393,388	12,686,703	26,793,420	24,390,972

The notes on pages 29-53 form part of these financial statements

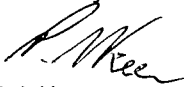
QUEEN ELIZABETH'S HOSPITAL
(A company limited by guarantee)

Company No. 5164477
BALANCE SHEET
as at 31 August 2021

	<i>Notes</i>	2021	2020
Fixed assets		£	£
Tangible assets	7	9,326,103	9,804,910
Securities investments	8	9,433,310	7,977,025
Property investments	8	3,607,527	3,227,527
		<hr/>	<hr/>
		22,366,940	21,009,462
		<hr/>	<hr/>
Current assets			
Debtors	9	89,311	137,998
Cash and deposits		7,776,274	6,771,484
		<hr/>	<hr/>
		7,865,585	6,909,482
		<hr/>	<hr/>
Current Liabilities			
Creditors: amounts falling due within one year	10	(2,528,924)	(2,623,446)
		<hr/>	<hr/>
Net Current Assets		5,336,661	4,286,036
		<hr/>	<hr/>
Total assets less current liabilities		27,703,601	25,295,498
		<hr/>	<hr/>
Long term liabilities			
Creditors: amounts falling due after one year	11	(910,181)	(904,526)
		<hr/>	<hr/>
Net assets		26,793,420	24,390,972
		<hr/>	<hr/>
Endowed Funds	13	12,686,703	11,041,356
Restricted Funds	14	1,393,388	1,337,004
Unrestricted Funds		12,713,329	12,012,612
		<hr/>	<hr/>
		26,793,420	24,390,972
		<hr/>	<hr/>

Included within total funds is an investment revaluation reserve of £5,296,485 (2020: £3,656,720). £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 £266,307 (2020: £319,567).

These financial statements were approved by the Governors on 2 December 2021 and signed on their behalf by:


P A Keen
Chairman

The notes on pages 29-53 form part of these financial statements

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

CASH FLOW STATEMENT
for the year ended 31 August 2021

	Notes	2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	16a)	1,068,825	435,206
Cash flows from investing activities:			
Dividends, interest and rents from investments		366,326	326,498
Purchase of property, plant and equipment		(149,534)	(574,985)
Purchase of investments		(196,520)	-
Net cash (used in) investing activities		20,272	(248,487)
Cash flows from financing activities:			
Cash inflows from new borrowing		-	-
Cash repaid on borrowings		(50,739)	(47,973)
Interest paid on borrowings		(33,568)	(35,950)
Net cash provided by financing activities		(84,307)	(83,923)
Change in cash and cash equivalents in the reporting period		1,004,790	102,796
Cash and cash equivalents brought forward		6,771,484	6,668,688
Cash and cash equivalents carried forward	16b)	7,776,274	6,771,484

The notes on pages 29-53 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 2021 (continued)

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 15 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. 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.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

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 2021. Any deficit or surplus is included in endowments.

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

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 (e.g. freehold land) or for its financial benefit (i.e. 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 (e.g. annual depreciation charges on a building or other wasting asset retained for use by the School on a continuing basis – i.e. 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 6, 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.

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

1. ACCOUNTING POLICIES (continued)

The School participates in Series 1, 2 and 3 of the TPT Retirement Solutions 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 contribution payable. Further details of the scheme are set out in Note 6 and details of a contingent liability in respect of these contributions is set out in Note 18. 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 TPT Retirement Solutions Growth Plan.

The School contributes to Series 4 of the TPT Retirement Solutions 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 retirement pension scheme and was available to full time support staff who joined the Scheme by 1984 and who continued in service at the School until the normal retirement age. No contributions were made by the employee or the School during the period of service, but the School is liable for pension payments to eligible former employees who 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.

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

1. ACCOUNTING POLICIES (continued)

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.

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.

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

	2021	2020
	£	£
The School's fee income comprised:		
Gross fees	11,063,342	10,134,691
Less: Total scholarships, bursaries and allowances	(1,246,170)	(1,227,625)
	<u>9,817,172</u>	<u>8,907,066</u>
Add back: Bursaries etc paid for by restricted funds	175,271	152,607
	<u>9,992,443</u>	<u>9,059,673</u>

3. INVESTMENT INCOME

	2021	2021	2021	2021	2020
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total	Total
	£	£	£	£	£
Property income	108,760	-	-	108,760	100,205
Interest receivable	6,659	-	-	6,659	28,279
Income from investments	235,932	21,634	-	257,566	226,293
	<u>351,351</u>	<u>21,634</u>	<u>-</u>	<u>372,985</u>	<u>354,777</u>

Of the total unrestricted investment income £344,692 (2020: £307,232) arose from permanently endowed assets. There are no restrictions placed on the income generated from any of the permanently endowed assets.

4. OTHER INCOME

	2021	2020
	£	£
Government grant – Coronavirus Job Retention Scheme	18,908	102,250
Other income	-	50,000
	<u>18,908</u>	<u>152,250</u>

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

5. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs	Depreciation	Other	Total 2021	Total 2020
	£	£	£	£	£
Raising funds:					
Financing costs	-	-	33,568	33,568	35,950
Investment management	-	-	111,547	111,547	151,960
Fundraising costs	-	-	-	-	(3,349)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total costs of raising funds	-	-	145,115	145,115	184,561
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Charitable expenditure:					
Teaching	5,227,859	222,932	530,845	5,981,636	5,723,332
Welfare	80,534	-	589,297	669,831	536,571
Premises	332,205	405,409	958,556	1,696,170	1,814,367
Support and governance	587,407	-	607,647	1,195,054	1,047,928
Grants, awards and prizes	-	-	179,903	179,903	171,949
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,228,005	628,341	2,866,248	9,722,594	9,294,147
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expended	6,228,005	628,341	3,011,363	9,867,709	9,478,708
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Grants, awards and prizes

	2021	2020
	£	£
From Restricted Funds:		
Bursaries and other grants and awards	175,271	152,607
Prizes and leaving awards	3,793	4,125
Other costs	839	15,217
	<hr/>	<hr/>
	179,903	171,949
	<hr/>	<hr/>

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

5. ANALYSIS OF TOTAL EXPENDITURE (continued)

Staff costs comprise:	2021	2020
	£	£
Wages and salaries	4,840,016	4,782,326
Defined contribution pension scheme employer's contributions	59,426	53,943
Defined benefit pension scheme operating costs	832,547	800,711
Social Security	496,016	470,591
	<hr/>	<hr/>
	6,228,005	6,107,571
	<hr/>	<hr/>

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

	2021	2020
	£	£
Aggregate employee benefits of key management personnel	574,910	693,001
	<hr/>	<hr/>

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

The average total number of staff employed during the year was 152 (2020: 140). The average number of full time equivalent staff employed during the year was 121 (2020: 109):

	2021	2020
Teaching	79	75
Welfare	2	2
Premises	12	6
Support	28	26

	2021	2020
Number of higher paid employees in bands of:		
£140,001 to £150,000	-	1
£130,001 to £140,000	1	-
£90,001 to £100,000	1	1
£70,001 to £80,000	1	-
£60,001 to £70,000	4	3
	<hr/>	<hr/>

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

5. ANALYSIS OF TOTAL EXPENDITURE (continued)

The total amount relating to termination payments during the year was £30,000 (2020: £44,000). These amounts relate to agreements made with employees to end employment contracts.

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 (2020: £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 £1,242 for reimbursement of training and travel expenses (2020: £2,198).

Administration costs include:	2021	2020
	£	£
Depreciation - owned assets	620,242	578,700
Loss on disposal of fixed assets	8,100	-
Auditors' remuneration	10,200	9,360
Auditors' non-audit remuneration	540	1,130
	<hr/>	<hr/>

6. 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 £832,547 (2020: £800,520) and at the year-end £99,725 (2020: £98,015) 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%.

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

6. PENSION COSTS (continued)

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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June 2021 on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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.

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 £59,426 (2020: £52,857).

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

6. PENSION COSTS (continued)

In 2012, following a ruling by the Supreme Court, the TPT Retirement Solutions 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.

TPT Retirement Solutions 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 School 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, sets 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 School 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 recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The amount due at 31 August 2021 is £47,983 (2020: £61,050). The unwinding of the discount rate is recognised as a finance cost.

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

6. PENSION COSTS (continued)

<u>Present value of provision</u>	2021 £	2020 £
Present value of provision	47,983	61,050
	<hr/>	<hr/>
<u>Reconciliation of opening and closing provisions:</u>	2021 £	2020 £
Provision at start of year	61,050	72,764
Unwinding of the discount factor (interest expense)	296	639
Deficit contribution paid	(13,298)	(12,911)
Re-measurements - impact of change in assumptions	(65)	558
Provision at end of year	47,983	61,050
	<hr/>	<hr/>
<u>Income and expenditure impact:</u>	2021 £	2020 £
Unwinding of the discount factor (interest expense)	296	639
Re-measurements - impact of change in assumptions	(65)	558
Costs recognised in income and expenditure account	231	1,197
	<hr/>	<hr/>
<u>Assumptions:</u>	2021 %	2020 %
Rate of discount (% per annum)	0.63	0.55
	<hr/>	<hr/>

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

6. PENSION COSTS (continued)

TPT Retirement Solutions Scottish Voluntary Sector Pension Scheme

The School no longer participates in the TPT Retirement Solutions Scottish Voluntary Sector Pension Scheme, but continues to make contributions to the scheme as part of a recovery plan. The amount due at 31 August 2021 is £41,247 (2020: £48,656). This liability has been recognised in the financial statements.

Queen Elizabeth's Hospital Governors' Non-Contributory Pension Scheme

The School is liable for payments to employees who joined the Queen Elizabeth's Hospital Governors' Non-Contributory Pension Scheme, a defined benefit scheme in operation between 1979 and 1984. This was a non-contributory retirement pension scheme and was available to full time support staff who joined the Scheme by 1984 and who continued in service at the School until the normal retirement age. No contributions were made by the employee or the School during the period of service, but the School is liable for pension payments to eligible former employees who meet the retirement criteria. The liability for estimated future payments under this Scheme has been recognised in the financial statements. The amount due at 31 August 2021 is £40,000.

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

7. TANGIBLE FIXED ASSETS

	Freehold Land £	Freehold Building £	Freehold Improvement £	Fixtures, fittings Equipment £	Motor Vehicles £	Total £
Cost	180,020	7,336,003	4,375,221	1,711,165	99,633	13,702,042
As at 1 September 2020	-	-	149,535	-	-	149,535
Additions	-	-	-	(45,925)	-	(45,925)
Disposals	-	-	-	-	-	-
As at 31 August 2021	180,020	7,336,003	4,524,756	1,665,240	99,633	13,805,652
Depreciation						
As at 1 September 2020	-	1,711,964	975,651	1,109,884	99,633	3,897,132
Charge for year	-	146,720	258,689	214,833	-	620,242
Disposals	-	-	-	(37,825)	-	(37,825)
As at 31 August 2021	-	1,858,684	1,234,340	1,286,892	99,633	4,479,549
Net Book Value						
At 31 August 2021	180,020	5,477,319	3,290,416	378,348	-	9,326,103
At 31 August 2020	180,020	5,624,039	3,399,570	601,281	-	9,804,910

CAPITAL COMMITMENTS

As at the year-end the School had no capital commitments (2020: £Nil).

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

8. FIXED ASSET INVESTMENTS

	Property investments £	Securities investments £	Total £
Market value at 1 September 2020	3,227,527	7,977,025	11,204,552
Additions	-	196,520	196,520
Costs of maintaining investments	-	(48,305)	(48,305)
Change in market value	380,000	1,308,070	1,688,070
	<hr/>	<hr/>	<hr/>
Market value at 31 August 2021	3,607,527	9,433,310	13,040,837
	<hr/>	<hr/>	<hr/>
Historical cost	1,098,127	6,956,225	8,054,352
	<hr/>	<hr/>	<hr/>

Securities investments comprise:	Value £
Quilter Cheviot Portfolio	9,429,831
Investments held with Smith & Williamson	3,477
Investment in subsidiary, QEH International Schools Limited	2
	<hr/>
	9,433,310
	<hr/>

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 2021.

9. DEBTORS

	2021 £	2020 £
Fees receivable	5,245	1,229
Other debtors	5,081	6,001
Prepayments and accrued income	78,985	130,768
	<hr/>	<hr/>
	89,311	137,998
	<hr/>	<hr/>

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

10. CREDITORS: Amounts falling due within one year

	2021	2020
	£	£
Fees in advance	1,265,033	1,492,257
Sundry creditors and accruals	1,085,442	960,467
Taxation & Social Security	125,225	119,983
Bank loan	53,224	50,739
	<hr/>	<hr/>
	2,528,924	2,623,446
	<hr/>	<hr/>

11. CREDITORS: Amounts falling due after more than one year

	2021	2020
	£	£
Sundry creditors and accruals (1-2 years)	25,253	20,708
Sundry creditors and accruals (2-5 years)	56,700	58,973
Sundry creditors and accruals (over 5 years)	22,253	9,318
Deferred income (1-2 years)	34,443	1,272
Deferred income (2-5 years)	15,590	3,817
Deferred income (over 5 years)	136,155	137,427
Bank loan (1-2 years)	55,750	53,224
Bank loan (2-5 years)	184,109	175,556
Bank loan (over 5 years)	379,928	444,231
	<hr/>	<hr/>
	910,181	904,526
	<hr/>	<hr/>

The School took out an unsecured 15 year bank loan for £900,000 with Lloyds Bank to assist in the funding of the new science and art facility. The loan has a fixed rate of interest of 4.82%.

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

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

DEFERRED INCOME

	£
Deferred income at 1 September 2020	1,673,862
Resources deferred during the year	1,371,256
Amounts released from previous years	(1,531,345)
	<hr/>
Deferred income at 31 August 2021	1,513,773
	<hr/>

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.

12. FINANCIAL INSTRUMENTS

	2021 £	2020 £
Financial assets measured at fair value through income and expenditure		
Securities investments	9,433,310	7,977,025
Financial assets measured at amortised cost		
Fees receivable	5,245	1,229
Other debtors	5,081	6,001
Cash and deposits	7,776,274	6,771,484
	<hr/>	<hr/>
	7,786,600	6,778,714
	<hr/>	<hr/>
Financial liabilities measured at amortised cost		
Sundry creditors and accruals	940,908	867,862
Bank loan	673,011	723,750
	<hr/>	<hr/>
	1,613,919	1,591,612
	<hr/>	<hr/>

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.

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

13. ENDOWMENTS

	£
Balance at 1 September 2020	11,041,356
Change in market value	1,638,557
Transfer from unrestricted fund	53,260
Costs of maintaining the endowed funds	(46,470)
	<hr/>
Balance at 31 August 2021	12,686,703
	<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 2020	319,567
Amount repaid in the year	(53,260)
	<hr/>
Balance remaining at 31 August 2021	266,307
	<hr/>

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

14. RESTRICTED FUNDS

	As at 1 September 2020 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	As at 31 August 2021 £
John James Prize Fund	15,250	1,500	(1,500)	(15,250)	-
John James Gift	-	30,000	(30,000)	-	-
Bursary Fund	917,815	135,211	(102,125)	-	950,901
QEH Old Boys' Benevolent Fund	307,226	9,786	(9,786)	47,678	354,904
Scholarship, Bursary & Prize Fund	96,713	12,113	(36,493)	15,250	87,583
	<u>1,337,004</u>	<u>188,610</u>	<u>(179,904)</u>	<u>47,678</u>	<u>1,393,388</u>

	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>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

The John James Prize Fund is to be used for awards to pupils or projects at the Head'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 2021 (continued)

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	9,326,103	-	-	9,326,103
Securities investments	2	354,905	9,078,403	9,433,310
Property investments	-	-	3,607,527	3,607,527
Current assets	6,826,329	1,038,483	773	7,865,585
Liabilities	(3,439,105)	-	-	(3,439,105)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	12,713,329	1,393,388	12,686,703	26,793,420
	<hr/>	<hr/>	<hr/>	<hr/>

	QE £	Linked Charities QE SBP £	QE Trust £	Total £
Fund balances at 31 August 2021 analysed between the linked charities				
Tangible fixed assets	9,326,103	-	-	9,326,103
Securities investments	354,907	429,672	8,648,731	9,433,310
Property investments	-	-	3,607,527	3,607,527
Current assets	7,777,228	87,584	773	7,865,585
Liabilities	(3,439,105)	-	-	(3,439,105)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	14,019,133	517,256	12,257,031	26,793,420
	<hr/>	<hr/>	<hr/>	<hr/>

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
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/>

	QE £	Linked Charities QE SBP £	QE Trust £	Total £
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/>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

16. NOTES TO CASH FLOW STATEMENT

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

	2021	2020
	£	£
Net income/expenditure for the reporting period (as per the statement of financial activities)	2,402,448	596,028
Depreciation charges	620,241	578,700
Disposal of Fixed Assets	8,100	-
Dividends, interest and rents from investments	(366,326)	(326,498)
(Increase)/decrease in debtors	48,688	(20,228)
Increase/(decrease) in creditors	(38,130)	(167,421)
Endowment costs	48,305	44,229
Interest on loans	33,568	35,950
Gains on investments	(1,688,069)	(305,554)
	<hr/>	<hr/>
Net cash inflow from operating activities	1,068,825	435,206
	<hr/>	<hr/>

b) Analysis of net funds

	At 1 September 2020	Cash flow	At 31 August 2021
	£	£	£
Cash at bank	6,771,484	1,004,790	7,776,274
	<hr/>	<hr/>	<hr/>

c) Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash in hand	3,182,536	2,178,988
Notice deposits (less than 3months)	4,593,738	4,592,496
	<hr/>	<hr/>
Total cash and cash equivalents	7,776,274	6,771,484
	<hr/>	<hr/>

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2021 (continued)

17. OPERATING LEASE COMMITMENTS

At 31 August 2021 the aggregate of the School's future minimum lease payments under non-cancellable operating leases was:

	2021	2020
	£	£
Amounts payable:		
Within 1 year	6,339	6,339
Between 1 and 5 years	11,622	17,961
	<hr/>	<hr/>
Total	17,961	24,300
	<hr/>	<hr/>

18. CONTINGENT LIABILITY

The School has a contingent liability which has not been provided for in these accounts in relation to the TPT Retirement Solutions Growth Plan described in Note 6. 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 52 (2020: 43) active members of the Plan employed by the School. There is no current intention to leave the Plan and trigger the contingent liability.

TPT Retirement Solutions has estimated that, if the School ceased to participate in the Plan as at 30 September 2020, the School would have to pay £188,046 including Series 3 liabilities (September 2019: £196,926) 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 2021 (continued)

19. STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 AUGUST 2020

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
Income and endowments from:					
Voluntary sources					
Grants and donations	6,360	162,826	-	169,186	805,589
Charitable activities					
School fees receivable	9,059,673	-	-	9,059,673	9,636,932
Ancillary trading income	370	-	-	370	832
Other trading activities					
Sundry letting	32,926	-	-	32,926	29,990
Investments					
Investment income	307,232	19,266	-	326,498	427,136
Bank and other interest	28,279	-	-	28,279	39,170
Other					
Profit on sale of fixed assets	-	-	-	-	89,900
Other income	152,250	-	-	152,250	-
Total income and endowments	<u>9,587,090</u>	<u>182,092</u>	<u>-</u>	<u>9,769,182</u>	<u>11,029,549</u>
Expenditure on:					
Raising funds					
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
Total deductible costs	<u>140,332</u>	<u>-</u>	<u>44,229</u>	<u>184,561</u>	<u>172,338</u>
Charitable activities					
Education and grant making	9,122,198	171,949	-	9,294,147	8,831,832
Total expenditure	<u>9,262,530</u>	<u>171,949</u>	<u>44,229</u>	<u>9,478,708</u>	<u>9,004,170</u>
Net income before transfers and investment gains	<u>324,560</u>	<u>10,143</u>	<u>(44,229)</u>	<u>290,474</u>	<u>2,025,379</u>
Gains on investments	-	7,368	228,186	235,554	12,114
Gains on investment properties	-	-	70,000	70,000	55,000
Transfers between funds	(53,260)	-	53,260	-	-
Net movement in funds	<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
Fund balances carried forward	<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>

