



QUEEN ELIZABETH'S HOSPITAL

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 AUGUST 2023

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

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

Financial Statements
for the year ended 31 August 2023

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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 2023
Mr K Riley (Chair of Governors, appointed as Chair 3 July 2023)	C D*
Mr P A Keen (former Chair of Governors, resigned 3 July 2023)	-
Mrs C Bateson	C G
Mrs S E Blanks	C G*
Mr J Buchanan	B F
Mr A J Cherry (resigned 29 September 2023)	B* C F
Mr E J Corrigan	A* B D
Mr T J Davis	A F*
Mr J Hirst (resigned 21 October 2022)	-
Mr J A Hollingdale	A G
Mr M C Jones	B E*
Mr J E Milne	A C* D G
Mrs J Sadler (appointed 18 October 2022)	A D G
Ms A Woodward (appointed 1 December 2022)	C
Ms T M Yianni	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 2023

The Board of Governors presents its annual report and audited accounts for the year ended 31 August 2023 and confirms that it complies with the requirements of the Companies Act 2006 and the Charities Act 2011 (as amended by the Charities Act 2022), 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, cash and bank balances, and investment properties, including permanent endowment. The

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Committee advises the 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); the Head of the Junior School is a member of the Independent Association of Preparatory Schools (IAPS); 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.

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 overarching aim is:

"to educate and inspire our pupils to take on the challenges of the modern world and to live by their school motto 'whilst we have time - let us do good.'"

In order to realise our aim, the School is committed to inspiring our pupils to achieve more than they imagined possible – both in and out of the classroom. We prioritise individually focussed pastoral care which provides the foundation for an outstanding academic education. We are deeply committed to ensuring a QEH education is accessible to more young people in Bristol. We aspire to be a diverse and inclusive community which seeks to think beyond the conventional and create an inspirational environment where pupils and staff are happy, valued and challenged.

Three core characteristics are at the heart of the QEH community and guide all aspects of school life. We want to provide pupils with the skills and confidence to meet the challenges of the modern world and nurture them to be:

Curious: Develop a love of learning that is creative, thoughtful and ambitious; willing to take risks, show resilience and be adaptable.

Kind: Show empathy, understanding and vulnerability; value the contributions of others and are open, honest and trustworthy.

Positive: Keen to fulfil their potential as optimistic well-rounded individuals; committed to making a difference in their community and the wider world.

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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 and to safeguard and promote the welfare of pupils at the School.
- To ensure that the financial position of the School remains sound.
- To continue to work towards the goals and targets set by the School's operational plan, under the four themes:
 - Innovative and challenging education – both in and out of the classroom
 - Supportive and caring community
 - Development, partnership and accessibility
 - Create an inspiring learning environment

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 co-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.

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

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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, parental surveys are carried out periodically. 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 65 pupils (2022: 66 pupils) were awarded means-tested assistance with fees. The cost of this assistance amounted to £616,169 (2022: £566,650), of which £198,505 (2022: £166,916) was funded from restricted funds and donations. 37 pupils received assistance of 50% or more (2022: 38) and 28 pupils received assistance of 75% or more (2022: 25). This assistance is reassessed every year on a means-tested basis.

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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 again offered 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 seminars to the trainees and this year QEH hosted the RE PGCE cohort for a morning of lesson observations for their first school experience.

Students participating in the Duke of Edinburgh's award scheme continue to perform significant amounts of community voluntary service and further details are set out in the Outdoor Activities section below.

Service to the community is a key part of the weekly Enrichment programme in the Senior School. This involves groups of pupils going every Thursday afternoon to help serve and talk to elderly members of the community in local care homes (such as Abbots Leigh and the Trinity Lunch Club).

Local state schools were invited to attend our Oxbridge evening, where QEH provided guidance on how to make a strong application to these universities.

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 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 to the Salle Hunt-Roeder Fencing Club and the Bristol Morris Men, both of whom offer membership to young people in the local area. The School has again been a host for the West Bristol Arts Trail enabling local artists to display their work to members of the public.

Charitable Fundraising

The School community once again engaged in a wide variety of fundraising activities and raised a total of £16,654 for a number of local, national and international charities.

Two of the international charities were The Bujagali Trust and Project Zulu for which £2,600 and £1,900 were raised respectively.

Clothes, non-perishable foods and sanitary products were collected in the Autumn term to send to Ukraine via a local charity.

The School also continued to raise money for local charities chosen by the students. This year the charities selected were Next Link (Sixth form), The Homeless Health Service (Year 11) and Underfall

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Yard Trust (after the fire at the boat yard). Each of these charities was supported by money raised through non-uniform days and/or cake sales. The Year 9 Charity Challenge supported The Grand Appeal this year and raised £2,842.

A number of staff took part in the Movember charity fundraising event again this year by growing moustaches and raised over £2,200.

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-funded schools. The School is a very active member of the Bristol Education Partnership ("BEP"), which is a group of 14 schools (in the independent and state-funded sectors), the two Bristol Universities and Bristol City Council. Its aim is to "broaden young people's experience of education, opening up new opportunities and overcoming disadvantage". Through this the School has hosted or collaborated in a wide range of activities, such as a climate conference, student and staff leadership training events, a Teacherfest, careers events, an oracy project, an academic enrichment event and a joint musical concert. Members of BEP state schools are now routinely invited to many of the events that the School puts on, and QEH has taken a leading role in many BEP events, such as Teacherfest and Eco events.

One of the School's maths teachers has been working with the students at Barton Hill Primary School for two hours each week along with two sixth form volunteers. This has recently been switched to two members of our Learning Enhancement Team, who visit the school each week along with two sixth formers to support literacy. They have been supporting pupils' maths and reading, in small groups and individually. Another teacher has been taking a group of 10 sixth formers to Oasis Academy New Oak Primary School every Thursday, where they read with individuals and run a fortnightly enrichment session. The impact of this has been to stretch the most able and give confidence to the less able. Our eco coordinator has also visited the school to help set up a student-led eco committee and to establish priorities and action points for them. The School has also provided transport to bring students from both of these schools to watch drama performances at QEH. In addition, one of the Junior School teachers has been going to Oasis Academy New Oak primary school once a fortnight to work on team-building activities in preparation for joint outdoor activities with QEH's Year 5 and 6 pupils.

Our Head of Art and another member of her department have delivered art workshops to two state primary schools. A number of the School's staff serve as Governors at local maintained and independent schools.

Each year the School hosts a number of competitions, such as maths challenges, geography quizzes and debating competitions, to which many Bristol schools are invited and a number of state schools attend. The termly Philosophy Society has expanded and includes students from a number of local state and independent schools. Pupils from a local state school also attended the School's Psychology Futures Event.

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There are also a number of sporting events throughout the year, and a variety of state schools take up the invitation to enter teams. We host three rugby tournaments at different age groups and organise five other tournaments.

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 2023 it contributed over £18.9 million to UK GDP and over £10.9 million to the local economy in Bristol. In addition, it supported over 360 UK jobs, including over 220 locally, and supported over £5.8 million of tax payments to the exchequer. It also saved over £5.3 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.

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 normally carry a fee discount, usually between 10% and 25%. Scholarships can be awarded in addition to a means-tested bursary for assistance with fees. The Governors have decided that scholarships awarded from September 2023 will no longer carry an automatic fee discount, but will instead run alongside the School's means-tested bursary programme.

During the year the School awarded scholarships to 125 pupils (2022: 120 pupils), to the value of £363,281 (2022: £369,501). The progress of pupils receiving scholarships is reviewed regularly 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 who are not in receipt of any other discount have more than one child at the School.

STRATEGIC REPORT

Overview

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 and pupils for their hard work and contribution to the success of QEH and to all parents for their continued support of the School. The

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Governors would also like to record their thanks to Mr Paul Keen, who retired as Chair of Governors in July 2023 after 11 years' outstanding service as a Governor, including 3 years as Chair of Governors.

Pupil Numbers and Fees

Pupil numbers at the start of the academic year were 667 in the Senior School and 107 in the Junior School.

Termly fees were:

Senior School	£5,345
Junior School	£3,620

Financial Result

Net incoming resources for the year, before transfers and investment gains, were £321,231 (2022: £447,173).

Academic Results

In line with the national picture, public examination results were "re-set" this year following the higher grades awarded over the last three years due to the disruption of the Coronavirus pandemic. Students at the School achieved excellent results which compared very favourably with pre-pandemic levels.

At A Level, 25 students achieved straight A* / A grades with a number of those being straight A*s. The vast majority of students also gained places at their chosen universities. Many students chose to undertake the additional Extended Project Qualification (EPQ) alongside their A Level studies and this year's EPQ results were outstanding.

Almost half of the grades awarded at GCSE were 8s or 9s, in subjects across the curriculum, reaffirming QEH's dedication to fostering well-rounded individuals.

Music

House Music saw over a third of the school participating in the solos, choirs and ensembles. Open Mic Nights also continued to be very popular, with members of every year group participating in bands and solo items. It was especially pleasing to see a number of Year 7 bands forming and courageously performing in front of a packed theatre.

At Christmas, the busy programme included the Jingle Jam, the '12 Days of Christmas' videos, and the wonderful Carol Service in Bristol Cathedral where, once again, the choir performed superbly. This year's St George's Concert was a highlight, with the Orchestra's performance of 'Rhapsody in Blue' stealing the show.

The variety of other events, including the Junior and Senior Showcase, Scholars' Concerts, Autumn Concert and visit from Project Zulu, all perfectly demonstrate the vast array of musical styles studied and performed by the students at QEH. The department remains focused on providing a well-rounded

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musical experience and the students continue to participate enthusiastically and to perform to a high standard.

Junior School highlights included the annual Carol Concert and the 'QEH's Got Talent' Show.

Drama

Three very different and ambitious Senior School productions were staged during the year.

In the Autumn term the musical 'School of Rock' was a great success. A large cast, a brilliant band and stunning performances from the lead actors meant that the show was sold out completely each night. It featured students from Year 9 and above and was enormous fun for all.

The Spring term's production was a Year 7 and 8 play called 'Tuesday'. It is a newly published play which is a sci-fi story about a giant rip in the sky which is a portal through which students and teachers from one school are sucked up and students and teachers from one above drop down. The students worked really hard and for some it was an amazing learning experience as they had never performed in front of an audience before.

The Summer term's performances of Shakespeare's 'Romeo and Juliet' involved students from Year 9 and above. The production had a contemporary setting with metallic costumes and make-up it and it was heavily cut with powerful use of music.

There was a varied programme of theatre trips and workshops with professional actors, and drama club was as popular as ever.

There was also a busy drama programme in the Junior School, with highlights including a superb performance of 'A Christmas Carol', the memorable Year 3 and 4 production of 'Goldilocks and the Three Bears' in the Spring term and a wonderful production of 'Fiddler on the Roof' by Year 6 pupils in the Summer term.

Sport

Students at the school enjoyed a wide variety of sporting activities during the year, with high levels of participation.

In rugby, 312 students represented the school and enjoyed a highly successful season. The U12A, U12B, U13B and U16A teams won every fixture they played during the season. A number of students were involved with Bristol Bears U18 group and 34 students and 4 staff took part in a tour to South Africa in July.

Football also saw a successful and busy season with 22 teams playing regularly across all year groups. The 1st XI won or drew 9 of their 11 matches and the 2nd XI, 3rd XI, 4th XI, 6th XI, U15A and U12A teams all remained undefeated throughout the entire season, which is a remarkable achievement. A number of students represented academies including Bristol City, Bristol Rovers, Exeter City and Cardiff City.

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Highlights of the cricket season included the U12 side winning the County Cup and winning all their matches throughout the season; and the U13s also reaching the County Cup final. Numerous students represented Gloucestershire County Cricket at all age groups. Girls' cricket was also established during the year with a number of fixtures taking place for the first time.

In tennis, the U13A tennis team were crowned divisional champions and throughout the entire league the team did not drop a single set. The summer saw an increased tennis schedule, with QEH introducing A and B team fixtures for both the U13 and U15 age groups. The U13 team won the Avon Schools district title and qualified for the regional championships. The U13 B team won the district pool B title. Senior boys and girls tennis teams also had a successful season.

Girls' hockey had another very successful season with the girls regaining the Bristol Tier 4 champions title therefore making it to the West Regional Round. The 1st team won 5 out of 6 matches and the 2nd team won 3, lost 3 and drew 1 match. It was excellent to see two teams compete. QEH entered the Bristol Indoor hockey tournament for the first time and were runners up, progressing to the regional finals, reaching the semi-finals of that competition.

Netball has also enjoyed a highly successful year. A highlight was winning the Avon County Tournament and progressing to the England Netball Regional Round. The School also developed its first girls' cricket team with two softball fixtures.

Outdoor Activities

The Outdoor Pursuits department continued to grow during the year with pupil participation at an all-time high.

The QE award, which has been in operation at the Junior School for a number of years, was extended and introduced for Year 7 and 8 students. Students completed a booklet showing they had participated in a variety of lunchtime and after school clubs over the course of the year; completed first aid training through PSHE; attended bushcraft and volunteering sessions in enrichment; and finished with an overnight camp for the whole year group in the Wye valley. Here they participated in bushcraft, orienteering and canoeing as part of the overnight stay.

The Duke of Edinburgh's award continued to go from strength to strength. The introduction of an entire year group enrolment meant that 98 Year 9 students completed the Bronze award expedition and they have all been working hard to complete their other sections. 35 Year 10 students signed up for the Silver award and 24 Year 12s for the Gold award. The volunteering that the students participate in continues to help a variety of organisations, ranging from working with elderly neighbours in the local area, caring for alpacas in an animal sanctuary and volunteering with St John Ambulance.

The Ten Tors event has become a key strength of the school and QEH once again had 6 teams taking part in the challenge. It is clear that QEH students have earned a name for themselves as one of the

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GOVERNORS' REPORT
For the year ended 31 August 2023

strongest establishments involved. The 6 teams consisted of 2 x 35 mile, 3 x 45 mile and 1 x 55 mile groups and all finished in great time again, including 4 teams being the first in on their route.

QEH students had the opportunity to join in a number of trips including a Winter Skills expedition to Finland, a ski trip to Sestriere in Italy and a summer expedition to Scotland that involved climbing 8 Munros, including Ben Nevis, and camping out at 800m above sea level.

Elizabethan Society and Friends of QEH

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

The Friends of QEH arranged a number of successful events including the Family Fireworks night, the annual Jingle Jam evening at Christmas, a Curry and Quiz Night, and the Lizzies Film Awards.

Fundraising Performance

During the year the School raised £285,498 (2022: £261,962) through gifts and donations.

Investment Performance

Investment income for the year was £542,949 (2022: £405,566). 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 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.

2 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, including the recent increases in energy, food and other costs.

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GOVERNORS' REPORT
For the year ended 31 August 2023

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.

3 Safety and security of pupils, staff and premises

The School aims to provide a safe and secure environment, in order to safeguard and promote the wellbeing of pupils, staff and visitors, and to prevent reputational risk. To do this it has in place detailed policies and procedures including in the areas of safeguarding children (including from the risk of abuse of children by adults or from child on child abuse), 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. In particular, staff and Governors undertake regular comprehensive safeguarding training. 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.

4 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.

5 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. The general shortage of labour in the current economic environment increases the risk of not achieving this objective. 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, and the promotion and support of staff wellbeing.

6 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

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GOVERNORS' REPORT
For the year ended 31 August 2023

structures are in place, supported by clear terms of reference. Governors actively monitor the implementation of policies and compliance within the School.

7 Technology

The School uses digital technology extensively and aims to educate its pupils to use digital technology effectively and safely. There are a number of risks associated with this use of technology, including the risk of cyber-attack on the School's IT systems and data, safeguarding pupils and staff from the risk of online harm, ensuring the safety and security of personal data, and the risks posed by artificial intelligence. These risks are mitigated by the implementation of information security, data protection, and acceptable use of IT policies which are actively monitored by Governors, by a range of technical controls, and by the use of external consultants to review the School's management IT and data protection.

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 2024 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, including remedial works in the School theatre following confirmation that the roof contains reinforced autoclaved aerated concrete
- To continue to operate the School effectively and safely and to safeguard and promote the welfare of pupils at the School
- To ensure that the financial position of the School remains sound
- To continue to work towards the goals and targets set by the School's operational plan, under the four themes:

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For the year ended 31 August 2023

- Innovative and challenging education - both in and out of the classroom
- Supportive and caring community
- Development, partnership and accessibility
- Create an inspiring learning environment

FINANCES

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

The Governors' policy is to set the fees at a level which will be sufficient to generate net income and resources of 10% of net fees over the long term, 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 for the School's charitable purposes.

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.

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 refurbishment of the Design and Technology department; the installation of a new air source heat pump boiler at the Failand pavilion; and the refurbishment of a number of classrooms in the Senior and Junior Schools. In addition the School purchased a nearby property with the intention of developing it and bringing it into use to improve the School's facilities.

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 operating surpluses to finance capital expenditure for improving buildings and facilities, to continue to provide a first class education for pupils.

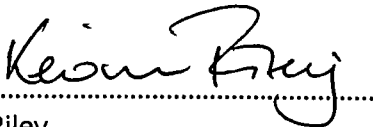
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GOVERNORS' REPORT
For the year ended 31 August 2023

The School's unrestricted funds stood at £13,410,825 at the year end, of which £9,953,610 represented funds deployed as part of the School's fixed assets, leaving £3,457,215 (2022: £4,030,033) as free reserves. The School also held £11,955,926 in Endowment Funds and £1,298,053 in Restricted Funds. It is anticipated that approximately £972,000 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.



K Riley
Chair of Governors

This report, including the Strategic Report, was approved by order of the Board of Trustees on 30 November 2023.

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
for the year ended 31 August 2023

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).

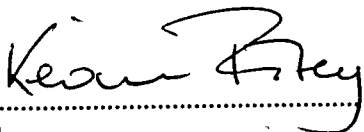
Company law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for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



.....
K Riley
Chair of Governors

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUEEN ELIZABETH'S HOSPITAL
for the year ended 31 August 2023

OPINION

We have audited the financial statements of Queen Elizabeth's Hospital (the School) for the year ended 31 August 2023 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 2023 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 2023

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUEEN ELIZABETH'S HOSPITAL
for the year ended 31 August 2023

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;

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUEEN ELIZABETH'S HOSPITAL
for the year ended 31 August 2023

- 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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for the year ended 31 August 2023

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: 14/12/2023

QUEEN ELIZABETH'S HOSPITAL
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STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
for the year ended 31 August 2023

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Income and endowments from:						
Voluntary sources						
Grants and donations		6,261	279,237	-	285,498	261,962
Charitable activities						
School fees receivable	2	11,352,202	-	-	11,352,202	10,917,281
Ancillary trading income		298	-	-	298	-
Other trading activities						
Sundry letting		81,858	-	-	81,858	25,473
Investments						
Investment income	3	374,348	22,777	-	397,125	397,611
Bank and other interest	3	145,824	-	-	145,824	7,955
Other						
Other income	4	-	-	120,000	120,000	-
Profit on sale of fixed assets		-	-	-	-	20,000
Total income and endowments		11,960,791	302,014	120,000	12,382,805	11,630,282
Expenditure on:						
Raising funds						
Financing costs		7,341	-	-	7,341	31,060
Investment management		51,705	1,790	47,061	100,556	344,963
Fundraising costs		90,424	-	-	90,424	59,776
Total deductible costs		149,470	1,790	47,061	198,321	435,789
Charitable activities						
Education and grant making		11,659,106	204,147	-	11,863,253	10,747,320
Total expenditure	5	11,808,576	205,937	47,061	12,061,574	11,183,109
Net income before transfers and investment gains		152,215	96,077	72,939	321,231	447,173
Gains/(losses) on investments		-	(7,625)	(196,070)	(203,695)	(773,325)
Gains on investment properties		-	-	40,000	40,000	40,000
Transfers between funds	13	201,740	(255,000)	53,260	-	-
Net movement in funds		353,955	(166,548)	(29,871)	157,536	(286,152)
Fund balances brought forward		13,056,870	1,464,601	11,985,797	26,507,268	26,793,420
Fund balances carried forward		13,410,825	1,298,053	11,955,926	26,664,804	26,507,268

The notes on pages 30-54 form part of these financial statements


QUEEN ELIZABETH'S HOSPITAL
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Company No. 5164477
BALANCE SHEET
as at 31 August 2023

	<i>Notes</i>	2023	2022
Fixed assets		£	£
Tangible assets	7	9,953,610	9,026,837
Securities investments	8	8,582,073	8,608,098
Property investments	8	3,687,527	3,647,527
		<hr/>	<hr/>
		22,223,210	21,282,462
		<hr/>	<hr/>
Current assets			
Debtors	9	113,769	61,414
Cash and deposits		7,774,595	8,556,470
		<hr/>	<hr/>
		7,888,364	8,617,884
		<hr/>	<hr/>
Current Liabilities			
Creditors: amounts falling due within one year	10	(3,259,340)	(2,617,682)
		<hr/>	<hr/>
Net Current Assets		4,629,024	6,000,202
		<hr/>	<hr/>
Total assets less current liabilities		26,852,234	27,282,664
		<hr/>	<hr/>
Long term liabilities			
Creditors: amounts falling due after one year	11	(187,430)	(775,396)
		<hr/>	<hr/>
Net assets		26,664,804	26,507,268
		<hr/>	<hr/>
Endowed Funds	13	11,955,926	11,985,797
Restricted Funds	14	1,298,053	1,464,601
Unrestricted Funds		13,410,825	13,056,870
		<hr/>	<hr/>
		26,664,804	26,507,268
		<hr/>	<hr/>

Included within total funds is an investment revaluation reserve of £4,298,727 (2022: £4,511,273). £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 £159,787 (2022: £213,047).

These financial statements were approved by the Governors on 30 November 2023 and signed on their behalf by:


K Riley
Chair of Governors

The notes on pages 30-54 form part of these financial statements

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

CASH FLOW STATEMENT
for the year ended 31 August 2023

	Notes	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	16a)	1,188,039	752,838
		<u> </u>	<u> </u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		397,125	397,611
Purchase of property, plant and equipment		(1,513,391)	(285,969)
Purchase of investments		(226,520)	-
		<u> </u>	<u> </u>
Net cash provided by/(used in) investing activities		(1,342,786)	111,642
		<u> </u>	<u> </u>
Cash flows from financing activities:			
Cash inflows from new borrowing		-	-
Cash repaid on borrowings		(619,787)	(53,224)
Interest paid on borrowings		(7,341)	(31,060)
		<u> </u>	<u> </u>
Net cash provided by financing activities		(627,128)	(84,284)
		<u> </u>	<u> </u>
Change in cash and cash equivalents in the reporting period		(781,875)	780,196
Cash and cash equivalents brought forward		8,556,470	7,776,274
		<u> </u>	<u> </u>
Cash and cash equivalents carried forward	16b)	7,774,595	8,556,470
		<u> </u>	<u> </u>

The notes on pages 30-54 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 2023

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 and each charity.

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
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

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 to 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 2023. 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
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

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 2023

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 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
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

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 2023

2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

	2023	2022
	£	£
The School's fee income comprised:		
Gross fees	12,505,336	12,035,209
Less: Total scholarships, bursaries and allowances	(1,351,639)	(1,284,844)
	<u>11,153,697</u>	<u>10,750,365</u>
Add back: Bursaries etc paid for by restricted funds	198,505	166,916
	<u>11,352,202</u>	<u>10,917,281</u>

3. INVESTMENT INCOME

	2023	2023	2023	2023	2022
	Unrestricted Funds	Restricted Funds	Endowment Funds	Total	Total
	£	£	£	£	£
Property income	115,918	-	-	115,918	115,705
Interest receivable	145,824	-	-	145,824	7,955
Income from investments	258,430	22,777	-	281,207	281,906
	<u>520,172</u>	<u>22,777</u>	<u>-</u>	<u>542,949</u>	<u>405,566</u>

Of the total unrestricted investment income £374,348 (2022: £374,165) arose from permanently endowed assets. There are no restrictions placed on the income generated from any of the permanently endowed assets.

4. OTHER INCOME

	2023	2022
	£	£
Receipt from option extension on permanently endowed land	120,000	-
	<u>120,000</u>	<u>-</u>

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

5. ANALYSIS OF TOTAL EXPENDITURE

	Staff Costs 2023 £	Depreciation 2023 £	Other 2023 £	Total 2023 £	Total 2022 £
Raising funds:					
Financing costs	-	-	7,341	7,341	31,060
Investment management:					
- Securities investments	-	-	51,705	51,705	51,887
- Property investments	-	-	48,851	48,851	293,076
Fundraising costs	61,320	-	29,104	90,424	59,766
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total costs of raising funds	61,320	-	137,001	198,321	435,789
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Charitable expenditure:					
Teaching	6,041,819	153,143	770,379	6,965,341	6,582,650
Welfare	95,272	-	761,909	857,181	738,789
Premises	433,755	433,475	1,742,384	2,609,614	1,993,523
Support and governance	640,039	-	586,931	1,226,970	1,260,067
Grants, awards and prizes	-	-	204,147	204,147	172,291
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	7,210,885	586,618	4,065,750	11,863,253	10,747,320
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expended	<hr/> 7,272,205	<hr/> 586,618	<hr/> 4,202,751	<hr/> 12,061,574	<hr/> 11,183,109

Grants, awards and prizes

	2023 £	2022 £
From Restricted Funds:		
Bursaries and other grants and awards	198,505	166,916
Prizes and leaving awards	5,642	5,375
Other costs	-	-
	<hr/>	<hr/>
	204,147	172,291
	<hr/>	<hr/>

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

5. ANALYSIS OF TOTAL EXPENDITURE (continued)

Staff costs comprise:	2023	2022
	£	£
Wages and salaries	5,633,144	5,178,316
Defined contribution pension scheme employer's contributions	81,323	68,387
Defined benefit pension scheme operating costs	962,903	911,040
Social Security	594,835	565,719
	<u>7,272,205</u>	<u>6,723,462</u>

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

	2023	2022
	£	£
Aggregate employee benefits of key management personnel	<u>631,030</u>	<u>600,117</u>

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 161 (2022: 152). The average number of full time equivalent staff employed during the year was 128 (2022: 123):

	2023	2022
Teaching	84	81
Welfare	2	2
Premises	13	12
Support	29	28
	<u>128</u>	<u>123</u>

	2023	2022
Number of higher paid employees in bands of:		
£140,001 to £150,000	1	-
£130,001 to £140,000	-	1
£100,001 to £110,000	1	1
£70,001 to £80,000	3	2
£60,001 to £70,000	6	4
	<u>11</u>	<u>8</u>

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

5. ANALYSIS OF TOTAL EXPENDITURE (continued)

The total amount relating to termination payments during the year was £26,435 (2022: £Nil). 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 (2022: £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 Governors received £763 for reimbursement of training and travel expenses (2022: £1,067).

Administration costs include:	2023	2022
	£	£
Depreciation - owned assets	586,618	585,235
Loss on disposal of fixed assets	-	-
Auditors' remuneration	12,000	11,160
Auditors' non-audit remuneration	1,194	1,122

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 £962,903 (2022: £911,040) and at the year-end £110,316 (2022: £107,315) 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 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Defined contribution scheme (TPT Retirement Solutions Growth Plan)

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 £81,323 (2022: £68,387).

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.

The School participates in the scheme, a multi-employer scheme which provides benefits to some 638 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 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay further additional contributions totalling £3,312,000 per annum for all participating employees in monthly payments from 1 April 2022 to 31 January 2025 (unless a concession has been agreed with the Trustee).

The scheme's previous valuation was carried out with an effective date of 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 asked the participating employers to pay additional contributions to the scheme totalling £11,243,000 per annum from 1 April 2019 to 30 September 2025 (payable monthly and increasing by 3% each on 1 April each year).

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

6. PENSION COSTS (continued)

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.

Where the scheme is in deficit and where the School has agreed to a deficit funding arrangement the School recognises a liability for this obligation. 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 unwinding of the discount rate is recognised as a finance cost.

The recovery plan currently requires that from 1 September 2022, additional annual contributions of £4,024 are made over the term of the recovery plan. This liability has been recognised in the financial statements.

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

6. PENSION COSTS (continued)

<u>Present value of provision</u>	2023 £	2022 £
Present value of provision	5,483	9,245
	<hr/>	<hr/>
<u>Reconciliation of opening and closing provisions:</u>	2023 £	2022 £
Provision at start of year	9,245	47,983
Unwinding of the discount factor (interest expense)	316	272
Deficit contribution paid	(4,024)	(9,568)
Re-measurements - impact of change in assumptions	(54)	(407)
Remeasurements - amendments to the contribution schedule	-	(29,035)
Provision at end of year	5,483	9,245
	<hr/>	<hr/>
<u>Income and expenditure impact:</u>	2023 £	2022 £
Unwinding of the discount factor (interest expense)	316	272
Re-measurements - impact of change in assumptions	(54)	(407)
Remeasurements - amendments to the contribution schedule	-	(29,035)
Costs recognised in income and expenditure account	262	(29,170)
	<hr/>	<hr/>
<u>Assumptions:</u>	2023 %	2022 %
Rate of discount (% per annum)	6.04	4.46
	<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 2023

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. Deficit contributions totalling £5,820 were paid during the year (2022: £6,792). The amount due at 31 August 2023 is £19,067 (2022: £24,887). 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. Pension payments in respect of this scheme totalling £3,883 were made during the year (2022: £3,739). The liability for estimated future payments under this Scheme has been recognised in the financial statements. The amount due at 31 August 2023 is £38,193 (2022: £38,709).

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

7. TANGIBLE FIXED ASSETS

	Freehold Land £	Freehold Building £	Freehold Improvement £	Fixtures, fittings Equipment £	Motor Vehicles £	Total £
Cost						
As at 1 September 2022	180,020	7,336,003	4,709,697	1,734,377	28,767	13,988,864
Additions	-	850,000	429,183	234,208	-	1,513,391
Disposals	-	-	-	-	-	-
As at 31 August 2023	180,020	8,186,003	5,138,880	1,968,585	28,767	15,502,255
Depreciation						
As at 1 September 2022	-	2,005,404	1,494,943	1,432,913	28,767	4,962,027
Charge for year	-	153,803	279,672	153,143	-	586,618
Disposals	-	-	-	-	-	-
As at 31 August 2023	-	2,159,207	1,774,615	1,586,056	28,767	5,548,645
Net Book Value						
At 31 August 2023	180,020	6,026,796	3,364,265	382,529	-	9,953,610
At 31 August 2022	180,020	5,330,599	3,214,754	301,464	-	9,026,837

CAPITAL COMMITMENTS

As at the year-end the School had capital commitments totalling £84,067 (2022: £128,565).

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

8. FIXED ASSET INVESTMENTS

	Property investments £	Securities investments £	Total £
Market value at 1 September 2022	3,647,527	8,608,098	12,255,625
Additions	-	226,521	226,521
Costs of maintaining investments	-	(48,851)	(48,851)
Change in market value	40,000	(203,695)	(163,695)
	<hr/>	<hr/>	<hr/>
Market value at 31 August 2023	3,687,527	8,582,073	12,269,600
	<hr/>	<hr/>	<hr/>
Historical cost	1,098,127	7,182,746	8,280,873
	<hr/>	<hr/>	<hr/>
Securities investments comprise:			Value
			£
Quilter Cheviot Portfolio			8,580,023
Investments held with Evelyn Partners			2,047
Investment in subsidiaries			3
			<hr/>
			8,582,073
			<hr/>

The school holds 100% of the issued share capital (£2) of QEH International Schools Limited (Company Number: 10665787). The school also holds 100% of the issued share capital (£1) of QEH Enterprises Limited (Company Number: 15098687), which was incorporated on 28 August 2023. Neither of these subsidiary companies traded during the year ended 31 August 2023.

9. DEBTORS

	2023 £	2022 £
Fees receivable	4,596	17,614
Other debtors	10,963	8,490
Prepayments and accrued income	98,210	35,310
	<hr/>	<hr/>
	113,769	61,414
	<hr/>	<hr/>

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

10. CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Fees in advance	1,637,477	1,265,661
Sundry creditors and accruals	1,480,581	1,156,251
Taxation & Social Security	141,282	140,020
Bank loan	-	55,750
	<hr/>	<hr/>
	3,259,340	2,617,682
	<hr/>	<hr/>

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

	2023	2022
	£	£
Sundry creditors and accruals (1-2 years)	11,627	13,823
Sundry creditors and accruals (2-5 years)	18,881	26,161
Sundry creditors and accruals (over 5 years)	18,223	19,689
Deferred income (1-2 years)	1,272	12,987
Deferred income (2-5 years)	3,817	3,817
Deferred income (over 5 years)	133,610	134,882
Bank loan (1-2 years)	-	58,429
Bank loan (2-5 years)	-	193,315
Bank loan (over 5 years)	-	312,293
	<hr/>	<hr/>
	187,430	775,396
	<hr/>	<hr/>

During the year the School repaid the outstanding balance on the unsecured 15 year bank loan with Lloyds Bank.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

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

DEFERRED INCOME

	£
Deferred income at 1 September 2022	1,486,628
Resources deferred during the year	1,706,964
Amounts released from previous years	(1,346,656)
	<hr/>
Deferred income at 31 August 2023	1,846,936
	<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

	2023 £	2022 £
Financial assets measured at fair value through income and expenditure		
Securities investments	8,582,073	8,608,098
	<hr/>	<hr/>
Financial assets measured at amortised cost		
Fees receivable	4,596	17,614
Other debtors	10,963	8,490
Cash and deposits	7,774,595	8,556,470
	<hr/>	<hr/>
	7,790,154	8,582,574
	<hr/>	<hr/>
Financial liabilities measured at amortised cost		
Sundry creditors and accruals	1,306,075	1,006,672
Bank loan	-	619,787
	<hr/>	<hr/>
	1,306,075	1,626,459
	<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.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

13. ENDOWMENTS

	£
Balance at 1 September 2022	11,985,797
Sundry income	120,000
Change in market value	(156,070)
Transfer from unrestricted fund	53,260
Costs of maintaining the endowed funds	(47,061)
	<hr/>
Balance at 31 August 2023	11,955,926
	<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 2022	213,047
Amount repaid in the year	(53,260)
	<hr/>
Balance remaining at 31 August 2023	159,787
	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

14. RESTRICTED FUNDS

	As at 1 September 2022 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	As at 31 August 2023 £
John James Prize Fund	-	3,000	(3,000)	-	-
John James Gift	-	30,000	(30,000)	-	-
Bursary Fund	1,076,958	125,972	(142,167)	(135,000)	925,763
Facilities Fund	-	120,000	-	(120,000)	-
QEH Old Boys' Benevolent Fund	323,858	10,303	(10,303)	(9,415)	314,443
Scholarship, Bursary & Prize Fund	63,785	12,739	(18,677)	-	57,847
	<u>1,464,601</u>	<u>302,014</u>	<u>(204,147)</u>	<u>(264,415)</u>	<u>1,298,053</u>

Gains, losses and transfers comprise:

	Bursary Fund £	Facilities Fund £	Scholarship, Bursary & Prize Fund £	Total £
Transfer between funds	(135,000)	135,000	-	-
Transfer to unrestricted funds following use of restricted funds to purchase fixed assets	-	(255,000)	-	(255,000)
Change in market value of Investments	-	-	(9,415)	(9,415)
	<u>(135,000)</u>	<u>(120,000)</u>	<u>(9,415)</u>	<u>(264,415)</u>

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for the year ended 31 August 2023

14. RESTRICTED FUNDS (continued)

	As at 1 September 2021 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	As at 31 August 2022 £
John James Prize Fund	-	3,000	(3,000)	-	-
John James Gift	-	30,000	(30,000)	-	-
Bursary Fund	950,901	217,839	(91,782)	-	1,076,958
QEH Old Boys' Benevolent Fund	354,904	10,605	(10,605)	(31,046)	323,858
Scholarship, Bursary & Prize Fund	87,583	13,106	(36,904)	-	63,785
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,393,388	274,550	(172,291)	(31,046)	1,464,601
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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 Facilities Fund is used to provide facilities or equipment which support the school and advance the education of the pupils.

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.

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

14. RESTRICTED FUNDS (continued)

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.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31 August 2023 are represented by:				
Tangible fixed assets	9,953,610	-	-	9,953,610
Securities investments	3	314,444	8,267,626	8,582,073
Property investments	-	-	3,687,527	3,687,527
Current assets	6,903,982	983,609	773	7,888,364
Liabilities	(3,446,770)	-	-	(3,446,770)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	13,410,825	1,298,053	11,955,926	26,664,804
	<hr/>	<hr/>	<hr/>	<hr/>

	QE £	Linked Charities QE SBP £	QE Trust £	Total £
Fund balances at 31 August 2023 analysed between the linked charities				
Tangible fixed assets	9,953,610	-	-	9,953,610
Securities investments	314,447	380,688	7,886,938	8,582,073
Property investments	-	-	3,687,527	3,687,527
Current assets	7,829,744	57,847	773	7,888,364
Liabilities	(3,446,770)	-	-	(3,446,770)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	14,651,031	438,535	11,575,238	26,664,804
	<hr/>	<hr/>	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31 August 2022 are represented by:				
Tangible fixed assets	9,026,837	-	-	9,026,837
Securities investments	2	323,858	8,284,238	8,608,098
Property investments	-	-	3,647,527	3,647,527
Current assets	7,423,109	1,140,743	54,032	8,617,884
Liabilities	(3,393,078)	-	-	(3,393,078)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	13,056,870	1,464,601	11,985,797	26,507,268
	<hr/>	<hr/>	<hr/>	<hr/>

	QE £	Linked Charities QE SBP £	QE Trust £	Total £
Fund balances at 31 August 2022 analysed between the linked charities				
Tangible fixed assets	9,026,837	-	-	9,026,837
Securities investments	323,860	392,085	7,892,153	8,608,098
Property investments	-	-	3,647,527	3,647,527
Current assets	8,500,067	63,785	54,032	8,617,884
Liabilities	(3,393,078)	-	-	(3,393,078)
	<hr/>	<hr/>	<hr/>	<hr/>
Total net assets	14,457,686	455,870	11,593,712	26,507,268
	<hr/>	<hr/>	<hr/>	<hr/>

QUEEN ELIZABETH'S HOSPITAL
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

16. NOTES TO CASH FLOW STATEMENT

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

	2023	2022
	£	£
Net income/expenditure for the reporting period (as per the statement of financial activities)	117,536	(286,152)
Depreciation charges	586,618	605,235
Disposal of Fixed Assets	-	(20,000)
Dividends, interest and rents from investments	(397,125)	(397,611)
(Increase)/decrease in debtors	(52,355)	27,897
Increase/(decrease) in creditors	673,479	7,197
Endowment costs	48,851	51,887
Interest on loans	7,341	31,060
(Gains)/losses on investments	203,695	733,325
	<hr/>	<hr/>
Net cash inflow from operating activities	1,188,040	752,838
	<hr/>	<hr/>

b) Analysis of net funds

	At 1 September 2022	Cash flow	At 31 August 2023
	£	£	£
Cash at bank	8,556,470	(781,875)	7,774,595
	<hr/>	<hr/>	<hr/>

c) Analysis of cash and cash equivalents

	2023	2022
	£	£
Cash in hand	3,142,255	3,961,105
Notice deposits (less than 3 months)	4,632,340	4,595,365
	<hr/>	<hr/>
Total cash and cash equivalents	7,774,595	8,556,470
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2023

17. OPERATING LEASE COMMITMENTS

At 31 August 2023 the aggregate of the School's future minimum lease payments under non-cancellable operating leases was:

	2023	2022
	£	£
Amounts payable:		
Within 1 year	27,961	27,961
Between 1 and 5 years	55,113	83,074
	<hr/>	<hr/>
Total	83,074	111,035
	<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 58 (2022: 53) 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 2022, the School would have to pay £66,566 including Series 3 liabilities (September 2021: £113,470) 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 2023

19. STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31 AUGUST 2022

	<i>Notes</i>	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2022 £	Total 2021 £
Income and endowments from:						
Voluntary sources						
Grants and donations		10,858	251,104	-	261,962	176,662
Charitable activities						
School fees receivable	2	10,917,281	-	-	10,917,281	9,992,443
Other trading activities						
Sundry letting		25,473	-	-	25,473	21,090
Investments						
Investment income	3	374,165	23,446	-	397,611	366,326
Bank and other interest	3	7,955	-	-	7,955	6,659
Other						
Other income	4	-	-	-	-	18,908
Profit on sale of fixed assets		20,000	-	-	20,000	-
Total income and endowments		11,355,732	274,550	-	11,630,282	10,582,088
Expenditure on:						
Raising funds						
Financing costs		31,060	-	-	31,060	33,568
Investment management		293,076	1,952	49,935	344,963	111,547
Fundraising costs		59,766	-	-	59,776	-
Total deductible costs		383,902	1,952	49,935	435,789	145,115
Charitable activities						
Education and grant making		10,575,029	172,291	-	10,747,320	9,722,594
Total expenditure	5	10,958,931	174,243	49,935	11,183,109	9,867,709
Net income before transfers and investment gains						
		396,801	100,307	(49,935)	447,173	714,379
Gains/(losses) on investments		-	(29,094)	(744,231)	(773,325)	1,308,069
Gains on investment properties		-	-	40,000	40,000	380,000
Transfers between funds	13	(53,260)	-	53,260	-	-
Net movement in funds		343,541	71,213	(700,906)	(286,152)	2,402,448
Fund balances brought forward		12,713,329	1,393,388	12,686,703	26,793,420	24,390,972
Fund balances carried forward		13,056,870	1,464,601	11,985,797	26,507,268	26,793,420