

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

England & Wales · Charity number 251051

Details

Other names	QUEEN ELIZABETH'S FOUNDATION FOR THE DISABLED, DORINCOURT ESTATES, LULWORTH COURT HOLIDAY FUND, QUEEN ELIZABETH'S FOUNDATION, QUEEN ELIZABETH'S TRAINING COLLEGE, THE PENNY-A-WEEK FUND
Status	Registered
Legal form	Charitable company
Company number	00892013
Registered	1967-01-20
Register	View on the Charity Commission register

Contact

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Activities

Objects: TO PROVIDE FOR THE REHABILITATION, TRAINING, EDUCATION (INCLUDING THE PROVISION AND AUGMENTATION OF SCHOLARSHIPS), EMPLOYMENT, TREATMENT, CONVALESCENCE, HOLIDAYS AND OTHER NEEDS AND GENERAL WELFARE OF DISABLED PEOPLE. (FOR FURTHER DETAILS SEE CLAUSE 3, OF THE MEMORANDUM OF ASSOCIATION).

Activities: QEF enables and supports disabled people to increase independence and improve life skills

Classification

- **How:** Provides Services
- **What:** Education/training, Disability
- **Who:** People With Disabilities

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31		-	-	-
2024-03-31	£12,361,000	£12,546,000	£11,867,000	250
2023-03-31	£14,622,000	£13,722,000	£11,993,000	272
2022-03-31	£14,432,000	£13,443,000	£10,885,000	309
2021-03-31	£12,421,000	£11,848,000	£9,761,000	250
2020-03-31	£11,683,000	£10,985,000	£9,447,000	263

Trustees

Name	Role	Appointed
Alice Collins		2020-02-13
Elizabeth Sharp		2020-02-13
Gordon Peter Bowser		2020-02-13
Graham Gregory Rusling		2023-10-04
Michael Thomas George Connaughton		2020-02-13
Moira Bowie		2016-11-17
Stephen Maurice Collinson		2022-11-29

Linked charities

- LULWORTH COURT HOLIDAY FUND (251051-1)

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

England & Wales - Charity number 251051

Accounts

Queen Elizabeth's Foundation For Disabled People

Financial Statements

For the year ended
31 March 2024

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013



Queen Elizabeth's
Foundation for
Disabled People



Enabling Potential

TRUSTEES, SENIOR MANAGERS AND ADVISORS

PRESIDENT	CORINNA, LADY HAMILTON OF DALZELL DL
CHAIR	GORDON BOWSER
BOARD OF TRUSTEES	PAUL BEATER (resigned 27 July 2023) MOIRA BOWIE GORDON BOWSER ALICE COLLINS STEPHEN COLLINSON MICHAEL CONNAUGTON TIMOTHY JASON DAVIES (resigned 3 May 2023) ABIGAIL PRICE (resigned 25 September 2024) GRAHAM RUSLING (appointed 4 October 2023) ELIZABETH SHARP CHRISTOPHER THORNE (resigned 10 October 2023)
CHIEF EXECUTIVE	KAREN DEACON
COMPANY SECRETARY	PHILIP KIRK
REGISTERED ADDRESS	LEATHERHEAD COURT OFFICE WOODLANDS ROAD LEATHERHEAD, SURREY, KT22 0BN
BANKERS	NATIONAL WESTMINSTER BANK PLC 57 VICTORIA STREET LONDON, SW1H 0HN
SOLICITORS	BLAKE MORGAN LLP NEW KINGS COURT, TOLLGATE, CHANDLER’S FORD EASTLEIGH, HAMPHIRE, SO53 3LG
INDEPENDENT AUDITORS	MOORE KINGSTON SMITH LLP 9 APPOLD STREET LONDON, EC2A 2AP

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CEO AND CHAIRMAN'S STATEMENT

QEF is passionate about delivering person-centred, expert services that focus on individual needs. Over the last three years our key aims have been to deliver operational excellence; strengthen our business, and seek innovative and sustainable solutions. We have had to adapt our objectives during this time to react to the challenging external environment and stabilise our financial position while continuing to deliver high quality care. As part of this process, we have refocused our activities on the areas where we can have the most impact for disabled people and in Spring 2023, we made the reluctant decision to close our Independent Living Service, based at Dorincourt.

Whilst the planned closure in July 2023 understandably caused uncertainty and anxiety for the residents and their families, we are pleased to report that most clients were offered suitable alternative placements within the six months' notice period. In addition, we were able to offer interim placements at our Care and Rehabilitation centre for the remaining five individuals while their future placements were finalised.

As part of the restructuring, we were able to redeploy 49 staff from the Dorincourt Independent Living Service across the rest of the organisation, retaining their skills and experience and helping to reduce staffing shortages in these areas. Nevertheless, as with others providers in the health and social care sector, we remain reliant on agency staff. Within our Care and Rehabilitation centre, we use regular agency staff to ensure that care is delivered consistently and that client outcomes are achieved. But agency staff are expensive, and this increases the cost pressures on the organisation.

As has previously been noted, the financial pressures on QEF have been significant for the last few years and the outlook remains challenging. We continue to actively recruit to our vacant positions, but the market is competitive with a national shortage of therapists and other key skills, resulting in upward pressure on salaries. In addition, while we welcomed the 9.8% increase in the National Living Wage from April 2024 for the staff affected, the uplifts in fees we have received from social care and health authorities have not been commensurate. Planned changes to employment costs from April 2025 arising from the 2024 Autumn Budget will further increase the economic pressure. Despite these challenges, we continue to provide high quality personalised care and support across all our services.

Our Care and Rehabilitation Centre (CRC) has now been operational for four years and has supported over 550 people during that time with stays of between 1 week (for respite care) to long term placements lasting from the date the service opened. Our clinical service delivery now comprises:

- Neuro-rehabilitation
- General rehabilitation
- Long-term neurological care including slow-stream rehabilitation
- Short-term support including residential respite and out-patients

Over the last year, we have diversified our clinical interventions and practices through the implementation of technology assisted therapy equipment, the most recent being the Tyro Motion kit. In April 2024, we commenced a partnership with Chroma Neurologic Music Therapy who will be undertaking a six-month pilot within the service. In April 2024, we were also delighted to welcome a new consultant of Rehabilitation Medicine, Dr Jonathan Mamo, who brings a wealth of knowledge and expertise, and will play a key role in defining the service going forward.

We commissioned an external review of the CRC service and have implemented an action plan to develop and grow this service further over the next 3 years. To execute this plan, we have strengthened the clinical and management team at the CRC. We have invested in a Business Development team who are working more closely with our NHS partners and identifying new opportunities. The funding constraints that the NHS faces have impacted our occupancy over the 2023-24 winter months and, going forward, the Business Development Team will be focused on stabilising occupancy throughout the year. This will enable us to deliver a more sustainable and consistent service, and support more individuals achieve their desired outcomes.

The work that the CRC do is vital in helping people regain skills and independence following a traumatic health event or medical condition. We continue to be humbled by our clients' stories and the strength and resilience that they and their families demonstrate through very challenging times.

During the year, compliance testing undertaken on our mini powered wheelchair (Bugzi) identified some technical and safety related issues. In consultation with the Medicines and Healthcare products Regulatory Agency (MHRA), the decision was made to ask users to stop using Bugzis until the issues were resolved. The suppliers of the affected parts rectified the issue, and after a rigorous and lengthy testing program, corrective equipment was reissued. The issues were fully resolved by October 2024.

Our Mobility service has had a very strong year due in part to the success of the new hub in Southampton, which we opened at the request of the Department for Transport and Driving Mobility. The team have also been working closely with the CRC, supporting clients as part of their discharge planning process and where possible, increasing their independence.

We are, as ever, grateful to all our supporters and volunteers for their commitment, time and support across the organisation. We would also like to extend our gratitude to the Trustees for their support, commitment, and guidance throughout the year. In particular, we would like to thank Chris Thorne and Abby Price, both who stepped down as trustees over the last 12 months. Both Chris and Abby remain staunch QEF friends and supporters.

We are lucky to have a dedicated team of loyal, committed staff who ensure that QEF continues to deliver good quality services, supported by our agency staff. We are grateful to all members of QEF for their contributions throughout the year. We continue to strive to deliver excellent services and enable as many people as possible to live independent and inclusive lives.

TRUSTEES' REPORT

The Trustees are pleased to present their Report and Financial Statements for the year ended 31 March 2024. The accounts have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland. The report and statements also comply with the Companies Act 2006 and the Charities Act 2011.

Purpose of the charity

Queen Elizabeth's Foundation for Disabled People (QEF) is a leading charity with almost 90 years' experience of developing innovative services which enable and support people with disabilities to increase independence and improve opportunities for life. Whether it is gaining new skills to live independently, neuro-rehabilitation after a brain injury or stroke or improving independence through increased mobility; QEF helps disabled people to fulfil their potential in life.

What we do

The services we offer include the following:

- Care and Rehabilitation Centre (CRC) - neurorehabilitation rehabilitation for those with an acquired brain injury such as a stroke or a traumatic injury or neurological condition such as Guillan barre syndrome, multiple sclerosis, incomplete spinal cord injury and general rehabilitation for those who are off their baseline functionality following a period of acute illness or hospitalisation.
- Residential Care and Supporting Living – long term specialist care for complex disabilities at The Grange (2016) Ltd in Kent.
- Independent Mobility – mobility driving assessments, wheelchair and scooter assessments, accessible aviation and seat assessments, mobility and disability aids.
- MERU – providing Bugzi mini-powered wheelchairs for young children, and adapted toys.

These services are supported by the following teams:

- Retail Trading with 15 Retail Shops
- Engagement and Partnerships Team (Fundraising)
- Finance and IT
- People Team (Human Resources)
- Marketing and Communication
- Facilities Management
- QEF Developments Limited

The Grange (2016) Ltd, QEF Trading Limited and QEF Developments Limited are limited companies and wholly owned subsidiaries.

Geographical Reach

QEF is based in Surrey and Kent, providing most of its residential and mobility services in the South East Region, covering London, Surrey, Essex, Hertfordshire, Berkshire, Kent, Buckinghamshire and Hampshire. MERU designs and sells products UK-wide.

Vision Statement

Our vision is for everyone we support to be able to live the life they choose in a fully inclusive society.

To achieve our vision, we deliver expert services that enable disabled people of all ages to achieve their potential so they can be as independent as possible and live enriched lives.

Values and behaviours

We believe:

- Everyone matters
- Everyone works together
- Everyone makes a difference

Public benefit

The Trustees confirm they have given due consideration to the Charity Commission's guidance and that QEF's purpose is for public benefit.

MAIN ACTIVITIES

QEF Care and Rehabilitation Centre (CRC)

The CRC is situated near Leatherhead in Surrey and is a 48-bed purpose-built CQC registered service which specialises in neuro-rehabilitation. The CRC supports people to enhance their quality of life and core skills to maximise their independence after an acquired brain injury, stroke, incomplete spinal injury, or other neurological conditions.

The centre is a spacious, well-equipped building that has been designed to meet the needs of QEF's clients. Rooms are modern and bright with a comfortable, homely environment. All rooms are ensuite with tracking hoists and are supported by innovative assistive technology.

Our expert multi-disciplinary teams provide each person with an individualised rehabilitation program and care plan. The specialist services are delivered by a team of healthcare professionals including a consultant in rehabilitation medicine, GP, specialist nurses, therapists and care team.

The in-house therapies include clinical psychology, speech and language therapy, occupational therapy and physiotherapy, who alongside specialist nursing and care teams, work closely with the NHS, case managers and community referrers.

The clinical team work with the client and families to set client centred and individualised goals which become the focus and aim of the rehabilitation stay. These goals are reviewed and contribute to the decision making process regarding onward support needs for clients once they move on from the CRC.

We currently work with 14 NHS Trusts and Integrated Care Boards (ICBs) across South East England. In 2023-24, we developed partnerships with Stroke Association and Headway who in reach to our service supporting clients as they prepare for the next steps of their rehabilitation journey after their stay at the CRC.

QEF Residential Care and Supported Living

The Grange (2016) Ltd (The Grange)

The Grange provides accommodation-based services for adults with learning disabilities in Cranbrook, Kent. These are provided for up to 25 people across two residential care services regulated by the CQC and one Supported Living accommodation. The services provide 24-hour care and supervision as well as a programme of activities, leisure pursuits and volunteering opportunities. It offers person centred support where people can develop their skills to maximise their own potential, have choice and control of their lives and feel valued as part of their community.

The main residential service at The Grange caters for up to 19 individuals, the residential care service at 17 Wheatfield Drive caters for a further 3, and the supported living service at 15 Wheatfield Drive supports up to 3 individuals.

Independent Mobility

QEF Mobility Services

The Mobility Centre, which has been operating for more than 40 years, provides a variety of assessments that enable independent mobility for disabled people and the elderly, as well as equipment hire of wheelchairs, scooters, and seating postural support for air travel. Assessments include driving ability and adaptations for vehicles including hoists and transfer systems, wheelchair prescription, scooter proficiency, accessible aviation, seating and postural support assessments and child car seat assessments.

At the request of the Department for Transport and Driving Mobility, we were asked to establish a new outreach service in the Hampshire area to fill the void created by the closure of Wessex Driveability in March 2023 who had been servicing the residents over a wide area from East Wiltshire to West Sussex and the Isle of Wight. In September 2023, we opened a new location in Southampton to meet the geographical need. We have delivered 1,854 assessments across all locations.

We have established a new relationship with the Hampshire and Isle of Wight Constabulary providing Fitness to Drive assessments as an alternative to prosecution

for disabled people and the elderly and this is expected to expand to include two other police forces in the coming year.

VASD

VASD had previously provided an accessible holiday home in West Sussex for hire by individuals and families with disabilities who require specialist facilities. This property was sold in January 2024.

MERU

MERU produces children's mini powered wheelchairs "Bugzi" which are available to buy or offered as part of a free loan scheme. The loan scheme allows a family to take a Bugzi home following an assessment and use for as long as the child needs it. It is then returned, refurbished and reloaned to another child.

A total of 42 children received a Bugzi through the Bugzi Loan Scheme this year. In addition, the school-based Bugzi Club was operational in 11 schools in the Southeast, helping children access independent mobility at school.

Due to technical and safety issues identified as part of compliance testing, we issued a Field Safety Notice in December 2023 and advised people not to use Bugzis until the matter was resolved. This impacted the Bugzi loan scheme for the remainder of the financial year. This issue was resolved in October 2024.

MERU also sells a wide range of assistive products and adapted toys as well as providing a toy adaptation service to a distribution partner in the UK.

QEF Trading Limited

QEF charity shops continue to sell a variety of donated goods and furniture, greatly helping QEF raise awareness and contributing to income in unrestricted funds. At the year-end, there were 15 charity shops in and around Surrey (2023: 15).

The three key challenges faced by the charity retail sector during the year were:-

- the reduction in the number of volunteers
- the changes to people's shopping habits
- the reduction in quantity of higher quality donations.

While these remain a challenge, there has been an improvement in performance and support in the shops.

Engagement and Partnerships ("E&P")

As ever, we are grateful to all the loyal and committed supporters without whom QEF could not invest in new equipment and provide additional services such as therapeutic art and assistive technologies. Their generosity supports us to achieve our vision to enable disabled people to achieve their potential. Fundraising undertaken by our team raised £2.2m for QEF and its subsidiaries (£2.1m raised in 2023). This total included

£902k in legacies from many generous supporters who left QEF gifts in their wills (2023: £703k).

Our core fundraising activities include soliciting gifts from trusts and charitable foundations; appealing for, and stewarding donations from individual supporters or through entries to a lottery; legacy gifts made by supporters through their last will and testament; running our own events and entering individuals into third party events and developing partnerships with businesses, schools, and community groups.

Our much-loved annual events once again proved popular, particularly the two Ladies Lunches and our Mansion House event, the Guinness and Oyster Luncheon. We received funding from the Community Foundation for Surrey and The National Lottery to develop a new programme of music therapy. We also invested in advanced rehabilitation technology by Tyromotion, which was funded by a grant made by The Peter Harrison Foundation in the prior year. In addition, the installation of two lifts to complete the Care and Rehabilitation Centre was made possible by a generous grant awarded by the Bradbury Foundation.

We were delighted to have had the support of Unum staff, with the culmination of a two year "charity of the year" partnership as well as benefiting from volunteer teams from over 20 companies throughout the year.

We continued to work with Sterling Management Centre Limited, an External Lottery Manager to administer our lottery. Sterling Management Centre Limited are licensed and regulated in Great Britain by the Gambling Commission under account number 3137. We also worked with two telemarketing agencies, Quality Telephone Services Limited (QTS) and Stanton Lea Ltd, trading as NTT, to engage existing donors and inspire potential new ones. We regularly review our telemarketer's calls to ensure calls are appropriate.

During 2023-24, all fundraising was conducted by a team of employed fundraisers along with a group of dedicated volunteers helping throughout the year.

QEF monitors and manages its fundraising regulation and compliance through a combination of training programmes, internal processes, and management reporting. We are registered with the Fundraising Regulator and operate in accordance with the Code of Fundraising Practice. We also support our team to actively engage with the Chartered Institute of Fundraising (CioF) and where appropriate participate in CioF training and best practice forums. Fundraising programmes are compliant with the Institute, the key principles of which are incorporated in our training programmes. QEF operates a whistleblowing policy and a complaints policy and process. We have recently reviewed our Supporter Promise and are committed to abiding by the Fundraising Preference Service and the Mail and Telephone Preference Services.

We continue to welcome feedback, including complaints from supporters and the public. During the financial year 2023-24, all complaints made were investigated and closed. There were 2 complaints made by supporters to the Fundraising team; both were responded to and closed and neither required referral to the Fundraising Regulator, Ofcom, the Information Commissioner's Office, or any other regulator.

People

The QEF workforce is a diverse multi-disciplinary team of 250 talented employees who work hard to enable all our clients and residents reach their potential.

Recruitment and retention continues to be a challenge across QEF as we have struggled to match increasing salary expectations in the context of pay rises in the health sector. There is also a national shortage of therapists and care workers in the UK, which is proving to be challenging and has resulted in vacancies taking longer to fill.

To support retention, our employee health and well-being programme remains a priority. As mental health issues remain a significant cause of sickness absence, we continue to provide training sessions on stress management, we have Mental Health First Aiders available to provide support and there are regular wellbeing initiatives being delivered across the organisation.

Other employee initiatives include enhancing our time off for dependants leave provision to support working parents and the introduction of the carers leave policy to support those with caring responsibilities. We have also updated the flexible working policy in line with legislative changes.

A combined approach to targeted recruitment, employee wellbeing, management training and additional development opportunities has resulted in a reduction in overall staff vacancies and turnover across the QEF Group, however it remains a challenge in key areas of the organisation.

Volunteering

Our QEF volunteers have continued to provide amazing support to QEF over the last year. We are forever grateful to those who give their time to support our work and help us to make a difference to the lives of disabled people who use our services and their families. Over the course of the year, we have had 230 dedicated volunteers helping out across all areas of the QEF group. We have also benefited from corporate gardening and DIY volunteering events, and look forward to strengthening these relationships going forward. We have been delighted to welcome some of our volunteers into the permanent workforce of QEF.

LOOKING FORWARD

Understanding and determining the future direction for QEF is key to the organisation's sustainability and success. We continue to improve all our processes, look for potential opportunities and articulate our charitable offer in what is a complex and changing external environment.

The strategic goals agreed for 2022-2025 are outlined below. Work is now beginning on the strategic direction of the organisation for 2025-26 onwards with a series of

internal health checks and deep dives being undertaken across the organisation to help guide the strategy.

1) Deliver operational excellence

We will:

- Provide high-quality consistent, person-led care and support to enable better outcomes for the people we support.
- Further build on our qualities to become outstanding and ensure excellent customer experiences in all areas.
- Maximise the capacity in our services by ensuring we respond to future healthcare needs and ensure our care pathways are best practice.
- Build high performing, engaged, diverse teams by investing in our staff and ensuring they have the right skills and behaviours.
- Create a positive culture of continuous improvement to ensure our staff are committed to achieving the organisations goals.

2) Strengthen our business

We will:

- Maximise the opportunities in the markets to diversify and grow income streams to ensure we have a strong future.
- Review our infrastructure to deliver more cost-effective ways of working and create more funds for future business development.
- Identify commercial opportunities to ensure all areas of business can be self-sustaining.
- Develop and strengthen partnerships and collaborate with key organisations to support us to achieve our vision.

3) Seek innovative and sustainable solutions

We will:

- Develop a property strategy which ensures our buildings and land are used in the most effective way (including using any appropriate spare space in existing buildings to generate income).
- Develop initiatives to reduce our environmental impact and promote awareness across the organisation.
- Develop strong leadership and management at all levels to empower people.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

QEF is a registered charity and a company limited by guarantee governed by a Memorandum and Articles of Association which were reviewed and updated in 2018.

The Board of Trustees meets at least six times a year. Trustees are subject to the 'fit and proper person' test required by the Care Quality Commission. Each Trustee is required to resign at the end of their three-year term but they may be elected to serve for another term provided their total term of office does not exceed nine years.

When there is a requirement to recruit new Trustees a formal external recruitment procedure takes place. New Trustees receive induction training from the chief executive and Senior Management Team.

The Board of Trustees has responsibility for strategic development and for overall governance of QEF, members of the QEF family of charities and the QEF Trading Company.

The Board of Trustees delegates to committees some of its non-executive functions, including audit and risk, property, fundraising, people, care quality and safety.

Executive leadership and management are delegated to the Chief Executive and the Senior Management Team.

Trustees

Trustees are elected by Members of QEF or co-opted by the Trustees, based on how their skill set and experience can benefit QEF and further improve the knowledge of the Board. A formal recruitment and selection process is agreed by the Board in advance of all appointments and is in line with best practice guidance.

As stated in the Memorandum and Articles of Association, one third (or the number nearest one third) of the Trustees must retire at each AGM, those longest in office retiring first and the choice between any equal service being made by drawing lots. A retiring Trustee who is eligible may be re-elected. If at the date of the AGM a Trustee has held office for nine consecutive years since first election, they may not be re-elected, except in exceptional circumstance of there being no other person eligible to be a Trustee and acceptable to the Members as such.

RISK MANAGEMENT

The Audit and Risk Committee is responsible for oversight and scrutiny in areas including internal and external audit, risk management and insurance. The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Measures in place include:

- A strategic plan, a business plan and an annual budget approved by the Board of Trustees
- Monthly consideration by the Senior Management Team of financial results, variance from budgets and performance indicators.
- Board Assurance Framework and corporate risk registers as part of a risk management strategy.
- The Senior Management Team and the Board review the nature of risks regularly, monitor actions taken, identify new risks and agree future mitigating action. An updated risk analysis is presented to the Board of Trustees at each of its meetings.
- Monthly quality and performance reports enable managers to comment on variances and identify actions being taken to mitigate risk.
- The Board meets bi-monthly and is supported by sub-board committees which meet during the year, covering inter alia Care Quality and Safety, Audit & Risk, and Property
- Proper delegation of authority and segregation of duties.
- An executive and professional liability insurance policy provides indemnity for the Trustees.
- Our auditors are Moore Kingston Smith LLP.

In common with all providers of health and care services, QEF faces a number of risks. These include:

Risk	Mitigation
Poor quality of care or risk to safety	Ensure staff compliance with training and induction and a robust supervision and appraisal system. Continually develop operational processes, policies and procedures to ensure best practice. Involve service users in monitoring and actively seek feedback from people who use our services. Clear and thorough reporting to Care Quality and Safety committee and visibility of senior managers and trustees in services. Ensure Health and Safety compliance across all areas.
Workforce – difficulties recruiting and retaining a skilled workforce and associated impact on care	Recruitment and retention plan developed focusing on competitive pay structure, professional development and employee health and wellbeing.

Risk	Mitigation
Management of the £30m long term loan from the PPF, which replaced the defined benefit pension deficit.	QEF has repaid £8.4m of the loan through a mixture of asset sales and quarterly repayments leaving £21.6m outstanding. QEF continues to work closely with the PPF to ensure that its obligations will be met over the loan term. This includes a proposal to deliver the repayments required in the short to medium term.
Failure to achieve financial targets impacting on viability	Reforecasting and sensitivity analysis is undertaken throughout the year. The five year financial plan is overseen by the Board.
Risk of a cyber-attack could result in a data breach or the introduction of ransomware	Ongoing phishing awareness campaigns and training in place to raise awareness and minimise risk of an attack succeeding. A business recovery plan is in place in the event this occurs.

Remuneration

The Remuneration Committee has responsibility for considering management recommendations for staff pay and setting the salaries of members of the Senior Management Team.

Before considering management recommendations for staff pay, the Remuneration Committee looks at the external market and pay comparability, internal pressures for talent and affordability.

FINANCIAL REVIEW

Income and expenditure

Total operating income decreased by £2.2m to £12.4m in 2024 (2023: £14.6m) due to the closure of Dorincourt ILS in July 2023. Excluding this service, operating income rose by 4.4% to £11.4m in 2024 (2023: £10.9m).

Total operating expenditure decreased by £1.2m to £12.5m (2023: £13.7m) reflecting the closure of Dorincourt ILS. The overall result was a small loss of £(0.2m), before other gains and losses, compared to a profit of £0.9m in 2023. Excluding ILS, where expenditure exceeded income by £1.4m (2023: £0.5m), the group generated net income of £1.2m in 2024 (2023: £1.4m).

Excluding ILS, income from charitable activities rose by £0.2m to £6.3m in 2024 however expenditure increased by £0.5m to £6.8m resulting in a shortfall of £(0.5m) (2023: £(0.2m)).

Net income from fundraising (donations, legacies and fundraised events) and commercial operations were in line with prior year at £1.3m and £0.1m respectively.

The net movement in funds was £(0.1m) after a minor adjustment to the discounting of the loan term PPF liability. This total movement in funds comprised a decrease in unrestricted reserves of £(0.3m) along with a £0.2m increase in restricted reserves.

Cash flow

Net cash used in operating activities reduced from £0.5m in 2023 to £(0.5m) in 2024 due to the reduction in net income.

The cash inflow from investing activities reflects the proceeds raised from the sale of Dorincourt, the site on which ILS was based, of £3.2m. These proceeds were used to make capital loan repayments of £2.8m to the PPF. This coupled with other loan repayments of £0.2m resulting in the year-end cash position remaining broadly unchanged at £1.5m (2023: £1.6m).

Balance sheet

The Group balance sheet shows net assets, excluding long-term debt, of £22.1m (2023: £25.2m). Fixed assets decreased to £19.9m (2023: £23.6m) due to the sale of Dorincourt.

Long-term liabilities reduced to £10.3m as at 31 March 2024 (2023: £13.2m) reflecting the repayments made in the year. The total consists primarily of amounts due under the PPF and CBILS loan agreements of £9.8m and £0.3m respectively. The PPF loan is a long-term liability and the amount outstanding at 31 March 2024, was £21.6m. This has been discounted over the 30 year-term at 4% to arrive at an amortised cost of £10.3m at 31 March 2024 (2023: £13.2m) of which £0.5m is due within one year

and £9.8m is due after one year. The amount outstanding under the CBILS loan agreement is £0.4m of which £0.1m is due within one year.

The Board of Trustees has been working with the PPF on our payment obligations as our principal creditor. Further detail can be found in the Accounting Policies note of the financial statements.

The net current asset position improved to £2.2m (2023: £1.5m) as at 31 March 2024.

Overall, the Group balance sheet shows net assets of £11.9m as at 31 March 2024 (2023: £12m).

Reserves policy

The reserves policy is determined after assessing the capital requirements, considering the nature and timing of income and expenditure streams and by reviewing the specific business risks identified through the risk management process. The Board of Trustees aims to maintain a level of unrestricted reserves not tied up in fixed assets, which it believes will be sufficient to ensure the operational viability of the charity. The unrestricted fund balance at the year-end was £11.4m (2023 - £11.7m), including fixed assets of £20.0m and a £10.3m long-term liability to the Pension Protection Fund.

The Board of Trustees is also mindful that at a time of uncertainty in government funding it may require sufficient reserves to maintain services for a limited period if funding ceased or contracts were cancelled. The Board of Trustees has concluded that given the economic environment its services operate within and the reliance on fundraising income that the level of free reserves at the year-end should be six months' worth of unrestricted operating expenditure. Based on 2023/2024 results this would be circa £5.5m which is below the unrestricted funds held as at 31 March 2024 of £11.4m (2023: £11.7m).

As well as the unrestricted reserves described above, QEF also held £455k (2023: £288k) of restricted reserves as at 31 March 2024.

Investment policy

In view of the likely requirement for accessible cash over the next five years, the Board of Trustees has decided to continue its policy of holding investments in cash deposits.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of QEF for the purposes of company law) are responsible for preparing the Trustees' Annual 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 Trustees 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 the group) and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees 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 the Group) and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

APPROVAL OF TRUSTEE REPORT AND STRATEGIC REPORT BY ORDER OF THE BOARD OF TRUSTEES ON 27 NOVEMBER 2024



Gordon Bowser
Chairman

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

Opinion

We have audited the financial statements of Queen Elizabeth's Foundation for Disabled People (the "parent charitable company") and its subsidiaries (the "group") for the year ended 31st March 2024 which comprise the consolidated and Group Balance Sheets, the Group Summary Income and Expenditure Account, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 March 2024 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees 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 group's and charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and parent charitable company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding, among other matters, the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP.

**James Saunders (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP**

Date: 3 December 2024

**Chartered Accountants
Statutory Auditor**

9 Appold Street
London
EC2A 2AP

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

GROUP BALANCE SHEET
AS AT 31 MARCH 2024
COMPANY REGISTRATION NO. 00892013

	Note	GROUP		QEF	
		2024 £000's	2023 £000's	2024 £000's	2023 £000's
FIXED ASSETS					
Tangible Fixed Assets	2	19,960	23,688	19,594	23,270
Intangible Fixed Assets	3	(25)	(49)	-	-
Investments	4	-	-	1,030	1,030
		<u>19,935</u>	<u>23,639</u>	<u>20,624</u>	<u>24,300</u>
CURRENT ASSETS					
Stock and Assets Held for Resale	5	102	423	-	-
Debtors	6	2,397	2,221	2,425	2,265
Investments	4	37	34	30	27
Cash at bank and in hand		<u>1,512</u>	<u>1,603</u>	<u>919</u>	<u>855</u>
		<u>4,048</u>	<u>4,281</u>	<u>3,374</u>	<u>3,147</u>
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	7	<u>(1,855)</u>	<u>(2,770)</u>	<u>(2,744)</u>	<u>(3,155)</u>
NET CURRENT ASSETS		<u>2,193</u>	<u>1,511</u>	<u>630</u>	<u>(8)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,128</u>	<u>25,150</u>	<u>21,254</u>	<u>24,292</u>
Creditors - amounts falling due after more than one year	21	(10,261)	(13,157)	(10,159)	(13,051)
NET ASSETS including pension scheme liability		<u>11,867</u>	<u>11,993</u>	<u>11,095</u>	<u>11,241</u>
ACCUMULATED FUNDS					
Unrestricted Funds	10	11,412	11,705	10,687	10,967
Restricted Funds	9	455	288	408	274
Total Accumulated Funds	11	<u>11,867</u>	<u>11,993</u>	<u>11,095</u>	<u>11,241</u>

As permitted by section 408 of the Companies Act 2006, QEF's (this is QEF Group excluding all subsidiaries) income and expenditure account has not been included in these financial statements. During the year QEF's incoming resources were £9,363k and the loss for the year was £148k (2023: incoming resources £11,705k and a surplus of £604k).

The financial statements on pages 25 to 45 were approved and authorised for distribution by the Board of Trustees on 27/11/2024 and were signed on it's behalf by:



Gordon Bowser

Chairman of the Board of Trustees

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 Unrestricted £000's	2024 Restricted £000's	2024 TOTAL £000's	2023 Unrestricted £000's	2023 Restricted £000's	2023 TOTAL £000's
INCOME							
Donations		738	388	1,126	787	376	1,163
Legacies		902	-	902	703	-	703
Commercial Trading Operations		2,817	-	2,817	2,665	-	2,665
Fundraising Events		189	36	225	102	133	235
Income from property		24	-	24	20	-	20
Investment Income		4	-	4	1	-	1
Other		1	-	1	3	-	3
		4,675	424	5,099	4,281	509	4,790
Incoming resources from charitable activities:							
Care and Rehabilitation Centre		4,768	-	4,768	4,981	2	4,983
Independent Living Services		946	-	946	3,713	2	3,715
Mobility Services		268	1,073	1,341	217	713	930
Medical Engineering Resource Unit		100	107	207	30	174	204
		6,082	1,180	7,262	8,941	891	9,832
TOTAL OPERATING INCOME		10,757	1,604	12,361	13,222	1,400	14,622
EXPENDITURE							
Raising funds:							
Fundraising and publicity costs		863	43	906	743	56	799
Commercial Trading Operations		2,501	-	2,501	2,351	-	2,351
Total costs of raising funds		3,364	43	3,407	3,094	56	3,150
Charitable activities:							
Care and Rehabilitation Centre		4,939	227	5,166	4,364	420	4,784
Independent Living Services		2,285	32	2,317	4,180	60	4,240
Mobility Services		165	1,075	1,240	267	737	1,004
Voluntary Assoc. Surrey Disabled		(37)	-	(37)	35	-	35
Medical Engineering Resource Unit		387	60	447	281	224	505
QEF Developments		6	-	6	4	-	4
Other		-	-	-	-	-	-
Total charitable expenditure		7,745	1,394	9,139	9,131	1,441	10,572
TOTAL OPERATING EXPENDITURE	14	11,109	1,437	12,546	12,225	1,497	13,722
NET (EXPENDITURE)/INCOME	26	(352)	167	(185)	997	(97)	900
Other recognised gains and losses							
Change in discounting of long term loan		59	-	59	208	-	208
Transfer between funds		-	-	-	330	(330)	-
Net Movement in Funds		(293)	167	(126)	1,535	(427)	1,108
Fund balances brought forward at 1 April 2023		11,705	288	11,993	10,170	715	10,885
Fund balances carried forward at 31 March 2024		11,412	455	11,867	11,705	288	11,993

The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.
A reconciliation of the Net Movement in Funds to the in-year operational performance is shown in Note 26.

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £'000	2023 £'000
Cash flows from operating activities:		
Net cash used in operating activities	(548)	512
Income taxes paid	-	-
	<u>(548)</u>	<u>512</u>
Cash flows from investing activities:		
Investment income and interest received	-	-
Proceeds from disposal of fixed asset investments	-	1
Proceeds from disposal of tangible fixed assets	3,530	-
Payments to acquire tangible fixed assets	(72)	(191)
Net cash provided by investing activities	<u>3,458</u>	<u>(190)</u>
Cash flow from financing activities:		
Loan capital repayments	(3,001)	(299)
Net cash flow from financing activities	<u>(3,001)</u>	<u>(299)</u>
Net increase in cash and cash equivalents	(91)	23
Cash and cash equivalents at beginning of year	1,603	1,580
Cash and cash equivalents at end of year	<u>1,512</u>	<u>1,603</u>
Reconciliation of net (expenditure)/ income to net cash flow from operating activities		
Net income including endowments	(126)	1,108
Depreciation charges	261	293
Goodwill amortisation	(25)	(25)
Taxation charged	-	-
Net gains on investments	3	-
Discounting adjustment on loan term loan	(59)	(208)
Movement in defined benefit pension scheme provision	-	(2)
Loss on disposal of Fixed Assets	335	-
Transfer from fixed assets to assets held for sale	-	(330)
Investment income	-	(1)
Decrease in stock	(9)	3
(Increase)/decrease in debtors	(176)	(199)
Increase/ (decrease) in creditors	(752)	(127)
Net cash used in operating activities	<u>(548)</u>	<u>512</u>

Analysis of changes in net funds - group

	1 April 2023 £	Cash flows £	Acquisitions and disposals £	Other non- cash changes £	31 March 2024 £
Cash at bank and in hand	1,603	(548)	3,458	(3,001)	1,512
Bank overdrafts	-	-	-	-	-
	<u>1,603</u>	<u>(548)</u>	<u>3,458</u>	<u>(3,001)</u>	<u>1,512</u>
Borrowings excluding overdrafts	(13,830)	3,001	-	60	(10,769)
	<u>(12,227)</u>	<u>2,453</u>	<u>3,458</u>	<u>(2,941)</u>	<u>(9,257)</u>

1 ACCOUNTING POLICIES

Company Status

The Company is limited by guarantee, has no share capital and is also a registered charity. The liability of each member is limited to a sum of no more than £1 in the event of a winding up.

Principal Accounting Policies

The financial statements comprise the charity and its subsidiaries.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 [under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410)], the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charitable company and its subsidiaries. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

Presentation of Financial Statements

In order that the financial statements should present a true and fair view, it has been necessary to differ from the presentational requirements of the Companies Act 2006. The presentation required by the Companies Act for the consolidated profit and loss account would not have given a true and fair view of the operations of the company. The Foundation has therefore adapted the presentation and applied it consistently.

Basis of Consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of QEF and its subsidiary undertakings made up to 31 March 2024. The results of the subsidiaries are consolidated on a line-by-line basis. Uniform accounting policies are applied across the Group and intra-group transactions are eliminated.

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable group's forecasts and projections and have taken account of pressures on contract income, the occupancy of the CRC, grants, and donation income.

The closure of the Independent Living Service based at Dorincourt has reduced the charitable group's loss-making activities. The redeployment of staff from ILS to the CRC reduced staff shortages at this service as well as reduced our reliance on agency staffing; we have therefore benefitted from a more stable workforce. Nevertheless, the financial challenges facing the organisation remain considerable. We face significantly increased employment costs and the tightening of NHS and local authority budgets impacting on the pipeline of referrals.

The charity has agreed deferrals on a number of quarterly loan repayments owed to the PPF given the challenging economic conditions. The trustees' view remains that the loan repayments will become affordable over the term of the loan but that improvements in cash flow are required to support the burden in the short-term. Increasing occupancy at the CRC throughout the year is key to delivering improvements in financial performance. To facilitate this, we have invested in a Business Development team, and we have strengthened the clinical teams within the service. We can already see improvements in occupancy levels from these changes, which coupled with a continued focus on strong cost control, will deliver growth in underlying cash flow. In addition, QEF is working with the PPF on a proposal to maximise value from our asset portfolio to support cash flow in the short-term.

Going Concern (Contd)

After making enquiries, the trustees have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Incoming Resources

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Voluntary income is accounted for when received. Income from activities for generating funds and income from charitable activities are both accounted for when receivable. Income is stated excluding VAT. Gifts donated for resale are included as income when they are sold.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Fixed Assets and Depreciation

All fixed assets with a value over £1,500 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, and depreciated to their estimated residual value over their estimated useful lives, as follows:

Leasehold property	The term of the lease or 10-15 years, whichever is the lower.
Computer equipment	5-10 years
Other equipment	4 years
Motor vehicles	4 years

Freehold Land and buildings are not depreciated because they are held at existing use value and any depreciation would be immaterial to the financial statements. Grants received relating to these assets are shown as incoming resources within restricted funds upon receipt and are amortised within the Statement of Financial Activities (SOFA) over the estimated useful life of the asset. It is our policy to review the fixed asset register on an annual basis and to write down the book value of any asset that has become impaired.

Where properties are subsequently sold, the valuation is revised on a market value basis less costs associated with the sale.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable asset, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made. Negative goodwill is recorded in assets on the balance sheet as a reduction to the assets of the group.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their estimated useful lives, as follows:

Goodwill	5 years
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Financial Instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Other financial instruments

i. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

ii. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Stocks

Stocks of raw materials, finished goods and consumables are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Resources Expended

Expenditure related to generating funds and to charitable activities is accounted for on an accruals basis and has been classified under headings that aggregate all costs, including irrecoverable VAT, related to the category.

Costs for repairs and maintenance are accounted for when incurred or when there is an irrevocable contractual commitment.

Support costs include the Chief Executive, the Finance and Human Resources departments and the provision of Information Technology services; these costs are incurred directly in support of the objects of the charity.

Shared Service costs are allocated in accordance to the total expenditure of each Service or Department.

Operating Leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Investments

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

Pensions

QEF operates a defined contribution scheme, the assets of which are held separately from those of the company in an independently administered scheme. Two employees are members of the Teachers Pension Scheme and one is a member of the Pension Trust, into which QEF pay the required employer's pension contribution for both schemes. Contributions are charged to the Statement of Financial Activities as they fall due.

Grant Commitments

Grants are charged against the appropriate fund in the period in which the grant is approved.

Taxation

The charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

In the view of the trustees in applying the accounting policies adopted, judgements were required that have a significant effect on the amounts recognised in the financial statements for accrued legacy income and long term loan discounting.

Legacy income is accrued in the accounts if there is sufficient evidence, following probate, that the amount is measurable and receipt within twelve months of the year-end is probable.

The long term loan from the PPF is measured at amortised cost using the discount rate, which was used on the initial recognition of the loan, as the effective interest rate. Any changes to the valuation are due to changes in the loan repayment structure, actual or proposed.

As disclosed in note 20 to the financial statements, the pension scheme deficit has been determined using a number of actuarial assumptions. Variations in those assumptions, particularly in regard to discount rates and projected returns on investments, can cause significant changes (positive and negative) in the resulting valuation of the scheme liabilities. The trustees have relied on independent actuarial advice in respect of the assumptions used, however these are by nature uncertain and may therefore result in material adjustments in subsequent years' financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

2 TANGIBLE FIXED ASSETS

GROUP	Freehold	Leasehold	Equipment	Motor	Total
	Land & Buildings	Property		Vehicles	
	£'000's	£'000's	£'000's	£'000's	£'000's
Cost at 01.04.23	23,040	-	3,725	281	27,046
Additions	13	-	51	8	72
Disposals / Reallocations	(3,500)	-	(585)	(38)	(4,123)
Revaluation gain	-	-	-	-	-
Cost at 31.03.24	19,553	-	3,191	251	22,995
Depreciation at 01.04.23	-	-	3,095	261	3,356
Charge for year	-	-	252	9	261
On disposals	-	-	(544)	(38)	(582)
Depreciation at 31.03.24	-	-	2,803	232	3,035
NET BOOK VALUE at 31.03.24	19,553	-	388	19	19,960
NET BOOK VALUE at 31.03.23	23,040	-	629	19	23,688

QEF	Restated Freehold	Leasehold	Equipment	Motor	Restated Total
	Land & Buildings	Property		Vehicles	Total
	£'000's	£'000's	£'000's	£'000's	£'000's
Cost at 1.4.23	22,783	-	2,735	218	25,736
Additions	13	-	47	-	60
Disposals	(3,500)	-	(568)	(31)	(4,098)
Cost at 31.3.24	19,296	-	2,214	187	21,698
Depreciation at 1.4.23	-	-	2,260	207	2,467
Charge for year	-	-	192	4	196
On disposals	-	-	(527)	(33)	(559)
Depreciation at 31.3.24	-	-	1,925	178	2,103
NET BOOK VALUE at 31.3.24	19,296	-	290	9	19,594
NET BOOK VALUE at 31.3.23	22,783	-	476	11	23,270

The charity has applied the existing use valuation method and used a previous valuation as the deemed cost for its freehold property. The properties values were reviewed as at 31 March 2020 using recent valuations, provided by Hurst Warne and Christies who are both property consultants.

3 INTANGIBLE FIXED ASSETS

GROUP	Goodwill	Total
	£'000's	£'000's
Cost at 1.4.23	(123)	(123)
Additions	-	-
Cost at 31.3.24	(123)	(123)
Amortisation at 1.4.23	74	74
Charge for year	25	25
Amortisation at 31.3.24	98	98
NET BOOK VALUE at 31.3.24	(25)	(25)
NET BOOK VALUE at 31.3.23	(49)	(49)
QEF	Goodwill	Total
	£'000's	£'000's
Cost at 1.4.23	-	-
Additions	-	-
Cost at 31.3.24	-	-
Amortisation at 1.4.23	-	-
Charge for year	-	-
Amortisation at 31.3.24	-	-
NET BOOK VALUE at 31.3.24	-	-
NET BOOK VALUE at 31.3.23	-	-

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

4a INVESTMENTS

QEF RETAIL TRADING

Company Number: 00913002

QEF owns 100% of the ordinary share capital of QEF Trading Limited, which is registered in England. Its principal activity is the retail sale of donated goods, gifts and greetings cards by means of mail order and through retail shops. It has covenanted to pay its profits to QEF. Its accounts are included within the consolidated accounts of the Group.

	2024 £'000's	2023 £'000's
The balance comprises:		
Shares at cost	280	280
	<u>280</u>	<u>280</u>

The results for the year ended 31 March 2024 net of intra-group transactions of £334k (2023: £288k) were as follows:

	2024 £'000's	2023 £'000's
Turnover	1,240	1,266
Cost of Sales	-	(1)
	<u>1,240</u>	<u>1,265</u>
Administrative expenses	(890)	(975)
Taxation	-	-
Profit on ordinary activities	<u>350</u>	<u>290</u>

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	2024 £'000's	2024 £'000's	2023 £'000's	2023 £'000's
Fixed Assets		17		15
Current assets	428		482	
Current liabilities	(88)		(47)	
Net Current assets		340		435
Long term liabilities		(43)		(46)
		<u>314</u>		<u>404</u>

4b INVESTMENTS (Contd)

QEF DEVELOPMENTS LIMITED

Company Number: 10069580

QEF owns 100% of the ordinary share capital of QEF Developments Limited, incorporated on 17 March 2016 and registered in England and Wales. QEF Developments has been set up to manage the design and construction of the CRC centre.

The results for the period ended 31 March 2024 were as follows:

	2024 £'000's	2023 £'000's
Turnover	15	14
Professional fees and building costs	(15)	(14)
Gross profit	-	-
Administrative expenses	(4)	(3)
Taxation	-	-
Profit for the financial year	<u>(4)</u>	<u>(3)</u>

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	2024 £'000's	2024 £'000's	2023 £'000's	2023 £'000's
Fixed Assets		-		-
Current assets	8		11	
Current liabilities	(4)		(3)	
Net Current assets		4		8
		<u>4</u>		<u>8</u>
		<u>32</u>		<u>8</u>

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

4c INVESTMENTS (Contd)

THE GRANGE (2016) LTD

Company Number: 10106614

QEF owns 100% of the ordinary share capital of The Grange (2016) Ltd, incorporated on 6 April 2016 and registered in England and Wales. The Grange has been set up to provide accommodation-based services for adults with learning disabilities based in Cranbrook, Kent.

The results for the year ended 31 March 2024 were as follows net of intercompany transactions of £214k (2023: £150k)

	2024	2023
	£'000's	£'000's
Turnover	1,583	1,399
Administrative expenses	(1,325)	(1,185)
Taxation	-	-
Profit for the financial year	<u>258</u>	<u>214</u>

The assets and liabilities of the company at the end of the period, including intra-group amounts, were as follows:

	2024	2023
	£'000's	£'000's
Fixed Assets	779	789
Current assets	351	335
Current liabilities	<u>(137)</u>	<u>(175)</u>
Net Current assets	<u>214</u>	<u>160</u>
	<u>993</u>	<u>949</u>

4d INVESTMENTS (Contd)

VASD

Company Number: 07759768
Charity Number: 1143985

QEF is the sole Member of the Voluntary Association for Surrey Disabled Limited (VASD). The charity joined the QEF Group on 18 November 2011. VASD previously sold and loaned equipment and products to disabled people, and it owned a fully adapted holiday home on the South Coast.

The results for the year ended 31 March 2024 net of intra-group transactions of £0 (2023: £0k), were as follows:

	2024	2023
	£'000's	£'000's
VASD equipment hire and sales	-	-
Income from property	1	-
Grant Income	-	-
Other Income	50	-
Gifts & donations	-	4
	<u>51</u>	<u>4</u>
Cost of sales	-	-
	<u>51</u>	<u>4</u>
Cost of charitable activities	-	-
Administration costs	(15)	(34)
Surplus on ordinary activities	<u>36</u>	<u>(30)</u>

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	2024	2023
	£'000's	£'000's
Fixed Assets	6	6
Current assets	986	956
Current liabilities	<u>(3)</u>	<u>(6)</u>
Net Current assets	983	950
Pension Scheme Liability	<u>(2)</u>	<u>(4)</u>
	<u>987</u>	<u>952</u>

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

4e INVESTMENTS (Contd)

MERU

Company Number: 1214125
Charity Number: 269804

The Medical Engineering Resource Unit (MERU) joined the QEF Group on 1 April 2012. MERU designs and manufactures specialised equipment for children and young people with disabilities. MERU also sells a range of ready-made products designed in response to requests from families and therapists.

The results for the year ended 31 March 2024, net of intra-group transactions of £68k (2023: £86k), were as follows:

	2024 £'000's	2023 £'000's
MERU equipment sales	195	189
Grants	-	8
Gifts, donations & fundraising activities	297	290
	<u>492</u>	<u>487</u>
Cost of sales	(137)	(140)
	355	347
Cost of charitable activities	(221)	(282)
Fundraising and publicity costs	(28)	(19)
Governance costs	(11)	(4)
Surplus/(Deficit) on ordinary activities	<u>95</u>	<u>42</u>

4f INVESTMENTS (Contd)

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	2024		2023	
	£'000's	£'000's	£'000's	£'000's
Fixed Assets		73		118
Current assets	232		243	
Current liabilities	(216)		(282)	
Net Current assets		16		(39)
Long term liabilities		(57)		(57)
		<u>32</u>		<u>22</u>

4g INVESTMENTS (Contd)

CURRENT ASSET INVESTMENTS

QEF has current asset investments in the form of equity and cash investments, as follows:

GROUP

	2024 £'000's	2023 £'000's
Listed Shares	37	34
Deposits	-	-
	<u>37</u>	<u>34</u>

QEF

	2024 £'000's	2023 £'000's
Listed Shares	30	27
Deposits	-	-
	<u>30</u>	<u>27</u>

5 STOCKS & ASSETS HELD FOR RESALE

	GROUP		QEF	
	2024 £'000's	2023 £'000's	2024 £'000's	2023 £'000's
Raw materials and finished goods	102	93	-	-
Assets held for resale	-	330	-	-
	<u>102</u>	<u>423</u>	<u>-</u>	<u>-</u>

Assets held for resale in 2023 comprised the VASD holiday home which was sold in the current year.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

6	DEBTORS	GROUP		QEF	
		2024	2023	2024	2023
		£'000's	£'000's	£'000's	£'000's
	Amounts falling due within one year				
	Trade Debtors	1,108	1,446	1,020	1,409
	Amount due from subsidiary company	-	-	270	272
	Taxation & Social Security receivable	-	7	-	-
	Other Debtors	86	71	26	5
	Prepayments	225	221	180	189
	Accrued Income	978	476	929	390
		<u>2,397</u>	<u>2,221</u>	<u>2,425</u>	<u>2,265</u>

The amounts due from the subsidiary company are unsecured, interest free and payable on demand. All debtors are financial instruments and are measured at present value.

7 CREDITORS

Amounts falling due within one year	GROUP		QEF	
	2024	2023	2024	2023
	£'000's	£'000's	£'000's	£'000's
Trade Creditors	624	542	579	479
Taxation and Social Security payable	120	135	112	118
Amount due to subsidiary company	-	-	1,059	630
Other Creditors	64	86	51	60
Loans repayable	610	784	610	784
Accruals	325	616	264	563
Deferred income (see note 8)	112	607	69	521
	<u>1,855</u>	<u>2,770</u>	<u>2,744</u>	<u>3,155</u>

All creditors, with the exception of the loans, are unsecured, interest free and repayable on demand. These creditors are financial instruments and measured at present value. See note 21 for the interest and repayment details of the loans.

8 DEFERRED INCOME - Group and QEF

2024	Balance at 1 April 2023	Incoming Resources	Amount Released	Balance at 31 March 2024
	£'000's	£'000's	£'000's	£'000's
Fundraising events income	47	54	(47)	54
CRC	453	2	(453)	2
Independent Living Services	3	-	(3)	-
Mobility Services	15	8	(15)	8
Central Services	4	5	(4)	5
Grange	85	43	(85)	43
VASD Holiday Income	-	-	-	-
	<u>607</u>	<u>112</u>	<u>(607)</u>	<u>112</u>

These amounts have been deferred because the income relates to activities taking place in the next financial year.

2023	Balance at 1 April 2021	Incoming Resources	Amount Released	Balance at 31 March 2023
	£'000's	£'000's	£'000's	£'000's
Fundraising events income	14	47	(14)	47
CRC	484	453	(484)	453
Independent Living Services	3	3	(3)	3
Mobility Services	9	15	(9)	15
Central Services	4	4	(4)	4
Grange	60	85	(60)	85
VASD Holiday Income	-	-	-	-
	<u>574</u>	<u>607</u>	<u>(574)</u>	<u>607</u>

These amounts have been deferred because the income relates to activities taking place in the next financial year.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

9 RESTRICTED FUNDS - Group and QEF

The funds of the charity include restricted funds in the form of grants and other donated funds received in respect

	Movement in Funds			
	Balance at 1 April 2023 £'000's	Incoming Resources £'000's	Expenditure Gains and Losses £'000's	Balance at 31 March 2024 £'000's
2024				
CRC	115	344	(254)	205
Independent Living Services	32	-	(32)	-
Mobility Services	126	1,075	(1,075)	126
Central Services	-	3	(3)	-
Residents of The Grange	15	75	(13)	77
Total QEF	288	1,497	(1,377)	408
Voluntary Assoc. Surrey Disabled Medical Engineering Resource Unit	-	-	-	-
	-	107	(60)	47
	288	1,604	(1,437)	455

The restriction is defined to have been met if money has been spent on the asset it was intended for.

The funds of the charity include restricted funds in the form of grants and other donated funds mostly received in respect of capital expenditure. The movement in funds also includes donations for revenue projects that have mostly been spent in the year.

	Movement in Funds			
	Balance at 1 April 2022 £'000's	Incoming Resources £'000's	Expenditure Gains and Losses £'000's	Balance at 31 March 2023 £'000's
2023				
CRC	138	453	(476)	115
Independent Living Services	72	20	(60)	32
Mobility Services	126	737	(737)	126
Central Services	-	-	-	-
Residents of The Grange	-	15	-	15
Medical Engineering Resource Unit	330	-	(330)	-
	715	1,400	(1,827)	288

The restriction is defined to have been met if money has been spent on the asset it was intended for.

10 GENERAL UNRESTRICTED FUNDS

	GROUP		QEF	
	2024 £'000's	2023 £'000's	2024 £'000's	2023 £'000's
Balance brought forward	11,705	10,170	10,967	9,826
Net movement of resources in the year	(293)	1,535	(280)	1,141
Balance carried forward	11,412	11,705	10,687	10,967

11 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

	Fixed Assets	Net Current Assets	Creditors falling due after more than 1 year	Total Funds ex Pensions Deficit	Pensions Deficit	Total 2024
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
2024						
Restricted funds	-	455	-	455	-	455
Unrestricted funds	19,935	1,738	(10,257)	11,416	(4)	11,412
	19,935	2,193	(10,257)	11,871	(4)	11,867

	Tangible Fixed Assets	Net Current Assets	Creditors falling due after more than 1 year	Total Funds ex Pensions Deficit	Pensions Deficit	Total 2023
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
2023						
Restricted funds	-	288	-	288	-	288
Unrestricted funds	23,639	1,223	(13,153)	11,709	(4)	11,705
	23,639	1,511	(13,153)	11,997	(4)	11,993

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

12 RECONCILIATION OF MOVEMENT IN FUNDS

	GROUP		QEF	
	2024	2023	2024	2023
	£'000's	£'000's	£'000's	£'000's
Opening funds	11,993	10,885	11,241	10,163
Net movements of resources in the year	(126)	1,108	(148)	1,078
Closing funds	<u>11,867</u>	<u>11,993</u>	<u>11,093</u>	<u>11,241</u>

13 GOVERNMENT GRANTS

Total operating income in the year ended 31 March 2023 includes government grants from the Infection Control Grant Scheme of £4k. There were no grants from this scheme in 2024.

14 TOTAL RESOURCES EXPENDED

2024	Staff Costs	Property Costs	Depn.	Other	TOTAL 2024
	£'000's	£'000's	£'000's	£'000's	£'000's
Charitable Activities	5,327	537	65	1,158	7,087
Fundraising	484	-	-	228	712
Trading	533	387	1	70	991
VASD	-	2	-	(43)	(41)
MERU	150	21	(7)	221	385
Grange	928	258	20	108	1,314
DevCo	-	(11)	-	14	3
Support Costs	1,192	236	131	460	2,019
Governance	-	-	-	76	76
TOTAL	8,614	1,430	210	2,292	12,546

Resources expended in the year include the following:

	2024
	£'000's
Staff costs	8,614
Auditors Remuneration:	
- Fees payable for the external audit	76
Professional liability insurance (which includes Trustees' indemnity insurance)	6
Depreciation of fixed assets	261
Operating leases - hire of other assets (excl property)	-

2023	Staff Costs	Property Costs	Depn.	Other	TOTAL 2023
	£'000's	£'000's	£'000's	£'000's	£'000's
Charitable Activities	6,912	570	68	812	8,362
Fundraising	396	-	-	253	649
Trading	531	376	5	59	971
VASD	8	9	-	15	32
MERU	176	21	74	169	440
Grange	794	275	20	91	1,180
DevCo	-	(14)	-	14	-
Support Costs	1,190	260	126	462	2,038
Governance	-	-	-	50	50
TOTAL	10,007	1,497	293	1,925	13,722

Resources expended in the year include the following:

	2023
	£'000's
Staff costs	10,007
Auditors Remuneration:	
- Fees payable for the external audit	50
Movement in provision	-
- Fees payable for the internal audit	-
Professional liability insurance (which includes Trustees' indemnity insurance)	6
Depreciation of fixed assets	293
Operating leases - hire of other assets (excl property)	-

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

15 ALLOCATION OF SUPPORT COSTS AND PENSIONS ADJUSTMENT

2024	Direct Costs	IT	Shared Services	Pensions	TOTAL
	£'000's	£'000's	£'000's	£'000's	£'000's
Care & Rehabilitation	4,257	158	664	87	5,166
Independent Living	1,760	103	426	28	2,317
Mobility Services	939	61	210	30	1,240
Other	-	-	-	-	-
Fundraising	701	48	141	16	906
Trading	969	45	142	20	1,176
VASD	(37)	-	-	-	(37)
MERU	371	16	53	7	447
Grange	1,295	19	-	11	1,325
QEF Developments	6	-	-	-	6
	<u>10,261</u>	<u>450</u>	<u>1,636</u>	<u>199</u>	<u>12,546</u>

2023	Direct Costs	IT	Shared Services	Pensions	TOTAL
	£'000's	£'000's	£'000's	£'000's	£'000's
Care & Rehabilitation	3,956	151	613	64	4,784
Independent Living	3,437	147	589	67	4,240
Mobility Services	810	35	133	26	1,004
Other	-	-	-	-	-
Fundraising	651	24	109	15	799
Trading	953	39	152	21	1,165
VASD	33	-	-	2	35
MERU	418	18	60	9	505
Grange	1,147	15	-	24	1,186
QEF Developments	4	-	-	-	4
	<u>11,409</u>	<u>429</u>	<u>1,656</u>	<u>228</u>	<u>13,722</u>

16 EMPLOYEES

The average number of persons employed by QEF during the year was:

	Full time 2024	Full time 2023	Part time 2024	Part time 2023
Care & Rehabilitation	45	33	40	25
Independent Living Services	12	34	11	35
Mobility Services	13	9	15	15
Accessible Aviation	-	-	-	-
Central Services	17	18	6	7
Fundraising & Publicity	9	10	2	4
QEF	<u>96</u>	<u>104</u>	<u>74</u>	<u>86</u>
QEF Trading Ltd	10	12	26	23
MERU	3	3	5	5
Grange	12	13	24	26
GROUP	<u>121</u>	<u>132</u>	<u>129</u>	<u>140</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

16 EMPLOYEES (Contd)

	GROUP		QEF	
	2024 £'000's	2023 £'000's	2024 £'000's	2023 £'000's
Staff costs:				
Salaries and wages	5,893	6,128	4,663	4,874
Agency	1,798	2,958	1,522	2,842
Social Security costs	512	559	429	472
Defined benefit pension scheme costs	6	4	-	-
Defined contribution and other pension costs	194	211	166	177
Other staff costs	201	132	186	122
Health scheme	12	15	8	11
	8,616	10,007	6,974	8,498

Agency costs are used mainly to cover staff vacancies, particularly where this is essential to meet registered homes staffing levels.

In the year ended March 2024, no members of the Board of Trustees were reimbursed for any expenses incurred on behalf of QEF (2023: £0).

The Trustees received £675 (2023: £3,825) remuneration in the year. The remuneration was for one trustee, who was appointed on a consultancy basis, to provide interim support to the fundraising team due to staff shortages.

Key management personnel for QEF include the Trustees, Chief Executive, and other senior staff reporting directly to the Chief Executive. The total employee benefits of the QEF Group's key management personnel were £613k (2023: £571k).

During the year around 230 volunteers helped QEF. They provide support in a variety of ways across the QEF shops as well as at our services.

The number of employees earning £60,000 p.a. or more (not including employers NI or employers pension contributions) was:

	2024	2023
£60,000 - £69,999	-	2
£70,000 - £79,999	2	2
£80,000 - £89,999	2	2
£90,000 - £99,999	1	-
£100,000 - £109,999	1	1

Contributions to the defined contribution scheme by the employer on behalf of these staff was £21,376 (2023: £20,511)

17 LEGACIES

The charity has received notification of its entitlement to legacies estimated at £720,129 (2023: £337,180). These have been included in the financial statements.

18 VALUE ADDED TAX

QEF, being a registered charity, is unable to recover the major part of VAT incurred on its expenditure. Where applicable, expenditure has been shown including VAT.

19 CAPITAL COMMITMENTS

Group and QEF
Capital commitments at 31 March 2024 not provided for in these financial statements:

	2024 £'000's	2023 £'000's
Contracted for	-	128
	-	128

20 PENSION COST

Defined benefit scheme

In 2018, following extensive consultation with the Pension Regulatory Authorities and professional advisers, a restructuring plan was agreed between QEF, the pension scheme trustees and the PPF to facilitate the defined benefit pension scheme being accepted into the PPF. In exchange for accepting this liability, the PPF issued QEF with a £30m loan note. See note 21 for more details about this long-term liability.

The Pensions Trust

At the balance sheet date there was one employee who was an active member of The Pensions Trust Growth Plan 3. The Plan is a multi-employer defined benefit pension plan and the member of the scheme paid contributions at a rate of 4% of basic salary. Employer contributions were also 4% of salary. In the twelve months to 31 March 2024 the employer made pension contributions of £2,232 (2023: £1,400). There were no outstanding contributions due at the end of the year (2023: £0).

The company 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 company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 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 additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £3.3m per annum
(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that 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 Trustees asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 March 2025: £11,243m per annum
(payable monthly and increasing by 3% each on 1 April)

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 company has agreed to a deficit funding arrangement the company 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.

Present value of provision

	31 March 2024	31 March 2023	31 March 2022
	£	£	£
Present value of provision	1,703	3,645	5,717

Reconciliation of opening and closing provisions

	31 March 2024	31 March 2023
	£	£
Provision at start of period	3,645	5,717
Unwinding of the discount factor (interest expense)	140	108
Deficit contribution paid	(2,083)	(2,083)
Remeasurements - impact of any changes in assumptions	1	(97)
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	1,703	3,645

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

20 PENSION COST (Contd)

Income and expenditure impact

	31 March 2024	31 March 2023
	£	£
Interest expense	140	108
Remeasurements - impact of any changes in assumptions	1	(97)
Remeasurements - amendments to the contribution schedule	-	-
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

Assumptions

	31 March 2024	31 March 2023	31 March 2022
	% per annum	% per annum	% per annum
Rate of discount	<u>5.31</u>	<u>5.52</u>	<u>2.35</u>

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.

The following schedule details the deficit contributions agreed between the company and the at each scheme year end and period:

Deficit contributions schedule

Year ending	31 March 2024	31 March 2023	31 March 2022
	£	£	£
Year 1	1,736	2,083	2,083
Year 2	-	1,736	2,083
Year 3	-	-	1,736
Year 4	-	-	-
Year 5	-	-	-
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

The company must recognise a liability measured at the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

20 PENSION COST (Contd)

Defined contribution scheme

QEF provides employees with the opportunity to join a Group Personal Pension Plan (GPPP). Employer contribution rates vary, for the majority of staff the employer rate is 5%, for former members of the final salary pension scheme it is 9% and for those staff who joined through the auto-enrolment process it was 4%. A third party pension provider holds the assets of the GPPP. The pension charge for the year was £194k (2023: £200k). There were outstanding contributions due at the end of the year of £28,587 (2023: £30,447).

A member of staff at MERU has their own private pension plan into which the employer contributes 6.5% of the employee's gross salary provided the employee has made a personal contribution. The pension charge for the year was £1,158 (2023: £1,164). There were no outstanding contributions due at the end of the year (2023: £Nil).

21 LONG TERM LIABILITIES

The defined benefit pension scheme deficit was transferred over to the Pension Protection Fund (PPF) resulting in a £30m long-term loan to QEF. The £30m loan comprised two loan notes; the Sale Note instrument for £7.5m to be repaid through property disposals and the Term Note instrument for £22.5m to be repaid over 30 years at £750k per annum. The PPF has first charge over all QEF buildings.

The Sale Loan Notes of £7.5m have been repaid in full by the disposal of the sites in Banstead and Dorincourt. Net proceeds (after costs) of £4.9m were raised from the sale of the Banstead site (where the former Rehabilitation Centre was based) in October 2020 and £2.9m from the sale of the site in Dorincourt in October 2023. In accordance with the PPF loan agreement, the remaining disposal proceeds of £0.2m were deducted from the end of the Term Note. Interest of 2% was payable on the amounts outstanding Sale Loan note.

The balance on the outstanding Term notes at 31 March 2024 was £21.6m. Interest of 2% is accruing on deferred payments of £1.2m.

The total amount outstanding to the PPF at 31 March 2024 under both loan notes was £21.6m (2023: £24.5m). On initial recognition, the term notes were discounted at 4% over the term of the loan and are subsequently measured at amortised cost using 4% as the effective interest rate. The total amount outstanding at 31 March 2024, at amortised cost, was £10.3m (2023: £13.2m) of which £0.4m is due within one year and the balance of £9.9m due after one year.

In 2021, QEF was issued a loan of £750k under the Coronavirus Business Interruption Loan Scheme (CBILS). The loan was repayable over 60 months from September 2021 and after an interest free period of 1 year, interest is payable at 1.88% pa + base rate. The amount outstanding at 31 March 2024 was £443k (2023: £601k) of which £168k is due within 1 year and the balance of £265k is due after one year.

Total loan repayable:	2024	2023
	£000's	£000's
PPF	10,336	13,234
CBILS	433	601
	<u>10,769</u>	<u>13,835</u>

Loans fall due:	2024	2023
	£000's	£000's
Under 1 year	610	784
Within 2-5 years	1,911	4,992
After more than 5 years	8,248	8,059
	<u>10,769</u>	<u>13,835</u>

Included in long term liabilities, are the MERU and QEF Trading provisions for dilapidations and the VASD pension provision, which all relate to more than one year. The breakdown of long term liabilities are as follows:

	2024	2023
	£000's	£000's
PPF	9,894	12,605
CBILS	265	433
MERU provision for dilapidations	57	57
QEF Trading provision for dilapidations	43	58
VASD pension provision	2	4
	<u>10,261</u>	<u>13,157</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

22 LEASE COMMITMENTS

At 31 March 2024 the group had non-cancellable total commitments under operating leases for properties, which expire:

	2024 £000's	2023 £000's
Under 1 year	483	311
Within 2-5 years	1,238	864
After more than 5 years	666	806
	<u>2,387</u>	<u>1,981</u>

The value of lease payments recognised as an expense during the year was £572k (2023: £568k).

23 GRANTS RECEIVED

	2024 £'000's	2023 £'000's
Department for Transport	921	617
Motability	104	42
Retail Grant Scheme	-	-
Infection Control and COVID Grants	-	4
Other	48	60
	<u>1,073</u>	<u>723</u>

24 RELATED PARTY DISCLOSURES

During the year Queen Elizabeth Foundation for Disabled People charged management fees to its subsidiaries as follows:

	2024	2023
The Voluntary Association for Surrey Disabled Ltd	£ -	£ -
Medical Engineering Resource Unit	£ 67,548	£ 75,493
QEF Trading Ltd	£ 179,266	£ 190,844

Queen Elizabeth's Foundation for Disabled People received donations from The Grange (2016) Ltd for £214k (2023: £150k).

Queen Elizabeth's Foundation for Disabled People also received donations from QEF Retail Trading Limited for £104k (2023: £93k).

Included within creditors at year end for Queen Elizabeth Foundation for disabled people are the following balances with subsidiaries:

	2024	2023
QEF Trading Ltd	£ 81,744	£ -
QEF Developments Limited	£ 4,429	£ 7,927
The Voluntary Association for Surrey Disabled Ltd	£ 972,308	£ 621,821
The Grange (2016) Ltd	£ -	£ -

Included within debtors at year end for Queen Elizabeth Foundation for disabled people are the following balances with subsidiaries:

	2024	2023
Medical Engineering Resource Unit	£ 183,204	£ 247,714
QEF Trading Ltd	£ -	£ 9,014
The Grange (2016) Ltd	£ 87,141	£ 15,697

25 CONTROL

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2024

26 RECONCILIATION OF NET MOVEMENT IN FUNDS

	2024	2023
	£'000's	£'000's
QEF Incoming Resources	12,361	14,622
QEF Resources Expended	(12,546)	(13,722)
QEF Operating (Deficit)/ Surplus	<u>(185)</u>	<u>900</u>
Other movements in Funds	59	208
Net Movement in Funds on SOFA	<u>(126)</u>	<u>1,108</u>

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

England & Wales - Charity number 251051

Accounts

Queen Elizabeth's Foundation For Disabled People

Financial Statements

**For the year ended
31 March 2023**

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013



Queen Elizabeth's
Foundation for
Disabled People



Enabling Potential

TRUSTEES, SENIOR MANAGERS AND ADVISORS

PRESIDENT	CORINNA, LADY HAMILTON OF DALZELL DL
CHAIR	GORDON BOWSER
BOARD OF TRUSTEES	PAUL BEATER (appointed 29 November 2022, resigned 27 July 2023) MOIRA BOWIE GORDON BOWSER ALICE COLLINS STEPHEN COLLINSON (appointed 29 November 2022) MICHAEL CONNAUGHTON TIMOTHY JASON DAVIES (resigned 3 May 2023) JOHN DENNING (resigned 31 March 2023) ABIGAIL PRICE GRAHAM RUSLING (appointed 4 October 2023) ELIZABETH SHARP CHRISTOPHER THORNE (appointed 29 November 2022, resigned 10 October 2023)
CHIEF EXECUTIVE	KAREN DEACON
COMPANY SECRETARY	PHILIP KIRK
REGISTERED ADDRESS	LEATHERHEAD COURT OFFICE WOODLANDS ROAD LEATHERHEAD, SURREY, KT22 0BN
BANKERS	NATIONAL WESTMINSTER BANK PLC 57 VICTORIA STREET LONDON, SW1H 0HN
SOLICITORS	BLAKE MORGAN LLP NEW KINGS COURT, TOLLGATE, CHANDLER'S FORD EASTLEIGH, HAMPHIRE, SO53 3LG
INDEPENDENT AUDITORS	MOORE KINGSTON SMITH LLP 9 APPOLD STREET LONDON, EC2A 2AP

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CEO AND CHAIRMAN'S STATEMENT

The COVID-19 pandemic has cast a long shadow over the Health and Social Care sectors, exacerbating long-standing staffing shortages amongst other issues. As with others in the sector, we have struggled with recruitment and retention in recent years and while progress has been made in 2023, this remains an area of concern. We are lucky to have a dedicated team of loyal, committed staff who ensure that QEF continues to deliver good quality services, supported by our agency staff. We are grateful to all members of QEF for their contributions throughout the year.

A reliance on agency staff is expensive and this has impacted our financial position over the last few years. For both QEF and our staff, the financial pressures increased further in 2022-2023 due to the cost-of-living crisis with costs rising across all areas but in particular consumables and utility bills. We were able to lock in favourable contracts for electricity and gas for some parts of the organisation prior to the invasion of Ukraine but unfortunately were exposed to significant price hikes in others. We have worked hard to mitigate these costs, which were beyond our control, by strong cost management in other areas.

The cost-of-living crisis has also impacted on fundraising with donations from individuals, including major donors, decreasing significantly in the year. This has affected our ability to subsidise our charitable activities.

Our Independent Living Service (ILS) has been loss-making for many years due to the chronic under-funding of the social care sector and the size of these losses is no longer sustainable in the current financial climate. As part of the financial restructuring plan agreed in 2018, we had an obligation to sell the Dorincourt site where ILS is located. We have been working hard to make this service financially viable on a stand-alone basis to be able to delay the sale but this has not been possible due to the combination of under-funding, continued rising costs, and the significant investment which would be required to refurbish the buildings on this site in line with CQC expectations of best-practice.

Consequently, we made the reluctant decision to undertake a planned closure of this service over a 6-month period with an effective closure date of 31 July 2023. Understandably this has caused a great deal of upset and anxiety for the residents and their families, particularly those who have been with QEF for many years. We have been working closely with the residents, their families, local authorities and health commissioning boards to find new placements and support with the transition as much as possible.

The strong feelings of the families have led them to create a media campaign against the closure. Unfortunately, some of the information reported has been taken out of context and there has been an element of misrepresentation. QEF's priority throughout has remained supporting the residents and liaising with local authorities to facilitate their transition to a new home. We know that, for some, it has been difficult to find a suitable alternative and therefore QEF have offered interim placements at our Care and Rehabilitation Centre (CRC) while they continue to finalise their search for new homes.

As part of the process, we consulted with the staff at ILS about their options and we are fortunate that a large number are being redeployed at the CRC. Nonetheless we understand the impact of the closure on all of these employees, some of whom have also been with QEF for many years. We also don't underestimate the impact of the closure on the wider organisation and the local community. This was a sad decision to make but unfortunately it was an unavoidable one.

The Dorincourt site was sold on 2 October 2023 for gross sale proceeds of £3.15m. The property had been held on the balance sheet at a revalued cost of £3.5m and the disposal is expected to result in a loss, after costs, of £0.5m.

The CRC celebrated its third-year anniversary in July 2023. As we enter the fourth year of operation, we have been able to expand our services and these now comprise:

- Neuro-rehabilitation
- Non-neuro rehabilitation
- Long-term neurological care
- Short-term support including residential respite and out-patients

The work that the CRC do is vital in helping people regain skills and independence following a traumatic event. We are humbled by the clients' stories and the strength and resilience that they and their families demonstrate throughout very challenging times.

Occupancy at the CRC fluctuates throughout the year with the busiest times during the winter months when we have been proud and very keen to support the NHS with winter pressures. We have strong relationships with key NHS partners and we continue to diversify to widen the areas where we can offer support.

Our Mobility service returned to full operational capacity in 2022-2023 and is expanding further as we move into the new financial year with the opening of a new hub in Wessex. We are delighted that the service was recognised at the annual Driving Mobility Awards Ceremony in June 2023 for their work in new projects and research, facilitating Department for Transport training, and professional development and outstanding teamwork.

During 2022-23, we embedded and began implementing our new 3 year-strategy to deliver operational excellence; strengthen our business; and seek innovative and sustainable solutions. We continuing to do this in a challenging external environment and adapt our goals /objectives as necessary.

We are ever grateful to all our supporters and volunteers for their commitment, time and fundraising efforts. We would like to note our thanks in particular to the late Edward Guinness for his long-standing support, dedication and commitment to QEF over more than 40 years. He will be sadly missed. The Edward Guinness Appeal committee, which includes member of the wider Guinness family, together with the fundraising team, have raised an incredible £2 million towards the CRC building since the appeal began in 2019; a remarkable achievement.

We would also like to extend our gratitude to the Trustees for their unwavering support, commitment, and guidance throughout the year. We would like to thank John Denning, who has been a trustee of QEF for over 12 years, most recently acting as Chair. While John Denning stepped down from this role in March 2023, he remains a key part of the QEF family. We would also like to thank Jason Davies who stepped down as a Trustee after more than 6 years of service, although we are fortunate that he too has stayed on as a volunteer. In addition, Paul Beater left the Trustee Board having contributed to QEF directly as a volunteer prior to becoming a trustee. We were delighted to welcome three other new trustees this year who have quickly established themselves as valued members of the Board.

We have had to make some difficult decisions in 2022-23, the impact of which will be felt in 2023-24, but residents' and clients' wellbeing has always been and will always remain our priority. We continue to strive to deliver excellent services and enable as many people as possible to live independent and inclusive lives.

TRUSTEES' REPORT

The Trustees are pleased to present their Report and Financial Statements for the year ended 31 March 2023. The accounts have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014. The report and statements also comply with the Companies Act 2006.

Purpose of the charity

Queen Elizabeth's Foundation for Disabled People (QEF) is a leading charity with almost 90 years' experience of developing innovative services which enable and support people with disabilities to increase independence and improve opportunities for life. Whether it is gaining new skills to live independently, neuro rehabilitation after a brain injury or stroke or improving independence through increased mobility; QEF helps disabled people to fulfil their potential in life.

What we do

The services we offer include the following:

- Neuro and Non-neuro Rehabilitation and Nursing Care – including neuro rehabilitation and specialist care for neurological conditions such as acquired brain injury, stroke, incomplete spinal injury and neurological illness
- Residential Care and Supporting Living – long term specialist care for complex disabilities at The Grange in Kent
- Independent Mobility – mobility driving assessments, wheelchair and scooter assessments, accessible aviation and seat assessments, mobility and disability aids, adapted toys and equipment.

These services are supported by the following teams:

- Retail Trading with 15 Retail Shops
- Engagement and Partnerships Team (Fundraising)
- Finance and IT
- People Team (Human Resources)
- Marketing and Communication
- Facilities Management
- QEF Developments Limited

The Grange (2016) Ltd, QEF Trading Limited and QEF Developments Limited are limited companies and wholly owned subsidiaries.

Geographical Reach

QEF is based in Surrey and Kent, providing most of its residential and mobility services in the South East Region, covering London, Surrey, Essex, Hertfordshire, Berkshire, Kent, Buckinghamshire and Hampshire. MERU designs and sells products UK-wide and has international distribution channels through Europe and the USA.

Vision Statement

Our vision is for everyone we support to be able to live the life they choose in a fully inclusive society.

To achieve our vision, we deliver expert services that enable disabled people of all ages to achieve their potential so they can be as independent as possible and live enriched lives.

Values and behaviours

We believe:

- Everyone matters
- Everyone works together
- Everyone makes a difference

Public benefit

The Trustees confirm they have given due consideration to the Charity Commission's guidance and that QEF's purpose is for public benefit.

MAIN ACTIVITIES

QEF Care and Rehabilitation Centre

QEF's Care and Rehabilitation Centre (CRC), is situated near Leatherhead in Surrey and is a 48-bed purpose-built CQC registered service which specialises in neuro rehabilitation. The CRC supports people to enhance their quality of life and core skills to maximise their independence after an acquired brain injury, stroke, incomplete spinal injury, or other neurological conditions.

Our expert multi-disciplinary teams provide each person with a personalised neuro rehabilitation and care plan. The specialist services are delivered by a team of healthcare professionals including a consultant in rehabilitation medicine, GP, Specialist nurses and therapists and rehabilitation team.

The integrated service provides holistic, person-centred programmes of therapy, nursing and care and the in-house therapies include clinical psychology, speech and language therapy, occupational therapy and physiotherapy, alongside specialist nursing and care who work closely with the NHS, case managers and community referrers.

The service works closely with families, and everyone involved with an individual's long-term rehabilitation, helping them with the transition out of our service, whether to be at home, a nursing home or to supported living.

We were proud to be able to support our NHS partners throughout the year and through NHS winter pressures, reducing the pressure on the NHS and acute beds by admitting clients directly from hospital, reducing length of stay in hospital, supporting patient flow through the system and facilitating clients' discharge home or to another suitable destination to continue their rehabilitation.

Our partnership with the NHS strengthened in the year and we currently work with 15 NHS Trusts and Clinical Commissioning Groups (CCGs) across Southeast England.

The layout of the service has enabled it to continue admitting clients throughout the year and ensuring their safety, as each room is spacious with accessible technology in bedrooms to independently operate TV, heating, lights and blinds.

QEF Residential Care and Supported Living

Independent Living Service (ILS)

ILS provided specialist residential care to a maximum of 43 adults aged 18 to 65 with complex physical disabilities, learning disabilities and sensory impairments.

ILS was closed on 31st July 2023, and the site in Leatherhead was sold in October 2023.

The Grange (2016) Ltd (the Grange)

The Grange (2016) Ltd provides accommodation-based services for adults with learning disabilities in Cranbrook, Kent. These are provided for up to 25 people across two residential care services regulated by the CQC and one Supported Living accommodation. The services provide 24-hour care and supervision as well as a programme of activities, leisure pursuits and volunteering opportunities. It offers person centred support where people can develop their skills to maximise their own potential, have choice and control of their lives and feel valued as part of their community.

The main residential service at the Grange caters for up to 19 individuals, the residential care service at 17 Wheatfield Drive caters for a further 3, and the supported living service at 15 Wheatfield Drive supports up to 3 individuals.

Independent Mobility

QEF Mobility Services

The Mobility Centre provides a variety of assessments that enable independent mobility for disabled people and the elderly, as well as equipment hire of wheelchairs, scooters, and seating postural support for air travel. Assessments include driving ability and adaptations for vehicles including hoists and transfer systems, wheelchair prescription, scooter proficiency, accessible aviation, seating and postural support assessments and child car seat assessments. The centre was the first mobility centre of its kind in the UK providing services to the public and celebrated its 40th year in 2022.

The Centre was able to complete 99.5% of its Department for Transport (DfT) target for assessments in the year (2022: 95%).

VASD

VASD had previously provided an accessible holiday home in West Sussex for hire by individuals and families with disabilities who require specialist facilities. This property is now on the market to be sold.

MERU

MERU produces children's mini powered wheelchairs "Bugzis" which are available to buy or offered as part of a free loan scheme. The loan scheme allows a family to take a Bugzi home following an assessment and use for as long as the child needs it. It is then returned, refurbished and relented to another child.

A total of 80 children received a Bugzi through the Bugzi Loan Scheme between April 2022 and March 2023. In addition, the school-based Bugzi Club was operational in 10 schools in the Southeast in 2022-23 (2022: 5), helping children access independent mobility at school.

MERU produced 9 new Bugzis for the loan scheme in the year and a further 54 Bugzis were refurbished.

MERU also sells a wide range of assistive products and adapted toys as well as providing a toy adaptation service to a distribution partner in the UK. A total of 5,366 toys were adapted during the year.

QEF Trading Limited

QEF charity shops continue to sell a variety of donated goods and furniture, greatly helping QEF raise awareness and contributing to income in unrestricted funds. At the year-end, there were 15 charity shops in and around Surrey (2022: 16).

Post non-essential closures due to Covid-19 restrictions, this was the first full year of trading since 2018/19.

The three biggest challenges faced by the charity retail sector during the year were:-

- the reduction in the number of volunteers
- the changes to people's shopping habits
- the reduction in quantity of higher quality donations.

Although there has been an improvement in performance and support in the shops, the challenges still remain.

Engagement and Partnerships ("E&P")

During 2022-23, QEF supporters took on a range of different activities to raise funds for QEF. Together, the total amount fundraised for the group was £2.1m (for QEF and its subsidiaries), down from £2.7m raised in 2022 due to the reduction in donations from individuals, including major donors. The total for 2022-23 included £703k in legacies from many generous supporters who left QEF gifts in their wills (2022: £799k). As ever, we are grateful to all our kind supporters without whom QEF could not continue to run.

Building on the successes of the previous year, E&P went into 2022-23 with a full programme of planned activity across events, corporate, community, supporter engagement and trusts and foundations. This included our three flagship events: two Ladies Lunches and the Guinness & Oyster Luncheon, and the introduction of a new Classic Cars Event.

During 2022-23, all fundraising was conducted by a team of employed fundraisers. QEF monitors and manages its fundraising regulation and compliance through a combination of training programmes, internal processes and quarterly management reporting. This includes the collection and use of personal data, frequency of contact, how to identify vulnerable people, as well as compliance and regulatory requirements. QEF is registered with the Fundraising Regulator and QEF endeavours to always comply with sector best practice.

People

The QEF workforce is a diverse multi-disciplinary team of 248 talented employees who go out of their way every day to enable the potential for all of our clients, customers and residents.

One of our key priorities has been to support employee wellbeing following the challenging period of the global pandemic. For the first time mental health issues have been the highest reason for sickness absence. As QEF values all of our staff, the delivery of an employee health and wellbeing plan was essential. We launched a new policy on stress with a series of in-house training sessions for managers and staff and the introduction of 10 newly trained Mental Health First Aiders. Other employee wellbeing initiatives included enhancing our maternity leave provisions to support working parents, and introducing other new policies such as the menopause and domestic abuse policies to provide guidance and support to those affected.

The combined approach to employee wellbeing and targeted recruitment and retention has resulted in a reduction in staff vacancies and staff turnover by 11%. However, recruitment and retention continue to be a challenge across the organisation as QEF has struggled to match increasing salary expectations in the context of pay rises in the health sector, high inflation and the cost of living of crisis.

Volunteering

Our QEF volunteers have continued to provide amazing support to QEF over the last year. We are forever grateful to those who give their time to support our work and help us to make a difference to the lives of disabled people who use our services and their families. Over the course of the year we have had 220 dedicated volunteers undertaking a variety of placements in all areas of the QEF group. We have also benefited from 13 Corporate gardening and DIY volunteering events and look forward to strengthening these relationships going forward.

LOOKING FORWARD

Understanding and determining the future direction for QEF is key to the organisation's sustainability and success. We need to consolidate what we do well, look for potential opportunities and articulate our future offers in what is a complex and changing external environment.

The following strategic goals have been agreed and new work programmes are being embedded.

1) Deliver operational excellence

We will:

- Provide high-quality consistent, personal led care and support to enable better outcomes for the people we support.
- Further build on our quality to become outstanding and ensure excellent customer experiences in all areas.
- Maximise the capacity in our services by ensuring we respond to future healthcare needs and ensure care pathways are best practice.
- Build high performing, engaged, diverse teams by investing in our staff and ensuring they have the right skills and behaviours.
- Create a positive culture of continuous improvement to ensure people are committed to achieving the organisations goals.

2) Strengthen our business

We will:

- Maximise the opportunities in the markets to diversify and grow income streams to ensure we have a strong future.
- Review our infrastructure to deliver more cost-effective ways of working and create more funds for future business development.
- Identify commercial opportunities to ensure all areas of business can be self-sustaining.
- Develop and strengthen partnerships and collaborate with key organisations to support us to achieve our vision.

3) Seek innovative and sustainable solutions

We will:

- Develop a property strategy which ensures our buildings and land are used in the most effective way (including using any appropriate spare space in existing buildings to generate income).

- Develop initiatives to reduce our environmental impact and promote awareness across the organisation.
- Develop strong leadership and management at all levels to empower people.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

QEF is a registered charity and a company limited by guarantee governed by a Memorandum and Articles of Association which were reviewed and updated in 2018.

The Board of Trustees meets at least six times a year. Trustees are subject to the 'fit and proper person' test required by the Care Quality Commission. Each Trustee is required to resign at the end of their three-year term but they may be elected to serve for another term provided their total term of office does not exceed nine years.

When there is a requirement to recruit new Trustees a formal external recruitment procedure takes place. New Trustees receive induction training from the chief executive and Senior Management Team.

The Board of Trustees has responsibility for strategic development and for overall governance of QEF, members of the QEF family of charities and the QEF Trading Company.

The Board of Trustees delegates to committees some of its non-executive functions, including audit and risk, property, fundraising, people, care quality and safety.

Executive leadership and management are delegated to the Chief Executive and the Senior Management Team.

Trustees

Trustees are elected by Members of QEF or co-opted by the Trustees, based on how their skill set and experience can benefit QEF and further improve the knowledge of the Board. A formal recruitment and selection process is agreed by the Board in advance of all appointments and is in line with best practice guidance.

As stated in the Memorandum and Articles of Association, one third (or the number nearest one third) of the Trustees must retire at each AGM, those longest in office retiring first and the choice between any equal service being made by drawing lots. A retiring Trustee who is eligible may be re-elected. If at the date of the AGM a Trustee has held office for nine consecutive years since first election, they may not be re-elected, except in exceptional circumstance of there being no other person eligible to be a Trustee and acceptable to the Members as such.

RISK MANAGEMENT

The Audit and Risk Committee is responsible for oversight and scrutiny in areas including internal and external audit, risk management and insurance. The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Measures in place include:

- A strategic plan, a business plan and an annual budget approved by the Board of Trustees
- Monthly consideration by the Senior Management Team of financial results, variance from budgets and performance indicators.
- Board Assurance Framework and corporate risk registers as part of a risk management strategy.
- The Senior Management Team and the Board review the nature of risks regularly, monitor actions taken, identify new risks and agree future mitigating action. An updated risk analysis is presented to the Board of Trustees at each of its meetings.
- Monthly quality and performance reports enable managers to comment on variances and identify actions being taken to mitigate risk.
- The Board meets bi-monthly and is supported by sub-board committees which meet during the year, covering inter alia Care Quality and Safety, Audit & Risk, and Property
- Proper delegation of authority and segregation of duties.
- An executive and professional liability insurance policy provides indemnity for the Trustees.
- Our auditors are Moore Kingston Smith LLP.

In common with all providers of health and care services, QEF faces a number of risks. These include:

Risk	Mitigation
Poor quality of care or risk to safety	Ensure staff compliance with training and induction. Continually develop operational processes, policies and procedures to ensure best practice. Involve service users in monitoring and actively seek feedback from people who use our services. Clear and thorough reporting to Care Quality and Safety committee and visibility of senior managers and trustees in services. Ensure Health and Safety compliance across all services and regulatory compliance in regulated services.

Workforce – difficulties recruiting and retaining a skilled workforce and associated impact on care	Recruitment and retention plan developed focusing on competitive pay structure, employee health and wellbeing.
Management of the £25m long term debt to the PPF, which replaced the defined benefit pension deficit.	The PPF Agreement provides for regular performance reports and update meetings as required.
Failure to achieve financial targets impacting on viability	Reforecasting and sensitivity analysis is undertaken throughout the year. The five year financial plan is overseen by the Board.
Risk of a cyber attack could result in a data breach or the introduction of ransomware	Ongoing phishing awareness campaigns and training in place to raise awareness and minimise risk of an attack succeeding A business recovery plan is in place in the event this occurs.

Remuneration

The Remuneration Committee has responsibility for considering management recommendations for staff pay and setting the salaries of members of the Senior Management Team.

Before considering management recommendations for staff pay, the Remuneration Committee looks at the external market and pay comparability, internal pressures for talent and affordability.

FINANCIAL REVIEW

Income and expenditure

Total operating income rose by £0.2m to £14.6m in 2023 (2022 - £14.4m). However total operating expenditure increased by £0.3m to £13.7m (2022: £13.4m) resulting in slightly lower net income, before other gains and losses, for the year of £0.9m (2022: £1.0m). Income included grants from government coronavirus support schemes of £4k (2022: £0.9m).

Income from charitable activities including two subsidiaries rose by £0.8m to £9.8m (2022 - £9.0m). Total charitable expenditure increased by £0.5m to £10.6m (2022 - £10.1m) resulting in a lower shortfall of £0.7m (2022: £1.0m). The shortfall primarily relates to the ILS service where expenditure exceeded income by £0.5m (2022: £0.7m).

Commercial operations delivered a net operating income of £0.3m in 2023 in line with prior year. A decrease in fundraised income (donations, legacies and fundraised

events) of £0.6m was partially offset by lower costs resulting in a decrease in net operating income of £0.4m to £1.3m.

The net movement in funds was £1.1m after a £0.2m adjustment to the discounting of the loan term PPF liability. This total movement in funds comprised an increase in unrestricted reserves of £1.5m along with a £0.4m decrease in restricted reserves.

Cash flow

While net income was broadly in line with prior year, net cash used in operating activities reduced from £1.1m in 2022 to £0.5m in 2023 due to a larger working capital outflow of £(0.7)m (2022: £(0.2)m). This includes an adjustment of £0.3m relating to the transfer of the VASD accessible holiday home to current assets.

The cash inflow from operating activities was largely utilised by capital expenditure of £0.2m and loan capital repayments of £0.3m leaving the year-end cash position broadly unchanged at £1.6m (2022: £1.6m).

Balance sheet

The Group balance sheet shows net assets, excluding long-term debt, of £25.2m (2022: £24.5m). Fixed assets broadly decreased slightly to £23.7m (2022: £23.8m) primarily due to the reallocation of the VASD accessible holiday home to current assets as this is on the market to be sold.

Long-term liabilities reduced to £13.2m at 31 March 2023 (2022: £13.6m) and include amounts due under the PPF and CBILS loan agreements of £12.6m and £0.4m respectively. The PPF loan is a long-term liability and the amount outstanding at 31 March 2023, was £24.5m. This has been discounted over the 30 year-term at 4% to arrive at an amortised cost of £13.2m at 31 March 2023 (2022: £13.6m) of which £0.6m is due within one year and £12.6m is due after one year. The amount outstanding under the CBILS loan agreement is £0.6m of which £0.2m is due within one year.

The net current asset position improved to £1.5m (2022 - £0.8m) at 31 March 2023.

Overall, the Group balance sheet shows net assets of £12.0m at 31 March 2023 (2022: £10.9m).

Going concern

The closure of the Independent Living Service will reduce the income of the Group considerably. However, as this service had been loss-making for many years, the long-term impact on net contribution from charitable activities will be more favourable.

Our ability to redeploy the vast majority of staff from ILS to the CRC reduced the restructuring costs associated with the closure. It has also helped with the staffing

shortages at this service, reducing our reliance on agency and reinforcing the high quality of care.

Nevertheless, the financial challenges facing the organisation remain considerable; with staffing shortages in other services, a compensation environment where we find it difficult to compete on remuneration and benefits, inflationary cost increases particularly utilities, and the tightening of local authority and NHS budgets impacting on the pipeline of referrals.

The charity has negotiated deferrals on a number of quarterly loan repayments owed to the PPF given the challenging market conditions and the restructuring of the organisation. We acknowledge the support provided by the PPF in agreeing to these. The loan repayments are a significant improvement on the contributions previously required to the defined benefit pension scheme that they replaced however they are considerable in comparison to current cash flow. Our view remains that the loan repayments will become increasingly affordable over the term of the loan but that improvements in cash flow are required to support the burden in the short-term. Diversifying the client base at the CRC, improving occupancy at target levels, and upholding strong cost control across the organisation are key priorities for delivering the improvement needed.

While some of the services and subsidiaries continue to operate at a deficit, progress was made in 2022-23 despite the challenging financial climate, and we continue to work on returning these to operating surpluses in the short term. We have sufficient free reserves to cover the deficits in the intervening period.

The trustees recognise that the ongoing cost pressures pose a significant challenge to the organisation and acknowledge the strong cost control which is ongoing to mitigate the impact of these.

Other potential risks to QEF's future include reductions in government and public sector funding. QEF could be exposed to this by receiving less income from the Department for Transport at our Mobility Centre or reduced Health and Social Care funds being available for client/resident placements at the Grange and the CRC from local authorities and CCGs. However, this is constantly being monitored and QEF is working to ensure that new revenue streams are being developed to minimise this risk.

After making enquiries, the trustees have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Reserves policy

The reserves policy is determined after assessing the capital requirements, considering the nature and timing of income and expenditure streams and by reviewing the specific business risks identified through the risk management process. The Board of Trustees aims to maintain a level of unrestricted reserves not tied up in

fixed assets, which it believes will be sufficient to ensure the operational viability of the charity. The unrestricted fund balance at the year-end was £11.7m (2022 - £10.2m), including fixed assets of £23.6m and a £13.2m long-term liability to the Pension Protection Fund.

The Board of Trustees is also mindful that at a time of uncertainty in government funding it may require sufficient reserves to maintain services for a limited period if funding ceased or contracts were cancelled. The Board of Trustees has concluded that given the economic environment its' services operate within and the reliance on fundraising income that the level of free reserves at the year-end should be six months' worth of unrestricted operating expenditure. Based on 2022/2023 results this would be circa £6.1m which is below the unrestricted funds held at 31 March 2023 of £11.7m (2022: £10.2m).

As well as the unrestricted reserves described above, QEF also held £288k (2022: £715k) of restricted reserves at 31 March 2023.

Investment policy

In view of the likely requirement for accessible cash over the next five years, the Board of Trustees has decided to continue its policy of holding investments in cash deposits.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of QEF for the purposes of company law) are responsible for preparing the Trustees' Annual 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 Trustees 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 the group) and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees 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 the Group) and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

APPROVAL OF TRUSTEE REPORT AND STRATEGIC REPORT BY ORDER OF THE BOARD OF TRUSTEES ON 29 NOVEMBER 2023



Gordon Bowser
Chairman

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

Opinion

We have audited the financial statements of Queen Elizabeth's Foundation for Disabled People (the "parent charitable company") and its subsidiaries (the "group") for the year ended 31st March 2023 which comprise the consolidated and Group Balance Sheets, the Group Summary Income and Expenditure Account, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees 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 group's and charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise

explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 19, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding, among other matters, the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

Date: *11/12/2023*

Chartered Accountants
Statutory Auditor

9 Appold Street
London
EC2A 2AP

QEF Queen Elizabeth's Foundation for Disabled People

GROUP BALANCE SHEET
AS AT 31 MARCH 2023
COMPANY REGISTRATION NO. 00892013

	Note	GROUP		QEF	
		2023 £000's	Restated 2022 £000's	2023 £000's	2022 £000's
FIXED ASSETS					
Tangible Fixed Assets	2	23,688	23,790	23,270	23,311
Intangible Fixed Assets	3	(49)	(74)	-	-
Investments	4	-	-	1,030	1,030
		<u>23,639</u>	<u>23,716</u>	<u>24,300</u>	<u>24,341</u>
CURRENT ASSETS					
Stock and Assets Held for Resale	5	423	426	-	-
Debtors	6	2,221	1,692	2,265	1,636
Investments	4	34	33	27	27
Cash at bank and in hand		1,603	1,580	855	1,001
		<u>4,281</u>	<u>3,731</u>	<u>3,147</u>	<u>2,664</u>
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	7	<u>(2,770)</u>	<u>(2,955)</u>	<u>(3,155)</u>	<u>(3,241)</u>
NET CURRENT ASSETS		<u>1,511</u>	<u>776</u>	<u>(8)</u>	<u>(577)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,150</u>	<u>24,492</u>	<u>24,292</u>	<u>23,764</u>
Creditors - amounts falling due after more than one year		(13,157)	(13,607)	(13,051)	(13,601)
NET ASSETS including pension scheme liability		<u>11,993</u>	<u>10,885</u>	<u>11,241</u>	<u>10,163</u>
ACCUMULATED FUNDS					
Unrestricted Funds	10	11,705	10,170	10,967	9,826
Restricted Funds	9	288	715	274	337
Total Accumulated Funds	11	<u>11,993</u>	<u>10,885</u>	<u>11,241</u>	<u>10,163</u>

The 2022 numbers have been restated to reflect the reallocation of tangible fixed assets to assets held for resale (see note 5).

The financial statements on pages 25 to 45 were approved and authorised for distribution by the Board of Trustees on 29/11/2023 and were signed on it's behalf by:



Gordon Bowser

Chairman of the Board of Trustees

QEF Queen Elizabeth's Foundation for Disabled People

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 Unrestricted £000's	2023 Restricted £000's	2023 TOTAL £000's	2022 Unrestricted £000's	2022 Restricted £000's	2022 TOTAL £000's
INCOME							
Donations		787	376	1,163	1,161	456	1,617
Legacies		703	-	703	799	-	799
Commercial Trading Operations		2,665	-	2,665	2,622	-	2,622
Fundraising Events		102	133	235	188	120	308
Income from property		20	-	20	28	-	28
Investment Income		1	-	1	11	-	11
Other		3	-	3	37	-	37
		<u>4,281</u>	<u>509</u>	<u>4,790</u>	<u>4,846</u>	<u>576</u>	<u>5,422</u>
Incoming resources from charitable activities:							
Care and Rehabilitation Centre		4,981	2	4,983	4,519	56	4,575
Independent Living Services		3,713	2	3,715	3,230	75	3,305
Mobility Services		217	713	930	168	651	819
Voluntary Assoc. Surrey Disabled		-	-	-	44	-	44
Medical Engineering Resource Unit		30	174	204	267	-	267
		<u>8,941</u>	<u>891</u>	<u>9,832</u>	<u>8,228</u>	<u>782</u>	<u>9,010</u>
TOTAL OPERATING INCOME		13,222	1,400	14,622	13,074	1,358	14,432
EXPENDITURE							
Raising funds:							
Fundraising and publicity costs		743	56	799	1,015	22	1,037
Commercial Trading Operations		2,351	-	2,351	2,331	-	2,331
Total costs of raising funds		<u>3,094</u>	<u>56</u>	<u>3,150</u>	<u>3,346</u>	<u>22</u>	<u>3,368</u>
Charitable activities:							
Care and Rehabilitation Centre		4,364	420	4,784	4,192	266	4,458
Independent Living Services		4,180	60	4,240	3,849	183	4,032
Mobility Services		267	737	1,004	319	666	985
Accessible Aviation		-	-	-	40	-	40
Voluntary Assoc. Surrey Disabled		35	-	35	46	-	46
Medical Engineering Resource Unit		281	224	505	413	169	582
Sutton Shopmobility		-	-	-	(70)	-	(70)
QEF Developments		4	-	4	2	-	2
Other		-	-	-	(5)	5	-
Total charitable expenditure		<u>9,131</u>	<u>1,441</u>	<u>10,572</u>	<u>8,786</u>	<u>1,289</u>	<u>10,075</u>
TOTAL OPERATING EXPENDITURE	14	12,225	1,497	13,722	12,132	1,311	13,443
NET (EXPENDITURE)/INCOME	26	997	(97)	900	942	47	989
Other recognised gains and losses							
Change in discounting of long term loan		208	-	208	135	-	135
Transfer between funds	9	330	(330)	-	-	-	-
Net Movement in Funds		<u>1,535</u>	<u>(427)</u>	<u>1,108</u>	<u>1,077</u>	<u>47</u>	<u>1,124</u>
Fund balances brought forward at 1 April 2022		10,170	715	10,885	9,093	668	9,761
Fund balances carried forward at 31 March 2023		11,705	288	11,993	10,170	715	10,885

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

A reconciliation of the Net Movement in Funds to the in-year operational performance is shown in Note 26.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

	2023 £'000	2022 £'000
Cash flows from operating activities:		
Net cash used in operating activities	512	1,076
Income taxes paid	-	-
	<u>512</u>	<u>1,076</u>
Cash flows from investing activities:		
Investment income and interest received	-	-
Proceeds from disposal of fixed asset investments	1	(9)
Proceeds from disposal of tangible fixed assets	-	44
Payments to acquire tangible fixed assets	(191)	(402)
	<u>(190)</u>	<u>(367)</u>
Net cash provided by investing activities	-	-
Cash flow from financing activities:		
Loan capital repayments	(299)	(506) *
	<u>(299)</u>	<u>(506)</u>
Net cash flow from financing activities	-	-
Net increase in cash and cash equivalents	23	203
Cash and cash equivalents at beginning of year	1,580	1,377
	<u>1,603</u>	<u>1,580</u>
Cash and cash equivalents at end of year	1,603	1,580
Reconciliation of net (expenditure)/ income to net cash flow from operating activities		
Net income including endowments	1,108	1,124
Depreciation charges	293	311
Goodwill amortisation	(25)	(25)
Taxation charged	-	-
Net gains on investments	-	-
Discounting adjustment on loan term loan	(208)	(135) *
Movement in defined benefit pension scheme provision	(2)	(25)
Revaluation of land and buildings	-	-
Transfer from fixed assets to assets held for sale	(330)	-
Investment income	(1)	(-)
Increase in stock	3	(16)
(Increase)/decrease in debtors	(199)	(446)
Increase/ (decrease) in creditors	(127)	288 *
	<u>512</u>	<u>1,076</u>
Net cash used in operating activities	512	1,076

Analysis of changes in net funds - group

	1 April 2022 £	Cash flows £	Acquisitions and disposals £	Other non- cash changes £	31 March 2023 £
Cash at bank and in hand	1,580	213	(190)	-	1,603
Bank overdrafts	-	-	-	-	-
	<u>1,580</u>	<u>213</u>	<u>(190)</u>	<u>-</u>	<u>1,603</u>
Borrowings excluding overdrafts	(14,342)	299	-	208	(13,835)
	<u>(12,762)</u>	<u>512</u>	<u>(190)</u>	<u>208</u>	<u>(12,232)</u>

*The prior year numbers have been adjusted to show loan capital repayments under cash flow from financing activities. Previously these repayments had been included within movement in creditors and long-term loans under cash flow from operating activities.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1 ACCOUNTING POLICIES

Company Status

The Company is limited by guarantee, has no share capital and is also a registered charity. The liability of each member is limited to a sum of no more than £1 in the event of a winding up.

Principal Accounting Policies

The financial statements comprise the charity and its subsidiaries.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 [under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410)], the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charitable company and its subsidiaries. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

Presentation of Financial Statements

In order that the financial statements should present a true and fair view, it has been necessary to differ from the presentational requirements of the Companies Act 2006. The presentation required by the Companies Act for the consolidated profit and loss account would not have given a true and fair view of the operations of the company. The Foundation has therefore adapted the presentation and applied it consistently.

Basis of Consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of QEF and its subsidiary undertakings made up to 31 March 2023. The results of the subsidiaries are consolidated on a line-by-line basis. Uniform accounting policies are applied across the Group and intra-group transactions are eliminated. As permitted by section 408 of the Companies Act 2006, QEF's (this is QEF Group excluding all subsidiaries) income and expenditure account has not been included in these financial statements. During the year QEF's incoming resources were £11,705k and the surplus for the year was £604k (2022: incoming resources £10,831k and a surplus of £449k).

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable group's forecasts and projections and have taken account of pressures on contract income, the occupancy of the CRC, grants, and donation income.

The trustees recognise that the staffing and inflationary cost pressures continue to represent a significant challenge to QEF but actions are being taken to mitigate these issues. The company has renegotiated loan repayments and will continue to work closely with loan providers to ensure that future obligations are met.

After making enquiries, the trustees have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

Financial Instruments

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Other financial instruments

i. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

ii. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

Stocks

Stocks of raw materials, finished goods and consumables are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Resources Expended

Expenditure related to generating funds and to charitable activities is accounted for on an accruals basis and has been classified under headings that aggregate all costs, including irrecoverable VAT, related to the category.

Costs for repairs and maintenance are accounted for when incurred or when there is an irrevocable contractual commitment.

Support costs include the Chief Executive, the Finance and Human Resources departments and the provision of Information Technology services; these costs are incurred directly in support of the objects of the charity. Information Technology Services costs are allocated in proportion to the equipment held at each Service or Department.

Shared Service costs are allocated in accordance to the total expenditure of each Service or Department.

The FRS 102 Net Pensions Adjustment is allocated in accordance to the total expenditure of each Service or Department.

Operating Leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Investments

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

Incoming Resources

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Voluntary income is accounted for when received. Income from activities for generating funds and income from charitable activities are both accounted for when receivable. Income is stated excluding VAT. Gifts donated for resale are included as income when they are sold.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliably. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Fixed Assets and Depreciation

All fixed assets with a value over £1,500 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, and depreciated to their estimated residual value over their estimated useful lives, as follows:

Leasehold property	The term of the lease or 10-15 years, whichever is the lower.
Computer equipment	5-10 years
Other equipment	4 years
Motor vehicles	4 years

Freehold Land and buildings are not depreciated. Grants received relating to these assets are shown as incoming resources within restricted funds upon receipt and are amortised within the Statement of Financial Activities (SOFA) over the estimated useful life of the asset. It is our policy to review the fixed asset register on an annual basis and to write down the book value of any asset that has become impaired.

Freehold land and buildings are stated at existing use value.

Where properties are subsequently sold, the valuation is revised on a market value basis less costs associated with the sale.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable asset, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their estimated useful lives, as follows:

Goodwill	5 years
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NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

Pensions

QEF operates a defined contribution scheme, the assets of which are held separately from those of the company in an independently administered scheme. Two employees are members of the Teachers Pension Scheme and one is a member of the Pension Trust, into which QEF pay the required employer's pension contribution for both schemes. Contributions are charged to the Statement of Financial Activities as they fall due.

Grant Commitments

Grants are charged against the appropriate fund in the period in which the grant is approved.

Taxation

The charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

As disclosed in note 20 to the financial statements, the pension scheme deficit has been determined using a number of actuarial assumptions. Variations in those assumptions, particularly in regard to discount rates and projected returns on investments, can cause significant changes (positive and negative) in the resulting valuation of the scheme liabilities. The trustees have relied on independent actuarial advice in respect of the assumptions used, however these are by nature uncertain and may therefore result in material adjustments in subsequent years' financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

2 TANGIBLE FIXED ASSETS

GROUP	Freehold Land & Buildings £'000's	Leasehold Property £'000's	Equipment £'000's	Motor Vehicles £'000's	Total £'000's
Cost at 01.04.22	23,026	-	3,557	256	26,839
Additions	14	-	162	15	191
Disposals / Reallocations	-	-	(2)	-	(2)
Revaluation gain	-	-	-	-	-
Cost at 31.03.23	23,040	-	3,717	271	27,028
Depreciation at 01.04.22	-	-	2,812	237	3,049
Charge for year	-	-	278	15	293
On disposals	-	-	(2)	-	(2)
Depreciation at 31.03.23	-	-	3,088	252	3,340
NET BOOK VALUE at 31.03.23	23,040	-	629	19	23,688
NET BOOK VALUE at 31.03.22	23,026	-	745	19	23,790

Property assets of £330k (the VASD holiday home) have been reallocated to assets for resale and are included within current assets. See note 5.

QEF	Restated Freehold Land & Buildings £'000's	Leasehold Property £'000's	Equipment £'000's	Motor Vehicles £'000's	Restated Total £'000's
Cost at 1.4.22	22,769	-	2,614	203	25,586
Additions	14	-	122	15	151
Disposals	-	-	-	-	-
Cost at 31.3.23	22,783	-	2,736	218	25,737
Depreciation at 1.4.22	-	-	2,073	202	2,275
Charge for year	-	-	187	5	192
On disposals	-	-	-	-	-
Depreciation at 31.3.23	-	-	2,260	207	2,467
NET BOOK VALUE at 31.3.23	22,783	-	476	11	23,270
NET BOOK VALUE at 31.3.22	22,769	-	541	1	23,311

The charity has applied the existing use valuation method and used a previous valuation as the deemed cost for its freehold property. The properties values were reviewed as at 31 March 2020 using recent valuations, provided by Hurst Warne and Christies who are both property consultants.

The 2022 numbers have been restated to reflect the reallocation of tangible fixed assets to assets held for resale (see note 5).

3 INTANGIBLE FIXED ASSETS

GROUP	Goodwill £'000's	Total £'000's
Cost at 1.4.22	(123)	(123)
Additions	-	-
Cost at 31.3.23	(123)	(123)
Amortisation at 1.4.22	49	49
Charge for year	25	25
Amortisation at 31.3.23	74	74
NET BOOK VALUE at 31.3.23	(49)	(49)
NET BOOK VALUE at 31.3.22	(74)	(74)
QEF	Goodwill £'000's	Total £'000's
Cost at 1.4.22	-	-
Additions	-	-
Cost at 31.3.23	-	-
Amortisation at 1.4.22	-	-
Charge for year	-	-
Amortisation at 31.3.23	-	-
NET BOOK VALUE at 31.3.23	-	-
NET BOOK VALUE at 31.3.22	-	-

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

4a INVESTMENTS

QEF RETAIL TRADING

Company Number: 00913002

QEF owns 100% of the ordinary share capital of QEF Trading Limited, which is registered in England. Its principal activity is the retail sale of donated goods, gifts and greetings cards by means of mail order and through retail shops. It has covenanted to pay its profits to QEF. Its accounts are included within the consolidated accounts of the Group.

	2023	2022
	£'000's	£'000's
The balance comprises:		
Shares at cost	280	280
	280	280

The results for the year ended 31 March 2023 net of intra-group transactions of £288k (2022: £127k) were as follows:

	2023	2022
	£'000's	£'000's
Turnover	1,266	1,319
Cost of Sales	(1)	(25)
	1,265	1,294
Administrative expenses	(975)	(1,054)
Taxation	-	-
Profit on ordinary activities	290	240

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	2023		2022
	£'000's	£'000's	£'000's
Fixed Assets	15		18
Current assets	482	510	
Current liabilities	(47)	(130)	
Net Current assets	435		380
Long term liabilities	(46)		
	404		398

4b INVESTMENTS (Contd)

QEF DEVELOPMENTS LIMITED

Company Number: 10069580

QEF owns 100% of the ordinary share capital of QEF Developments Limited, incorporated on 17 March 2016 and registered in England and Wales. QEF Developments has been set up to manage the design and construction of the CRC centre.

The results for the period ended 31 March 2023 were as follows:

	2023	2022
	£'000's	£'000's
Turnover	14	172
Professional fees and building costs	(14)	(172)
Gross profit	-	-
Administrative expenses	(3)	(2)
Taxation	-	-
Profit for the financial year	(3)	(2)

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	2023		2022
	£'000's	£'000's	£'000's
Fixed Assets		-	
Current assets	11	168	
Current liabilities	(3)	(157)	
Net Current assets	8		11
	8		11
	33		

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

4c INVESTMENTS (Contd)

THE GRANGE (2016) LTD

Company Number: 10106614

QEF owns 100% of the ordinary share capital of The Grange (2016) Ltd, incorporated on 6 April 2016 and registered in England and Wales. The Grange has been set up to provide accommodation-based services for adults with learning disabilities based in Cranbrook, Kent.

The results for the year ended 31 March 2023 were as follows net of intercompany transactions of £150k (2022: £223k)

	2023	2022
	£'000's	£'000's
Turnover	1,399	1,312
Administrative expenses	(1,185)	(1,125)
Taxation	-	-
Profit for the financial year	<u>214</u>	<u>187</u>

The assets and liabilities of the company at the end of the period, including intra-group amounts, were as follows:

	2023		2022
	£'000's	£'000's	£'000's
Fixed Assets		789	809
Current assets	335		185
Current liabilities	<u>(175)</u>		<u>(109)</u>
Net Current assets		<u>160</u>	<u>76</u>
		<u>949</u>	<u>885</u>

4d INVESTMENTS (Contd)

VASD

Company Number: 07759768
Charity Number: 1143985

QEF is the sole Member of the Voluntary Association for Surrey Disabled Limited (VASD). The charity joined the QEF Group on 18 November 2011. VASD previously sold and loaned equipment and products to disabled people, and it owns a fully adapted holiday home on the South Coast.

The results for the year ended 31 March 2023 net of intra-group transactions of £0 (2022: £203k), were as follows:

	2023	2022
	£'000's	£'000's
VASD equipment hire and sales	-	2
Income from property	-	13
Grant Income	-	3
Gifts & donations	4	257
	<u>4</u>	<u>275</u>
Cost of sales	-	-
	<u>4</u>	<u>275</u>
Cost of charitable activities	-	(31)
Administration costs	(34)	(2)
Surplus on ordinary activities	<u>(30)</u>	<u>242</u>

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	2023		2022
	£'000's	£'000's	£'000's
Fixed Assets		6	336
Current assets	956		656
Current liabilities	<u>(6)</u>		<u>(4)</u>
Net Current assets		<u>950</u>	<u>651</u>
Pension Scheme Liability		<u>(4)</u>	<u>(6)</u>
		<u>952</u>	<u>982</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

4e INVESTMENTS (Contd)

MERU

Company Number: 1214125
Charity Number: 269804

The Medical Engineering Resource Unit (MERU) joined the QEF Group on 1 April 2012. MERU designs and manufactures specialised equipment for children and young people with disabilities. MERU also sells a range of ready-made products designed in response to requests from families and therapists.

The results for the year ended 31 March 2023, net of intra-group transactions of £86k (2021: £134k), were as follows:

	2023 £'000's	2022 £'000's
MERU equipment sales	189	267
Grants	8	10
Gifts, donations & fundraising activities	290	369
	487	646
Cost of sales	(140)	(160)
	347	486
Cost of charitable activities	(282)	(286)
Fundraising and publicity costs	(19)	(35)
Governance costs	(4)	(2)
Surplus/(Deficit) on ordinary activities	42	163

4f INVESTMENTS (Contd)

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	2023 £'000's	2022 £'000's
Fixed Assets	118	158
Current assets	243	269
Current liabilities	(282)	(372)
Net Current assets	(39)	(103)
Long term liabilities	(57)	-
	22	55

4g INVESTMENTS (Contd)

CURRENT ASSET INVESTMENTS

QEF has current asset investments in the form of equity and cash investments, as follows:

GROUP

	2023 £'000's	2022 £'000's
Listed Shares	34	33
Deposits	-	-
	34	33

QEF

	2023 £'000's	2022 £'000's
Listed Shares	27	27
Deposits	-	-
	27	27

5 STOCKS & ASSETS HELD FOR RESALE

	GROUP		QEF	
	2023 £'000's	Restated 2022 £'000's	2023 £'000's	2022 £'000's
Raw materials and finished goods	93	96	-	-
Assets held for resale	330	330	-	-
	423	426	-	-

Assets held for resale comprise the VASD holiday home which has been reallocated to current assets from fixed assets as it is on the market to be sold.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

6	DEBTORS	GROUP		QEF	
		2023	2022	2023	2022
		£'000's	£'000's	£'000's	£'000's
	Amounts falling due within one year				
	Trade Debtors	1,446	943	1,409	889
	Amount due from subsidiary company	-	-	272	155
	Taxation & Social Security receivable	7	8	-	-
	Other Debtors	71	99	5	52
	Prepayments	221	255	189	162
	Accrued Income	476	387	390	378
		2,221	1,692	2,265	1,636

The amounts due from the subsidiary company are unsecured, interest free and payable on demand. All debtors are financial instruments and are measured at present value.

7 CREDITORS

Amounts falling due within one year	GROUP		QEF	
	2023	2022	2023	2022
	£'000's	£'000's	£'000's	£'000's
Trade Creditors	542	750	479	540
Taxation and Social Security payable	135	231	118	211
Amount due to subsidiary company	-	-	630	766
Other Creditors	86	177	60	797
Loans repayable	784	741	784	-
Accruals	616	482	563	413
Deferred income (see note 8)	607	574	521	514
	2,770	2,955	3,155	3,241

All creditors, with the exception of the loans, are unsecured, interest free and repayable on demand. These creditors are financial instruments and measured at present value. See note 21 for the interest and repayment details of the loans.

8 DEFERRED INCOME - Group and QEF

	Balance at 1 April 2022	Incoming Resources	Amount Released	Balance at 31 March 2023
	£'000's	£'000's	£'000's	£'000's
2023				
Fundraising events income	14	47	(14)	47
CRC	484	453	(484)	453
Independent Living Services	3	3	(3)	3
Mobility Services	9	15	(9)	15
Central Services	4	4	(4)	4
The Grange	60	85	(60)	85
VASD Holiday Income	-	-	-	-
	574	607	(574)	607

These amounts have been deferred because the income relates to activities taking place in the next financial year.

	Balance at 1 April 2021	Incoming Resources	Amount Released	Balance at 31 March 2022
	£'000's	£'000's	£'000's	£'000's
2022				
Fundraising events income	35	14	(35)	14
CRC	-	484	-	484
Independent Living Services	5	3	(5)	3
Mobility Services	26	9	(26)	9
Central Services	-	4	-	4
The Grange	38	60	(38)	60
VASD Holiday Income	3	-	(3)	-
	107	574	(107)	574

These amounts have been deferred because the income relates to activities taking place in the next financial year.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

9 RESTRICTED FUNDS - Group and QEF

The funds of the charity include restricted funds in the form of grants and other donated funds received in respect

2023	Movement in Funds			
	Balance at 1 April 2022 £'000's	Incoming Resources £'000's	Expenditure Gains and Losses £'000's	Balance at 31 March 2023 £'000's
CRC	138	453	(476)	115
Independent Living Services	72	20	(60)	32
Mobility Services	126	737	(737)	126
Central Services	-	-	-	-
Residents of The Grange	-	15	-	15
Voluntary Assoc. Surrey Disabled	330	-	(330)	-
Medical Engineering Resource Unit	49	175	(224)	-
	715	1,400	(1,827)	288

The restriction is defined to have been met if money has been spent on the asset it was intended for.

The funds of the charity include restricted funds in the form of grants and other donated funds mostly received in respect of capital expenditure. The movement in funds also includes donations for revenue projects that have mostly been spent in the year.

The expenditure in VASD represents the movement in funds from restricted to unrestricted after the restrictions on the VASD property were lifted during the year.

2022	Movement in Funds			
	Balance at 1 April 2021 £'000's	Incoming Resources £'000's	Expenditure Gains and Losses £'000's	Balance at 31 March 2022 £'000's
CRC	102	303	(266)	139
Independent Living Services	86	169	(183)	72
Mobility Services	126	666	(666)	126
Central Services	-	5	(5)	-
Voluntary Assoc. Surrey Disabled	330	-	-	330
Medical Engineering Resource Unit	24	215	(191)	48
	668	1,358	(1,311)	715

The restriction is defined to have been met if money has been spent on the asset it was intended for.

10 GENERAL UNRESTRICTED FUNDS

	GROUP		QEF	
	2023	2022	2023	2022
	£'000's	£'000's	£'000's	£'000's
Balance brought forward	10,170	9,093	9,826	8,988
Net movement of resources in the year	1,535	1,077	1,141	838
Balance carried forward	11,705	10,170	10,967	9,826

11 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

2023	Fixed Assets	Net Current Assets	Creditors falling due after more than 1 year	Total Funds	Pensions Deficit	Total 2023
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Restricted funds	-	288	0	288	-	288
Unrestricted funds	23,639	1,223	(13,153)	11,709	(4)	11,705
	23,639	1,511	(13,153)	11,997	(4)	11,993

2022	Tangible Fixed Assets	Net Current Assets	Creditors falling due after more than 1 year	Total Funds ex Pensions Deficit	Pensions Deficit	Total 2022
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Restricted funds	330	385	-	715	-	715
Unrestricted funds	23,716	61	(13,601)	10,176	(6)	10,170
	24,046	446	(13,601)	10,891	(6)	10,885

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

12 RECONCILIATION OF MOVEMENT IN FUNDS

	GROUP 2023	2022	QEF 2023	2022
	£'000's	£'000's	£'000's	£'000's
Opening funds	10,885	9,761	10,163	9,304
Net movements of resources in the year	1,108	1,124	1,078	859
Closing funds	<u>11,993</u>	<u>10,885</u>	<u>11,241</u>	<u>10,163</u>

13 GOVERNMENT GRANTS

Total operating income in the year ended 31 March 2023 includes government grants from the Infection Control Grant Scheme of £4k (2022: £131k). In 2022, the Group received an additional £4k of income from the Coronavirus Job Retention Scheme.

14 TOTAL RESOURCES EXPENDED

2023	Staff Costs	Property Costs	Depn.	Other	TOTAL 2023
	£'000's	£'000's	£'000's	£'000's	£'000's
Charitable Activities	6,912	570	68	812	8,362
Fundraising	396	-	-	253	649
Trading	531	376	5	59	971
VASD	8	9	-	15	32
MERU	176	21	74	169	440
Grange	794	275	20	91	1,180
DevCo	-	(14)	-	14	-
Support Costs	1,190	260	126	462	2,038
Governance	-	-	-	50	50
TOTAL	<u>10,007</u>	<u>1,497</u>	<u>293</u>	<u>1,925</u>	<u>13,722</u>

Resources expended in the year include the following:

	2023
	£'000's
Staff costs	10,007
Auditors Remuneration:	
- Fees payable for the external audit	50
Professional liability Insurance (which includes Trustees' indemnity insurance)	6
Depreciation of fixed assets	293
Operating leases - hire of other assets (excl property)	-

2022	Staff Costs	Property Costs	Depn.	Other	TOTAL 2022
	£'000's	£'000's	£'000's	£'000's	£'000's
Charitable Activities	6,358	231	64	785	7,438
Fundraising	463	-	-	285	748
Trading	561	437	2	76	1,076
VASD	23	3	-	5	31
MERU	212	12	92	189	505
SSM	-	-	-	(70)	(70)
Grange	771	253	26	72	1,122
DevCo	-	-	-	-	-
Support Costs	1,117	380	121	938	2,556
Governance	-	-	-	37	37
TOTAL	<u>9,505</u>	<u>1,316</u>	<u>305</u>	<u>2,317</u>	<u>13,443</u>

Resources expended in the year include the following:

	2022
	£'000's
Staff costs	9,505
Auditors Remuneration:	
- Fees payable for the external audit	37
Movement in provision	-
- Fees payable for the internal audit	-
Professional liability Insurance (which includes Trustees' indemnity insurance)	6
Depreciation of fixed assets	305
Operating leases - hire of other assets (excl property)	358

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

15 ALLOCATION OF SUPPORT COSTS AND PENSIONS ADJUSTMENT

2023	Direct Costs	IT	Shared Services	Pensions	TOTAL
	£'000's	£'000's	£'000's	£'000's	£'000's
Care & Rehabilitation	3,956	151	613	64	4,784
Independent Living	3,437	147	589	67	4,240
Mobility Services	810	35	133	26	1,004
Other	-	-	-	-	-
Fundraising	651	24	109	15	799
Trading	953	39	152	21	1,165
VASD	33	-	-	2	35
MERU	418	18	60	9	505
Grange	1,147	15	-	24	1,186
QEF Developments	4	-	-	-	4
	11,409	429	1,656	228	13,722

2022	Direct Costs	IT	Shared Services	Pensions	TOTAL
	£'000's	£'000's	£'000's	£'000's	£'000's
Care & Rehabilitation	3,741	118	518	81	4,458
Independent Living	3,202	136	599	93	4,030
Assisted Aviation	27	2	9	1	39
Mobility Services	785	33	144	22	984
Other	(70)	-	-	-	(70)
Fundraising	748	42	184	29	1,003
Trading	1,076	27	104	-	1,207
VASD	31	3	13	-	47
MERU	506	23	89	-	618
Grange	1,122	-	3	-	1,125
QEF Developments	-	-	2	-	2
	11,168	384	1,665	226	13,443

16 EMPLOYEES

The average number of persons employed by QEF during the year was:

	Full time 2023	Full time 2022	Part time 2023	Part time 2022
Care & Rehabilitation	33	36	25	25
Independent Living Services	34	46	35	34
Mobility Services	9	7	15	21
Accesible Aviation	-	-	-	-
Central Services	18	21	7	5
Fundraising & Publicity	10	11	4	5
QEF	104	121	86	90
Commerical Trading Operations	12	14	23	23
VASD	-	-	-	1
MERU	3	4	5	5
Grange	13	17	26	15
GROUP	132	156	140	134

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

16 EMPLOYEES (Contd)

Staff costs:	GROUP		QEF	
	2023 £'000's	2022 £'000's	2023 £'000's	2022 £'000's
Salaries and wages	6,128	6,456	4,874	5,109
Agency	2,958	2,242	2,842	2,163
Social Security costs	559	565	472	474
Defined benefit pension scheme costs	4	7	-	-
Defined contribution and other pension costs	211	216	177	178
Other staff costs	132	-	122	-
Health scheme	15	19	11	14
	<u>10,007</u>	<u>9,505</u>	<u>8,498</u>	<u>7,938</u>

Agency costs are used mainly to cover staff vacancies, particularly where this is essential to meet registered homes staffing levels.

In the year ended March 2023, no members of the Board of Trustees were reimbursed for any expenses incurred on behalf of QEF (2022: £0).

The Trustees received £3,825 (2022: £nil) remuneration in the year. This was for one trustee, who was appointed on a consultancy basis, to provide interim support to the fundraising team due to staff shortages.

Key management personnel for QEF include the Trustees, Chief Executive, and other senior staff reporting directly to the Chief Executive. The total employee benefits of the QEF Group's key management personnel were £571k (2022: £615k).

During the year around 220 volunteers helped QEF. They provide support in a variety of ways across the QEF shops as well as at our services.

The number of employees earning £60,000 p.a. or more was:

	2023	2022
£60,000 - £69,999	2	2
£70,000 - £79,999	2	4
£80,000 - £89,999	2	-
£100,000 - £109,999	1	1

Contributions to the defined contribution scheme by the employer on behalf of these staff was £20,511 (2022: £20,909)

17 LEGACIES

The charity has received notification of its entitlement to legacies estimated at £337,180 (2022: £338,104). These have been included in the financial statements.

18 VALUE ADDED TAX

QEF, being a registered charity, is unable to recover the major part of VAT incurred on its expenditure. Where applicable, expenditure has been shown including VAT.

19 CAPITAL COMMITMENTS

Group and QEF

Capital commitments at 31 March 2023 not provided for in these financial statements:

	2023 £'000's	2022 £'000's
Contracted for	128	-
	<u>128</u>	<u>-</u>

20 PENSION COST

Defined benefit scheme

In 2018, following extensive consultation with the Pension Regulatory Authorities and professional advisers, a restructuring plan was agreed between QEF, the pension scheme trustees and the PPF to facilitate the defined benefit pension scheme being accepted into the PPF. In exchange for accepting this liability, the PPF issued QEF with a £30m loan note. See note 21 for more details about this long-term liability.

The Pensions Trust

At the balance sheet date there was one employee who was an active member of The Pensions Trust Growth Plan 3. The Plan is a multi-employer defined benefit pension plan and the member of the scheme paid contributions at a rate of 4% of basic salary. Employer contributions were also 4% of salary. In the twelve months to 31 March 2023 the employer made pension contributions of £1,399.98 (2022: £289.82). There were no outstanding contributions due at the end of the year (2021: £0).

The company 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 company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 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 additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £3.3m per annum
(payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that 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 Trustees asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 March 2025: £11,243m per annum
(payable monthly and increasing by 3% each on 1 April)

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 company has agreed to a deficit funding arrangement the company 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.

Present value of provision

	31 March 2023	31 March 2022	31 March 2021
	£	£	£
Present value of provision	3,645	5,717	31,032

Reconciliation of opening and closing provisions

	31 March 2023	31 March 2022
	£	£
Provision at start of period	5,717	31,032
Unwinding of the discount factor (Interest expense)	108	179
Deficit contribution paid	(2,083)	(7,853)
Remeasurements - Impact of any changes in assumptions	(97)	(131)
Remeasurements - amendments to the contribution schedule	-	(17,510)
Provision at end of period	3,645	5,717

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

20 PENSION COST (Contd)

Income and expenditure impact

	31 March 2023	31 March 2022
	£	£
Interest expense	108	179
Remeasurements - impact of any changes in assumptions	(97)	(131)
Remeasurements - amendments to the contribution schedule	-	(17,510)
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

Assumptions

	31 March 2023	31 March 2022	31 March 2021
	% per annum	% per annum	% per annum
Rate of discount	5.52	2.35	0.66

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.

The following schedule details the deficit contributions agreed between the company and the at each scheme year end and period:

Deficit contributions schedule

Year ending	31 March 2023	31 March 2022	31 March 2021
	£	£	£
Year 1	2,083	2,083	7,853
Year 2	1,736	2,083	8,088
Year 3	-	1,736	8,331
Year 4	-	-	7,151
Year 5	-	-	-
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

The company must recognise a liability measured at the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

20 PENSION COST (Contd)

Defined contribution scheme

QEF provides employees with the opportunity to join a Group Personal Pension Plan (GPPP). Employer contribution rates vary, for the majority of staff the employer rate is 5%, for former members of the final salary pension scheme it is 9% and for those staff who joined through the auto-enrolment process it was 4%. A third party pension provider holds the assets of the GPPP. The pension charge for the year was £200k (2022: £202k). There were outstanding contributions due at the end of the year of £30,447 (2022: £30,722).

A member of staff at MERU has their own private pension plan into which the employer contributes 6.5% of the employee's gross salary provided the employee has made a personal contribution. The pension charge for the year was £1,164 (2022: £1,128). There were no outstanding contributions due at the end of the year (2022: £Nil)

21 LONG TERM LIABILITIES

The defined benefit pension scheme deficit was transferred over to the Pension Protection Fund (PPF) resulting in a £30m long-term loan to QEF. The £30m loan comprised two loan notes; the Sale Note instrument for £7.5m to be repaid through property disposals and the Term Note instrument for £22.5m to be repaid over 30 years at £750k per annum. The PPF has first charge over all QEF buildings.

The Sale Loan Notes were due to be repaid by the sale of the sites in Banstead and Dorincourt. Proceeds of £4.9m were raised from the sale of the Banstead site (where the former Rehabilitation Centre was based) in October 2020 reducing the outstanding balance on the Sale Loan Note to £2.6m. This outstanding balance will be repaid from the sale of the site in Dorincourt. This site was sold subsequent to the year-end in October 2023 for £3.15m and the proceeds, net of costs, will be sufficient to cover the outstanding balance. Any remaining proceeds will be deducted, under the terms of the agreement, from the Term Note. Interest of 2% is payable on the Sale Loan note while the balance remains outstanding.

The balance on the outstanding Term notes at 31 March 2023 was £21.8m. Interest of 2% is accruing on deferred payments of £844k.

The total amount outstanding to the PPF at 31 March 2023 under both loan notes was £24.5m (2022: £24.6m). On initial recognition, the term notes were discounted at 4% over the term of the loan and are subsequently measured at amortised cost using 4% as the effective interest rate. The total amount outstanding at 31 March 2023, at amortised cost, was £13.2m (2022: £13.6m) of which £0.6m is due within one year and the balance of £12.6m due after one year.

In 2021, QEF was issued a loan of £750k under the Coronavirus Business Interruption Loan Scheme (CBILS). The loan was repayable over 60 months from September 2021 and after an interest free period of 1 year, interest is payable at 1.88% pa + base rate. The amount outstanding at 31 March 2023 was £601k (2022: £712k) of which £168k is due within 1 year and the balance of £433k is due after one year.

Total loan repayable:	2023	2022
	£000's	£000's
PPF	13,234	13,630
CBILS	601	712
	<u>13,835</u>	<u>14,342</u>

Loans fall due:	2023	2022
	£000's	£000's
Under 1 year	784	741
Within 2-5 years	4,992	2,928
After more than 5 years	8,059	10,673
	<u>13,835</u>	<u>14,342</u>

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

22 LEASE COMMITMENTS

At 31 March 2023 the group had non-cancellable total commitments under operating leases for properties, which expire:

	2023 £000's	2022 £000's
Under 1 year	311	358
Within 2-5 years	864	1,012
After more than 5 years	806	980
	<u>1,981</u>	<u>2,350</u>

23 GRANTS RECEIVED

	2023 £'000's	2022 £'000's
Department for Transport	617	563
Motability	42	42
Retail Grant Scheme	-	61
Infection Control and COVID Grants	4	190
Other	60	45
	<u>723</u>	<u>901</u>

24 RELATED PARTY DISCLOSURES

During the year Queen Elizabeth Foundation for Disabled People charged management fees to its subsidiaries as follows:

	2023	2022
The Voluntary Association for Surrey Disabled Ltd	£ -	£ 15,622
Medical Engineering Resource Unit	£ 75,493	£ 111,161
QEF Trading Ltd	£ 190,844	£ 130,572

Queen Elizabeth's Foundation for Disabled People received donations from The Grange (2016) Ltd for £150k (2022: £223k). Queen Elizabeth's Foundation for Disabled People also received donations from VASD for £0 (2022: £190k). Queen Elizabeth's Foundation for Disabled People also received donations from QEF Retail Trading Limited for £93k (2022: £0)

Included within creditors at year end for Queen Elizabeth Foundation for disabled people are the following balances with subsidiaries:

	2023	2022
QEF Trading Ltd	£ -	£ 157,587
QEF Developments Limited	£ 7,927	£ 133,508
The Voluntary Association for Surrey Disabled Ltd	£ 621,821	£ 594,312
The Grange (2016) Ltd	£ -	£ 14,506

Included within debtors at year end for Queen Elizabeth Foundation for disabled people are the following balances with subsidiaries:

	2023	2022
Medical Engineering Resource Unit	£ 247,714	£ 288,565
QEF Trading Ltd	£ 9,014	£ -
The Grange (2016) Ltd	£ 15,697	£ -

25 CONTROL

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2023

26 RECONCILIATION OF NET MOVEMENT IN FUNDS

	2023 £'000's	2022 £'000's
QEF Incoming Resources	14,622	14,432
QEF Resources Expended	<u>(13,722)</u>	<u>(13,443)</u>
QEF Operating (Deficit)/ Surplus	900	989
Other movements in Funds	208	135
Net Movement in Funds on SOFA	<u>1,108</u>	<u>1,124</u>

27 POST BALANCE SHEET EVENT

On 2 October 2023, the site in Dorincourt was sold for gross proceeds of £3.15m. The property was held on the balance sheet at a revalued cost of £3.5m at 31 March 2023 resulting in an estimated loss on disposal, after costs, of £0.5m.

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

England & Wales - Charity number 251051

Accounts

Queen Elizabeth's Foundation For Disabled People

Financial Statements

**For the year ended
31 March 2022**

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013



Queen Elizabeth's
Foundation for
Disabled People



Enabling Potential

TRUSTEES, SENIOR MANAGERS AND ADVISORS

PRESIDENT	CORINNA, LADY HAMILTON OF DALZELL DL
CHAIRMAN	JOHN DENNING
BOARD OF TRUSTEES	MOIRA BOWIE GORDON BOWSER ALICE COLLINS MICHAEL CONNAUGTON TIMOTHY JASON DAVIES PETER GORDON (resigned 31 May 2021) ABIGAIL PRICE ELIZABETH SHARP
CHIEF EXECUTIVE	KAREN DEACON
COMPANY SECRETARY	PHILIP KIRK
REGISTERED AND PRINCIPAL	LEATHERHEAD COURT OFFICE WOODLANDS ROAD LEATHERHEAD, SURREY, KT22 0BN
BANKERS	NATIONAL WESTMINSTER BANK PLC 57 VICTORIA STREET LONDON, SW1H 0HN
SOLICITORS	BLAKE MORGAN LLP NEW KINGS COURT, TOLLGATE, CHANDLER'S FORD EASTLEIGH, HAMPHIRE, SO53 3LG
INDEPENDENT AUDITORS	MOORE KINGSTON SMITH LLP 9 APPOLD STREET LONDON, EC2A 2AP

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CEO AND CHAIRMAN'S STATEMENT

The COVID-19 pandemic continued to present significant challenges to QEF throughout 2021 and into 2022. We started the financial year with our Mobility and Retail operations under lockdown and the residential services functioning under visitor restrictions. We were delighted when the services were able to fully reopen to visitors but we continued to implement protective measures to keep people safe and are proud of our record that as of November 2022, we have not had a single death from COVID-19 in our services.

Our success in managing COVID-19 was driven by our dedicated staff members across all of QEF but in particular the residential services who continued to deliver front line care throughout the pandemic. Without this passionate and loyal team, life could have been extremely difficult within these services. While staying safe was clearly the priority, supporting mental health and well-being for all was also paramount.

Nevertheless, in line with the trend seen nationally, we were impacted by a shortage of support workers. This was exacerbated by a high level of absence due to sickness and self-isolation. There is no doubt that the pandemic and the operational implications have had an impact on staff and their morale. This was not helped by the introduction of mandatory vaccinations by the government and its subsequent reversal. We are working hard to address the staff shortages, reduce our reliance on agency staff and have implemented a Recruitment and Retention plan.

As we entered the final quarter of the year, the winter pressures on the NHS increased considerably. We were pleased to be able to work closely with our NHS partners during this exceptionally difficult time, extending our rehabilitation offer to support a wider group of patients. While our primary focus remains neuro-rehabilitation, our expertise has allowed us to expand into other pathways. We are proud to have been able to contribute in such a significant way and to have been part of the solution for the NHS during this time. We look forward to further developing our relationship with key NHS partners in 2022-23.

We were delighted to open the fourth wing of our Care and Rehabilitation Centre (CRC) with occupancy reaching 88% at times. This was a remarkable achievement given the increase in capacity from the previous neuro-rehabilitation facility in Banstead with 17 beds to the state-of-the-art CRC with a capacity of 48.

During the year, we developed a new 3-year strategy for 2022-2025, taking into account market needs, our strengths and weaknesses, changes within the sector and our wider aims for the organisation. The key pillars of that strategy are to deliver operational excellence; strengthen our business; and seek innovative and sustainable solutions. We need to build upon our strengths and consolidate what we do well while operating within our financial constraints.

The financial pressures on our organisation remain significant and managing our cash flow and delivering cost reductions throughout the year have been key priorities. We are cognisant of our long-term obligations to the Pension Protection Fund and are grateful for their enabling approach during 2021-22, allowing us to defer an element of the total loan repayments due for the year given the unprecedented circumstances. We also secured a 6-month payment holiday on the C-BILs loan repayments.

Looking ahead, we are aware of the need to strengthen our financial position further to provide protection against inflationary pressures and an uncertain outlook for fundraising. The cost-of-living crisis and high-profile international causes appear to be impacting donations to local charities in recent months.

We were delighted to return to live events and conferences during the year, in particular the visit by the Countess of Wessex in June 2021 to formally open the CRC. Other highlights include the visit by Sir Edward Guinness to the CRC in June 2022 and the Mobility Open Day to celebrate its 40th anniversary in October 2022.

We are ever grateful to all our supporters and volunteers for their commitment, time and fundraising efforts. In particular, we would like to thank the Edward Guinness Appeal committee for their support over the last few years as this campaign starts to draw to a close. While fundraising is not due to finish until February 2023, the bulk of the money for the CRC has been raised.

We would also like to extend our gratitude to the Trustees for their unwavering support, commitment, and guidance throughout the year. Your efforts are much appreciated.

We are proud of our achievements over the last 12 months, how the workforce demonstrated the QEF values of everyone matters, everyone works together, and everyone makes a difference. As we move into the next financial year, we are focused on implementing the new strategy and will endeavor to meet any new challenges that arise. There may be changes to the organisation as the strategy is rolled out, but these changes will be managed sensitively. Our primary aim is to improve accessibility, promote independence and enable people that we support reach their potential.

TRUSTEES' REPORT

The Trustees are pleased to present their Report and Financial Statements for the year ended 31 March 2022. The accounts have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014. The report and statements also comply with the Companies Act 2006.

Purpose of the charity

Queen Elizabeth's Foundation for Disabled People (QEF) is a leading charity with over 85 years' experience of developing innovative services which enable and support people with disabilities to increase independence and improve opportunities for life. Whether it is gaining new skills to live independently, neuro rehabilitation after a brain injury or stroke or improving independence through increased mobility and accessible holidays; QEF helps disabled people to fulfil their potential in life.

What we do

The services we offer include the following:

- Neuro-Rehabilitation and Nursing Care – neuro rehabilitation and specialist care for neurological conditions including acquired brain injury, stroke, incomplete spinal injury and neurological illness
- Residential Care and Supporting Living – long term specialist care for complex disabilities at our Independent Living Service in Surrey and The Grange in Kent
- Independent Mobility – mobility driving assessments, wheelchair and scooter assessments, accessible aviation and seat assessments, mobility and disability aids, bespoke design, adapted toys and equipment

These services are supported by the following teams:

- Retail Trading with 16 Retail Shops supported by 127 volunteers
- Engagement and Partnerships Team (Fundraising)
- Finance and IT
- People Team (Human Resources)
- Marketing and Communication
- Facilities Management
- QEF Developments Limited (set up to support the development of the Care and Rehabilitation Centre)

The Grange (2016) Ltd, QEF Trading Limited and QEF Developments Limited are limited companies and wholly owned subsidiaries.

Geographical Reach

QEF is based in Surrey and Kent, providing most of its residential and mobility services in the South East Region, covering London, Surrey, Essex, Hertfordshire, Berkshire, Kent, Buckinghamshire and Hampshire. MERU designs and sells products UK-wide and has international distribution channels through Europe and the USA.

Vision Statement

At QEF we work together to deliver caring and creative solutions for people with disabilities of all ages, enabling them to live life to the full.

Values and behaviours

We believe:

- Everyone matters
- Everyone works together
- Everyone makes a difference

Public benefit

The Trustees confirm they have given due consideration to the Charity Commission's guidance and that QEF's purpose is for public benefit.

MAIN ACTIVITIES

QEF Care and Rehabilitation Centre

QEF's Care and Rehabilitation Centre (CRC), is situated near Leatherhead in Surrey and is a 48-bed purpose-built CQC registered service which specialises in neuro rehabilitation. The CRC supports people to enhance their quality of life and core skills to maximise their independence after an acquired brain injury, stroke, incomplete spinal injury or other neurological conditions.

Our expert multi-disciplinary teams provide each person with a personalised neuro rehabilitation and care plan. The specialist services are delivered by a team of healthcare professionals including a consultant in rehabilitation medicine, GP, Specialist nurses and therapists and rehabilitation team.

The integrated service provides holistic, person-centred programmes of therapy, nursing and care and the in-house therapies include clinical psychology, speech and language therapy, occupational therapy and physiotherapy, alongside specialist nursing and care who work closely with the NHS, case managers and community referrers.

The service works closely with families and everyone involved with an individual's long term rehabilitation, helping them with the transition out of our service, whether to be at home, a nursing home or to supported living.

We were proud to be able to support our NHS partners throughout the pandemic, reducing the pressure on the NHS and acute beds by admitting clients directly from hospital, reducing length of stay in hospital, supporting patient flow through the system and facilitating clients' discharge home or to another suitable destination to continue their rehabilitation. This key work continued throughout the pandemic despite the challenging conditions, both operational and financial, caused by COVID-19.

Our partnership with the NHS strengthened in the year and we currently work with 15 NHS Trusts and Clinical Commissioning Groups (CCGs) across South East England.

The setup of the service enabled it to continue admitting clients throughout the pandemic and ensuring their safety, as each room is spacious with accessible technology in bedrooms to independently operate TV, heating, lights and blinds. The service has strictly followed government guidance, conducted regular staff and clients PCR tests and installed care domes to enable the clients to meet their families and friends. CRC had its first inspection by the Care Quality Commission (CQC) during

lockdown and received an overall rating of 'Good'. The service will continue to provide high quality care and support in 2023.

QEF Residential Care and Supported Living

Independent Living Service (ILS)

ILS provides specialist residential care to a maximum of 43 adults aged 18 to 65 with complex physical disabilities, learning disabilities and sensory impairments.

The residents receive 24-hour care and supervision, a programme of activities and leisure pursuits plus support from our therapy team. We provide three styles of accommodation on the one campus including en-suite bedrooms, group homes with en-suite bedrooms and their own communal facilities, and self-contained individual flats. All bedrooms have overhead tracking for hoists and are linked to a central call alarm system.

Residents have access to the IT suite, a large multi-purpose activity room and the dining area. A small gym is also available for residents' use. A range of planned leisure activities are offered within the service and individuals are supported to access the local community however unfortunately this was impacted in 2021-22 by the COVID-19 restrictions imposed on the service

ILS received a rating of 'Requires Improvement' after a CQC inspection in March 2021 which noted improvements required in two out of five domains with the remaining three domains rated 'Good'. The service has been working on addressing the improvements required and has undertaken a planned refurbishment during the year.

The Grange (2016) Ltd (the Grange)

The Grange provides accommodation-based services for adults with learning disabilities in Cranbrook, Kent. These are provided for up to 25 people across two residential services regulated by the CQC and one Supported Living accommodation. Maximum occupancy levels were increased from 24 to 25 at the end of the financial year following investment in one of the properties.

The Grange and 17 Wheatfield Drive have maintained their 'Good' rating with the CQC with The Grange holding one domain rated 'Outstanding'.

Independent Mobility

QEF Mobility Services

The Mobility Centre provides a variety of assessments that enable independent mobility for disabled people and the elderly, as well as equipment hire of wheelchairs, scooters, and seating postural support for air travel. Assessments include driving ability and adaptations for vehicles including hoists and transfer systems, wheelchair prescription, scooter proficiency, accessible aviation, seating and postural support assessments and child car seat assessments. The centre was the first mobility centre of its kind in the UK providing services to the public and celebrates its 40th year in 2022.

The Mobility Centre reopened to the public on 12th April 2021 for driving tuition and resumed providing assessments from 19th April 2021. The Centre continued to be impacted as it came out of lockdown with previously furloughed staff returning to work over a phased period.

The Centre was able to complete 85% of its Department of Transport (DfT) target for assessments in the year despite a significant increase in cancellations due to COVID-19.

Staff at the centre were delighted to be able to hold the annual open day event in March 2022, the first since the pandemic, to which QEF welcomed the Minister of State for Transport, Wendy Morton.

VASD

The COVID-19 pandemic necessitated the closure of the site at Leatherhead Court where VASD was located, and where the sale and hire of aids and equipment was previously provided. The operation of providing advice and mobility equipment hire has now been permanently relocated to the QEF Mobility Centre at Carshalton.

VASD continues to provide an accessible holiday home in West Sussex for hire by individuals and families with disabilities who require specialist facilities such as profiling beds. The holiday home at Elmer Sands was reopened following the lifting of restrictions in May 2021.

MERU

MERU produces children's mini powered wheelchairs known as Bugzis which are available to buy or offered as part of a free loan scheme. The loan scheme allows a family to take a Bugzi home following an assessment and use for as long as the child need it. It is then returned, refurbished and relouped to another child.

MERU also sells a wide range of assistive products and adapted toys as well as providing a toy adaptation service to a distribution partner in the UK.

In the year to March 2022, MERU helped 8,300 disabled people, primarily children, through the provision of its innovative products and services. A total of 61 children received a Bugzi through the Bugzi Loan Scheme between April 2021 and March 2022. The school-based Bugzi Club was operational in five schools in the South East in 2021-22, helping children access independent mobility at school.

MERU produced eleven new Bugzis for the loan scheme in the year with a further five being sold. A total of 54 Bugzis were refurbished throughout the year.

QEF Trading Limited

QEF charity shops continue to sell a variety of donated goods and furniture, greatly helping QEF raise awareness and contributing to income in unrestricted funds. At the year-end, there were 16 charity shops in and around Surrey (2021: 19).

Due to the COVID-19 pandemic, all of the charity shops were closed at the start of the year and re-opened for trade when government restrictions permitted. During the enforced closures, all of the staff were furloughed with funds available from the government's Coronavirus Job Retention Scheme. The financial impact of the closures was partly mitigated by income received from the government's Retail Hospitality and Leisure Grant (RHLG) fund.

E&P

Engagement and Partnerships (Fundraising)

The Engagement and Partnerships team had been optimistic for 2021-22, all the signs were that we were 'getting back to normal life' which would enable us reinvigorate our events programmes which had been affected drastically during 2020-21. The effects of the pandemic, however, continued throughout the year.

To mitigate this, 2022 saw QEF supporters undertake a huge range of different activities to raise funds for our vital work. Together, they donated a total of £2.7m (for QEF and its subsidiaries) in 2021-22, up on 2020-21 and 2019-20. This included £799,000 in legacies from many generous supporters who left QEF gifts in their wills. As ever, we are grateful to all our kind supporters without whom QEF could not continue to run.

The Events Team was delighted to be able to run live events again. October 2021 saw our first live event, with the Autumn Ladies' Lunch which was closely followed by our flagship event, Guinness & Oysters, at Mansion House. Both events raised similar amounts to pre-pandemic years. Unfortunately, one event planned for February had to be postponed due to the Omnicron outbreak but we were able to go ahead with the Rugby Legends Dinner in March 2022. This event had been postponed three times but, despite various challenges, it raised a staggering net £125,000.

QEF complies with sector best practice. During 2021-22, all fundraising was conducted by a team of employed fundraisers. QEF monitors and manages its fundraising regulation and compliance through a combination of training programmes, internal processes and quarterly management reporting. This includes the collection and use of personal data, frequency of contact, how to identify vulnerable people, as well as compliance and regulatory requirements. QEF is registered with the Fundraising Regulator.

People

The pandemic has had a huge impact on the workforce over the last 12 months. Employees have had to continue to adjust to the rapidly changing circumstances of the government requirements to keep our employees, residents and clients safe. The implementation of mandatory vaccinations and the removal of the 'Right to Work' in the UK for many of our European employees due to the implementation of Brexit had a detrimental impact on employee retention and wellbeing.

It became apparent during the year that some of our employees well-being had been impacted from either contracting the virus and/or working in such unexpected and emergency practices for a prolonged period. Covid related ill health was the top reason for sickness absence in the last year closely followed by stress, anxiety and mental health issues, a pattern that has been seen across the sector nationally.

Due to national staff shortages, recruitment and retention has been the key priority. As we move into the next financial year, it will be vital to ensure that our pay and reward remain competitive to aid recruitment and implementing retention strategies. This will help us reduce our reliance on interim and agency staff.

Volunteering

QEF's volunteers traditionally have represented an older demographic. Following the challenges of the global pandemic, understandably there was a real hesitancy to return to volunteering within our services and in particularly in retail. We have seen dedicated volunteers within operational services who have remained with QEF supporting our employees, clients and residents throughout COVID-19.

QEF currently has 209 volunteers who participate supporting the QEF group on a regular basis. The most popular areas for volunteering are our front facing services with 127 in our retail establishments and 44 in our operational services. We are ever thankful for the diverse skills and experience, and support that these dedicated volunteers bring to QEF.

COVID-19 Command Structure

Ensuring the safety of the people we support and staff has been a continuing challenge this year. Having a Gold, Silver, and Bronze command structure in place from the start of the pandemic has ensured that the services have complied with government's guidance and that the impact of COVID 19 has been minimised on the people we support.

LOOKING FORWARD

Understanding and determining the future direction for QEF is key to the organisation's sustainability and success. We need to consolidate what we do well, look for potential opportunities and articulate our future offers in what is a complex and changing external environment. The previous strategy was for the period 2016-2021. Where appropriate, elements have been used as the springboard on which to build the new strategy for 2022 onwards and assist in identifying the changes that have taken place across the disability markets/sectors and develop the work programme.

The following strategic goals have been agreed and new work programmes are being developed.

1) Deliver operational excellence

We will:

- Provide high-quality consistent, personal led care and support to enable better outcomes for the people we support
- Further build on our quality to become outstanding and ensure excellent customer experiences in all areas
- Maximise the capacity in our services by ensuring we respond to future healthcare needs and redesign our pathways
- Build high performing, engaged, diverse teams by investing in our staff and ensuring they have the right skills and behaviours

- Create a positive culture of continuous improvement to ensure people are committed to achieving the organisations goals

2) Strengthen our business

We will:

- Maximise the opportunities in the markets to diversify and grow income streams to ensure we have a strong future
- Review our infrastructure to deliver more cost-effective ways of working and create more funds for future business development
- Identify commercial opportunities to ensure all areas of business can be self-sustaining
- Develop and strengthen partnerships and collaborate with key organisations to support us to achieve our vision

3) Seek innovative and sustainable solutions

We will:

- Develop a property strategy which ensures our buildings and land are used in the most effective way (including using any appropriate spare space in existing buildings to generate income)
- Develop initiatives to reduce our environmental impact and promote across the organisation
- Develop strong leadership and management at all levels to empower people

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

QEF is a registered charity and a company limited by guarantee governed by a Memorandum and Articles of Association which were reviewed and updated in 2018.

The Board of Trustees meets at least six times a year. Trustees visit each of the operating locations, meeting with staff and clients and gaining a current view of the activities and progress of each service, although the visit programme in 2021-22 was impacted by COVID-19 restrictions. Trustees are subject to the 'fit and proper person' test required by the Care Quality Commission.

Each Trustee is required to resign at the end of their three-year term but they may be elected to serve for another term provided their total term of office does not exceed nine years.

When there is a requirement to recruit new Trustees a formal external recruitment procedure takes place. New Trustees receive induction training from the chief executive and Senior Management Team.

The Board of Trustees has responsibility for strategic development and for overall governance of QEF, members of the QEF family of charities and the QEF Trading Company.

The Board of Trustees delegates to committees some of its non-executive functions, including audit and risk, finance and property, fundraising and marketing, care quality and safety.

Executive leadership and management are delegated to the Chief Executive and the Senior Management Team.

Trustees

Trustees are elected by Members of QEF or co-opted by the Trustees, based on how their skill set and experience can benefit QEF and further improve the knowledge of the Board. A formal recruitment and selection process is agreed by the Board in advance of all appointments and is in line with best practice guidance.

As stated in the Memorandum and Articles of Association, one third (or the number nearest one third) of the Trustees must retire at each AGM, those longest in office retiring first and the choice between any equal service being made by drawing lots. A retiring Trustee who is eligible may be re-elected. If at the date of the AGM a Trustee has held office for nine consecutive years since first election, they may not be re-elected, except in exceptional circumstance of there being no other person eligible to be a Trustee and acceptable to the Members as such.

RISK MANAGEMENT

The Audit and Risk Committee is responsible for oversight and scrutiny in areas including internal and external audit, risk management and insurance. The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Measures in place include:

- A strategic plan, a business plan and an annual budget approved by the Board of Trustees
- Monthly consideration by the Senior Management Team of financial results, variance from budgets and performance indicators.
- Board Assurance Framework and corporate risk registers as part of a risk management strategy.
- The Senior Management Team and the Board review the nature of risks regularly, monitor actions taken, identify new risks and agree future mitigating action. An updated risk analysis is presented to the Board of Trustees at each of its meetings.
- Monthly quality and performance reports modelled around the CQC domains continue to develop. Five key domains are measured: safe, effective, caring, well led and sustainable (includes finances). The scorecard enables managers to comment on variances and identify actions being taken to mitigate risk

QEF Queen Elizabeth's Foundation for Disabled People

- The Board meets quarterly and is supported by Sub-board committees which meet during the year, covering inter alia Care Quality, Audit & Risk, and Business Performance
- Proper delegation of authority and segregation of duties.
- An executive and professional liability insurance policy provides indemnity for the Trustees.
- Our auditors are Moore Kingston Smith LLP.

In common with all providers of health and care services, QEF faces a number of risks. These include:

Risk	Mitigation
Impact of a COVID-19 outbreak in services	Established controls mechanisms would limit impact and prevent a cross service outbreak
Poor quality of care or risk to safety	Ensure staff compliance with training and induction. Continually develop operational processes, policies and procedures to ensure best practice. Involve service users in monitoring and actively seek feedback from people who use our services. Clear and thorough reporting to Care Quality and Safety committee and visibility of senior managers and trustees in services. Ensure Health and Safety compliance across all services and regulatory compliance in regulated services.
Workforce – difficulties recruiting and retaining a skilled workforce and associated impact on care	Recruitment and retention plan developed focusing on competitive pay structure, employee health and wellbeing
Management of the £25m long term debt to the PPF, which replaced the defined benefit pension deficit.	The PPF Agreement provides for regular performance reports and update meetings as required
Failure to achieve financial balance impacting on viability	Five year financial plan overseen by Business Performance Committee

Remuneration

The Remuneration Committee has responsibility for considering management recommendations for staff pay and setting the salaries of members of the Senior Management Team.

Before considering management recommendations for staff pay, the Remuneration Committee looks at the external market and pay relativity, internal pressures for talent and affordability.

FINANCIAL REVIEW

Income and expenditure

Total operating income of £14.4m in 2022 (2021 - £12.4m) included grants from government coronavirus support schemes totalling £0.9m (2021: £1.6m) of which £0.65m related to charitable activities and £0.25m to commercial operations.

Excluding these grants, income from charitable activities including two subsidiaries was £8.4m (2021 - £6.8m). Total charitable expenditure in the year was £10.1m (2021 - £8.6m) resulting in a shortfall of £1.7m.

Commercial operations delivered a net operating income of £0.3m in 2022, a significant improvement on the loss incurred in prior year of £0.7m, when trading was adversely affected by shop closures due to COVID19. The net profit was bolstered by net income from fundraising and other activities of £1.8m, which coupled with the government grants, resulted in an overall net operating surplus of £1m.

The net movement in funds was £1.1m after a £0.1m adjustment to the discounting of the loan term PPF liability. This total movement in funds comprised an increase in unrestricted reserves of £1m along with a £0.1m increase in restricted reserves.

Cash flow

Net cash from operating activities was £0.6m. After fixed asset additions of £0.4m, the Group was left with an overall net cash inflow of £0.2m which increased the year-end cash position to £1.6m (2021: £1.4m).

Balance sheet

The Group balance sheet shows net assets, excluding long-term debt, of £24.5m (2021: £24.0m). Fixed assets broadly remained at the same level as some older equipment was replaced.

Long-term liabilities reduced to £13.6m at 31 March 2022 (2021: £14.3m) and include amounts due under the PPF and CBILS loan agreements of £13.0m and of £0.6m respectively. The PPF loan is a long-term liability which will not crystallise in the short to mid-term. Unlike the previous pension scheme deficit, this loan amount is fixed and the loan repayments are also fixed and affordable. The amount outstanding at 31 March 2022, is £24.6m. This has been discounted over the 30 year-term at 4% to arrive at an amortised cost of £13.6m at 31 March 2022 of which £0.6m is due within one year and £13m is due after one year. The amount outstanding under the CBILS loan agreement is £0.7m of which £0.1m is due within one year.

The net current asset position improved to £0.4m (2021 - £0.1m) at 31 March 2022.

Overall, the Group balance sheet shows net assets of £10.9m at 31 March 2022 (2021: £9.8m).

Going concern

The COVID-19 pandemic and resulting lockdowns continued to have a significant impact on the financial position of QEF throughout 2022; affecting income from fundraising activities and commercial operations, and resulting in increased costs in service delivery. The financial impact was mitigated by prompt action undertaken to utilise all government support available.

In addition to the challenges presented by COVID-19, QEF have also been impacted by the well documented shortage of support workers and nurses across the industry. As a consequence, there has been a need to rely on agency workers to cover the shortfall which has significantly increased staffing costs. As we entered the new financial year, this increase in cost base was compounded by other inflationary cost pressures including an unprecedented rise in utility bills.

QEF continue to look at ways to address support staff and nursing shortages and reduce the cost of agency staff. Managing cash flow and ensuring strong cost control remain key priorities.

The trustees recognise that the cost pressures pose a significant challenge to the organisation and acknowledge the actions which are being taken to mitigate the impact of these.

After making enquiries, the trustees have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

While the services and subsidiaries operated at a deficit, we are developing plans to return to an operating surplus in the short term and have sufficient free reserves to cover modest deficits in the intervening period.

Other potential risks to QEF's future include reductions in government and public sector funding. QEF could be exposed to this by receiving less income from the Department for Transport at our Mobility Centre or reduced Health and Social Care funds being available for client/resident placements at ILS and the CRC from local authorities and CCGs. However, this is constantly being monitored, QEF is working to ensure that new revenue streams are being developed to minimise this risk.

Reserves policy

The reserves policy is determined after assessing the capital requirements, considering the nature and timing of income and expenditure streams and by reviewing the specific business risks identified through the risk management process. The Board of Trustees aims to maintain a level of unrestricted reserves not tied up in fixed assets, which it believes will be sufficient to ensure the operational viability of the charity. The unrestricted fund balance at the year-end was £10.2m (2021 - £9.1m), including fixed assets of £23.7m and a £13.6m long-term liability to the Pension Protection Fund.

The Board of Trustees is also mindful that at a time of uncertainty in Government funding it may require sufficient reserves to maintain services for a limited period if funding ceased or contracts were cancelled. The Board of Trustees has concluded that given the economic environment its' services operate within (especially adult social care placements funding) and the reliance on fundraising income that the level of free reserves at the year-end should be six months' worth of unrestricted operating expenditure. Based on 2021/2022 results this would be circa £6.1m.

As well as the unrestricted reserves described above, QEF also held £804k (2021: £668k) of restricted reserves at 31 March 2022.

Investment policy

In view of the likely requirement for accessible cash over the next five years, the Board of Trustees has decided to continue its policy of holding investments in cash deposits.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of QEF for the purposes of company law) are responsible for preparing the Trustees' Annual 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 Trustees 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 the group) and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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

The Trustees 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 the Group) and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

APPROVAL OF TRUSTEE REPORT AND STRATEGIC REPORT BY ORDER OF THE BOARD OF TRUSTEES ON 29 NOVEMBER 2022



E J Denning
Director

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

Opinion

We have audited the financial statements of Queen Elizabeth's Foundation for Disabled People (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated and Group Company Balance Sheets, the Group Summary Income and Expenditure Account, the Consolidated Cash Flow Statement and notes to the financial statements, including 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 group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 group's and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

- the parent charitable company 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 parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 18, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material

misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing

and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

**Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP**

Date: 5 December 2022

**Chartered Accountants
Statutory Auditor**

9 Appold Street
London
EC2A 2AP

QEF Queen Elizabeth's Foundation for Disabled People

GROUP BALANCE SHEET
AS AT 31 MARCH 2022
COMPANY REGISTRATION NO. 00892013

	Note	GROUP		QEF	
		2022 £000's	2021 £000's	2022 £000's	2021 £000's
FIXED ASSETS					
Tangible Fixed Assets	2	24,120	24,047	23,311	23,237
Intangible Fixed Assets	3	(74)	(98)	-	-
Investments	4	-	-	1,030	1,030
		<u>24,046</u>	<u>23,949</u>	<u>24,341</u>	<u>24,267</u>
CURRENT ASSETS					
Stocks	5	96	80	-	-
Debtors	6	1,692	1,246	1,636	1,462
Investments	4	33	24	27	20
Cash at bank and in hand		<u>1,580</u>	<u>1,377</u>	<u>1,001</u>	<u>948</u>
		<u>3,401</u>	<u>2,727</u>	<u>2,664</u>	<u>2,430</u>
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	7	<u>(2,955)</u>	<u>(2,643)</u>	<u>(3,241)</u>	<u>(3,154)</u>
NET CURRENT ASSETS		<u>446</u>	<u>84</u>	<u>(577)</u>	<u>(724)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,492</u>	<u>24,033</u>	<u>23,764</u>	<u>23,543</u>
Creditors - amounts falling due after more than one year	21	<u>(13,607)</u>	<u>(14,272)</u>	<u>(13,601)</u>	<u>(14,239)</u>
NET ASSETS including pension scheme liability		<u>10,885</u>	<u>9,761</u>	<u>10,163</u>	<u>9,304</u>
ACCUMULATED FUNDS					
Restricted Funds	9	715	668	337	316
Unrestricted Funds	10	<u>10,170</u>	<u>9,093</u>	<u>9,826</u>	<u>8,988</u>
Total Accumulated Funds	11	<u>10,885</u>	<u>9,761</u>	<u>10,163</u>	<u>9,304</u>

The financial statements on pages 23 to 43 were approved and authorised for distribution by the Board of Trustees on 27/4/22 and were signed on it's behalf by:



E J Denning
Chairman of the Board of Trustees

QEF Queen Elizabeth's Foundation for Disabled People

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 Unrestricted £000's	2022 Restricted £000's	2022 TOTAL £000's	2021 Unrestricted £000's	2021 Restricted £000's	2021 TOTAL £000's
INCOME							
Donations		1,161	456	1,617	1,111	329	1,440
Legacies		799	-	799	662	-	662
Commercial Trading Operations	4	2,622	-	2,622	2,403	-	2,403
Fundraising Events		188	120	308	85	24	109
Income from property		28	-	28	29	-	29
Investment Income		11	-	11	4	-	4
Bank interest receivable		-	-	-	1-	-	1
Other		37	-	37	32	-	32
		4,846	576	5,422	4,327	353	4,680
Incoming resources from charitable activities:							
Neuro-Rehabilitation Services		4,519	56	4,575	3,005	-	3,005
Independent Living Services		3,230	75	3,305	3,303	271	3,574
Mobility Services		168	651	819	188	638	826
Accessible Aviation		-	-	-	15	-	15
Voluntary Assoc. Surrey Disabled	4	44	-	44	54	-	54
Medical Engineering Resource Unit	4	267	-	267	267	-	267
		8,228	782	9,010	6,832	909	7,741
TOTAL OPERATING INCOME		13,074	1,358	14,432	11,159	1,262	12,421
EXPENDITURE							
Raising funds:							
Fundraising and publicity costs		1,015	22	1,037	952	9	961
Commercial Trading Operations		2,331	-	2,331	2,267	-	2,267
Total costs of raising funds		3,346	22	3,368	3,219	9	3,228
Charitable activities:							
Neuro-Rehabilitation Services		4,192	266	4,458	2,760	403	3,163
Independent Living Services		3,849	183	4,032	3,714	283	3,997
Mobility Services		319	666	985	149	639	788
Accessible Aviation		40	-	40	57	-	57
Voluntary Assoc. Surrey Disabled		46	-	46	55	-	55
Medical Engineering Resource Unit		413	169	582	499	59	558
Sutton Shopmobility		(70)	-	(70)	-	-	-
QEF Developments		2	-	2	2	-	2
Other		(5)	5	-	-	-	-
Total charitable expenditure		8,786	1,289	10,075	7,236	1,384	8,620
TOTAL OPERATING EXPENDITURE	14	12,132	1,311	13,443	10,455	1,393	11,848
NET (EXPENDITURE)/INCOME	26	942	47	989	704	(131)	573
Other recognised gains and losses							
Change in discounting of long term loan		135	-	135	(259)	-	(259)
Net Movement in Funds		1,077	47	1,124	445	(131)	314
Fund balances brought forward at 1 April 2021		9,093	668	9,761	8,648	799	9,447
Fund balances carried forward at 31 March 2022		10,170	715	10,885	9,093	668	9,761

**The Statement of Financial Activities includes all gains and losses recognised in the year.
All incoming resources and resources expended derive from continuing activities.
A reconciliation of the Net Movement in Funds to the in-year operational performance is shown in Note 26.**

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022

	2022 £'000	2021 £'000
Cash flows from operating activities:		
Net cash used in operating activities	570	(4,431)
Income taxes paid	-	-
	<u>570</u>	<u>(4,431)</u>
Cash flows from investing activities:		
Investment income and interest received	-	1
Proceeds from disposal of fixed asset investments excluding endowment funds	(9)	(4)
Proceeds from disposal of tangible fixed assets	44	4,926
Intangible fixed asset	-	-
Payments to acquire tangible fixed assets	(402)	(554)
	<u>(367)</u>	<u>4,369</u>
Net cash provided by investing activities		
Financing activities:		
Proceeds of new bank loans	-	750
	<u>-</u>	<u>750</u>
Net increase in cash and cash equivalents	203	687
Cash and cash equivalents at beginning of year	1,377	690
	<u>1,580</u>	<u>1,377</u>
Cash and cash equivalents at end of year		

Reconciliation of net (expenditure)/ income to net cash flow from operating activities

Net income including endowments	1,124	314
Depreciation charges	311	290
Goodwill amortisation	(25)	(25)
Taxation charged	-	-
Net gains on investments	-	-
Movement in long term debt from PPF	(665)	(5,367)
Movement in defined benefit pension scheme provision	(25)	(6)
Revaluation of land and buildings	-	-
Gain on disposal of fixed assets	-	-
Investment income	(0)	(1)
Increase in stock	(16)	32
(Increase)/decrease in debtors	(446)	294
Increase in creditors	312	38
	<u>570</u>	<u>(4,431)</u>
Net cash used in operating activities		

Analysis of changes in net funds - group

	1 April 2021 £	Cash flows £	Acquisitions and disposals £	Other non- cash changes £	31 March 2022 £
Cash at bank and in hand	1,377	570	(367)	-	1,580
Bank overdrafts	-	-	-	-	-
	<u>1,377</u>	<u>570</u>	<u>(367)</u>	<u>-</u>	<u>1,580</u>
Borrowings excluding overdrafts	(14,984)	507	-	135	(14,342)
	<u>(13,607)</u>	<u>1,077</u>	<u>(367)</u>	<u>135</u>	<u>(12,762)</u>

1 ACCOUNTING POLICIES

Company Status

The Company is limited by guarantee, has no share capital and is also a registered charity. The liability of each member is limited to a sum of no more than £1 in the event of a winding up.

Principal Accounting Policies

The financial statements comprise the charity and its subsidiaries.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 [under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410)], the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charitable company and its subsidiaries. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

Presentation of Financial Statements

In order that the financial statements should present a true and fair view, it has been necessary to differ from the presentational requirements of the Companies Act 2006. The presentation required by the Companies Act for the consolidated profit and loss account would not have given a true and fair view of the operations of the company. The Foundation has therefore adapted the presentation and applied it consistently.

Basis of Consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of QEF and its subsidiary undertakings made up to 31 March 2021. The results of the subsidiaries are consolidated on a line-by-line basis. Uniform accounting policies are applied across the Group and intra-group transactions are eliminated. As permitted by section 408 of the Companies Act 2006, QEF's (this is QEF Group excluding all subsidiaries) income and expenditure account has not been included in these financial statements. During the year QEF's incoming resources were £10,831k and the surplus for the year was £449k (2021: incoming resources £9,447k and a surplus of £257k).

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable group's forecasts and projections and have taken account of pressures on contract income, the occupancy of the CRC, grants, and donation income.

The trustees recognise that COVID-19 poses unique challenges but are continuing to utilise all support available from the government and from external stakeholders. The company has renegotiated loan repayments and will continue to work closely with loan providers to ensure that future obligations are met.

After making enquiries, the trustees have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

Incoming Resources

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Voluntary income is accounted for when received. Income from activities for generating funds and income from charitable activities are both accounted for when receivable. Income is stated excluding VAT. Gifts donated for resale are included as income when they are sold.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliability. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Fixed Assets and Depreciation

All fixed assets with a value over £1,500 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, and depreciated to their estimated residual value over their estimated useful lives, as follows:

Leasehold property	The term of the lease or 10-15 years, whichever is the lower.
Computer equipment	5-10 years
Other equipment	4 years
Motor vehicles	4 years

Freehold Land and buildings are not depreciated. Grants received relating to these assets are shown as incoming resources within restricted funds upon receipt and are amortised within the Statement of Financial Activities (SOFA) over the estimated useful life of the asset. It is our policy to review the fixed asset register on an annual basis and to write down the book value of any asset that has become impaired.

Freehold land and buildings are stated at existing use value.

Where properties are subsequently sold, the valuation is revised on a market value basis less costs associated with the sale.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable asset, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their estimated useful lives, as follows:

Goodwill	5 years
----------	---------

Stocks

Stocks of raw materials, finished goods and consumables are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Resources Expended

Expenditure related to generating funds and to charitable activities is accounted for on an accruals basis and has been classified under headings that aggregate all costs, including irrecoverable VAT, related to the category.

Costs for repairs and maintenance are accounted for when incurred or when there is an irrevocable contractual commitment.

Resources Expended (cont'd)

Support costs include the Chief Executive, the Finance and Human Resources departments and the provision of Information Technology services; these costs are incurred directly in support of the objects of the charity. Information Technology Services costs are allocated in proportion to the equipment held at each Service or Department.

Shared Service costs are allocated in accordance to the total expenditure of each Service or Department.

The FRS 102 Net Pensions Adjustment is allocated in accordance to the total expenditure of each Service or Department.

Operating Leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Investments

At 31 March 2022 the value of the investments held at NatWest Bank were £1k (2021 £1k).

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

Pensions

QEF operates a defined contribution scheme, the assets of which are held separately from those of the company in an independently administered scheme. Two employees are members of the Teachers Pension Scheme and one is a member of the Pension Trust, into which QEF pay the required employer's pension contribution for both schemes. Contributions are charged to the Statement of Financial Activities as they fall due.

Grant Commitments

Grants are charged against the appropriate fund in the period in which the grant is approved.

Taxation

The charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

As disclosed in note 19 to the financial statements, the pension scheme deficit has been determined using a number of actuarial assumptions. Variations in those assumptions, particularly in regard to discount rates and projected returns on investments, can cause significant changes (positive and negative) in the resulting valuation of the scheme liabilities. The trustees have relied on independent actuarial advice in respect of the assumptions used, however these are by nature uncertain and may therefore result in material adjustments in subsequent years' financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

2 TANGIBLE FIXED ASSETS

GROUP	Freehold Land & Buildings £'000's	Leasehold Property £'000's	Equipment £'000's	Motor Vehicles £'000's	Total £'000's
Cost at 1.4.21	23,148	-	3,414	258	26,820
Additions	208	-	181	13	402
Disposals	-	-	38	15	53
Revaluation gain	-	-	-	-	-
Cost at 31.3.22	23,356	-	3,557	256	27,169
Depreciation at 1.4.21	-	-	2,530	243	2,773
Revaluation adjustment	-	-	-	-	-
Charge for year	-	-	302	9	311
On disposals	-	-	20	15	35
Depreciation at 31.3.22	-	-	2,812	237	3,049
NET BOOK VALUE at 31.3.22	23,356	-	745	19	24,120
NET BOOK VALUE at 31.3.21	23,148	-	884	15	24,047

QEF	Freehold Land & Buildings £'000's	Leasehold Property £'000's	Equipment £'000's	Motor Vehicles £'000's	Total £'000's
Cost at 1.4.21	22,597	-	2,527	218	25,342
Additions	172	-	87	-	259
Disposals	-	-	-	15	15
Cost at 31.3.22	22,769	-	2,614	203	25,586
Depreciation at 1.4.21	-	-	1,889	216	2,105
Charge for year	-	-	184	1	185
On disposals	-	-	-	15	15
Depreciation at 31.3.22	-	-	2,073	202	2,275
NET BOOK VALUE at 31.3.22	22,769	-	541	1	23,311
NET BOOK VALUE at 31.3.21	22,597	-	638	2	23,237

The charity has applied the existing use valuation method and used a previous valuation as the deemed cost for its freehold property. The properties values were reviewed as at 31 March 2020 using recent valuations, provided by Hurst Warne and Christies who are both property consultants.

3 INTANGIBLE FIXED ASSETS

GROUP	Goodwill £'000's	Total £'000's
Cost at 1.4.21	(123)	(123)
Additions	-	-
Cost at 31.3.22	(123)	(123)
Amortisation at 1.4.21	25	25
Charge for year	24	24
Amortisation at 31.3.22	49	49
NET BOOK VALUE at 31.3.22	(74)	(74)
NET BOOK VALUE at 31.3.21	(98)	(98)
QEF	Goodwill £'000's	Total £'000's
Cost at 1.4.21	-	-
Additions	-	-
Cost at 31.3.22	-	-
Amortisation at 1.4.21	-	-
Charge for year	-	-
Amortisation at 31.3.22	-	-
NET BOOK VALUE at 31.3.22	-	-
NET BOOK VALUE at 31.3.21	-	-

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

4 INVESTMENTS

All subsidiaries are included in the consolidation. The registered address of all subsidiaries except The Grange (2016) Ltd is: Leatherhead Court, Woodlands Road, Leatherhead, Surrey, KT22 0BN. The registered address for The Grange (2016) Ltd is: The Grange, The Green, Benenden, Cranbrook, Kent, TN17 4DN

4a INVESTMENTS (Contd)

QEF RETAIL TRADING

Company Number: 00913002

QEF owns 100% of the ordinary share capital of QEF Trading Limited, which is registered in England. It's principal activity is the retail sale of donated goods, gifts and greetings cards by means of mail order and through retail shops. It has covenanted to pay its profits to QEF. Its accounts are included within the consolidated accounts of the Group.

	2022 £'000's	2021 £'000's
The balance comprises:		
Shares at cost	280	280
	<u>280</u>	<u>280</u>

The results for the year ended 31 March 2022 net of intra-group transactions of £127k (2021: £68k), were as follows:

	2022 £'000's	2021 £'000's
Turnover	1,319	1,098
Cost of Sales	<u>(25)</u>	<u>(28)</u>
	1,294	1,070
Administrative expenses	<u>(1,054)</u>	<u>(996)</u>
Taxation	0	0
Profit on ordinary activities	<u>240</u>	<u>74</u>

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	2022 £'000's	2021 £'000's
Fixed Assets	18	4
Current assets	510	411
Current liabilities	<u>(130)</u>	<u>(130)</u>
Net Current assets	<u>380</u>	<u>281</u>
	<u>398</u>	<u>285</u>
Called up share capital	280	280
Donations Paid	0	0
Profit & loss account	<u>118</u>	<u>5</u>
Shareholders surplus	<u>398</u>	<u>285</u>

4b INVESTMENTS (Contd)

QEF DEVELOPMENTS LIMITED

Company Number: 10069580

QEF owns 100% of the ordinary share capital of QEF Developments Limited, incorporated on 17 March 2016 and registered in England and Wales. QEF Developments has been set up to manage the design and construction of the CRC centre.

The results for the period ended 31 March 2022 were as follows:

	2022 £'000's	2021 £'000's
Turnover	172	74
Professional fees and building costs	<u>(172)</u>	<u>(71)</u>
Gross profit	0	3
Administrative expenses	<u>(2)</u>	<u>(2)</u>
Taxation	0	0
Profit for the financial year	<u>(2)</u>	<u>1</u>

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd) FOR THE YEAR ENDED 31 MARCH 2022

4b INVESTMENTS (Contd)

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	£'000's	2022 £'000's	£'000's	2021 £'000's
Fixed Assets		-		-
Current assets	168		25	
Current liabilities	(157)		(12)	
Net Current assets		11		13
		11		13

4c INVESTMENTS (Contd)

THE GRANGE (2016) LTD

Company Number: 10106614

QEF owns 100% of the ordinary share capital of The Grange (2016) Ltd, incorporated on 6 April 2016 and registered in England and Wales. The Grange has been set up to provide accommodation-based services for adults with learning disabilities based in Cranbrook, Kent.

The results for the year ended 31 March 2022 were as follows net of intercompany transactions of £223k (2021 £220k):

	2022 £'000's	2021 £'000's
Turnover	1,312	1,315
Administrative expenses	(1,125)	(1,200)
Taxation	-	-
Profit for the financial year	187	115

The assets and liabilities of the company at the end of the period, including intra-group amounts, were as follows:

	£'000's	2022 £'000's	£'000's	2021 £'000's
Fixed Assets		809		781
Current assets	185		261	
Current liabilities	(109)		(121)	
Net Current assets		76		140
		885		921

4d INVESTMENTS (Contd)

CURRENT ASSET INVESTMENTS

QEF has current asset investments in the form of equity and cash investments, as follows:

GROUP

	2022 £'000's	2021 £'000's
Listed Shares	33	23
Deposits	0	1
	33	24

QEF

	2022 £'000's	2021 £'000's
Listed Shares	27	19
Deposits	0	1
	27	20

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

4e SUBSIDIARIES

VASD

Company Number: 07759768
Charity Number: 1143985

QEF is the sole Member of the Voluntary Association for Surrey Disabled Limited (VASD). The charity joined the QEF Group on 18 November 2011. VASD sold and loaned equipment and products to disabled people. In addition it owns a fully adapted holiday home on the South Coast which was available to rent for disabled people.

The results for the year ended 31 March 2022 net of intra-group transactions of £203k (2021: £14k), were as follows:

	2022	2021
	£'000's	£'000's
VASD equipment hire and sales	2	1
Income from property	13	15
Grant Income	3	32
Gifts & donations	257	7
	275	55
Cost of sales	0	0
	275	55
Cost of charitable activities	(31)	(53)
Fundraising and publicity costs	0	0
Governance costs	(2)	(2)
Surplus on ordinary activities	242	0

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	2022		2021
	£'000's	£'000's	£'000's
Fixed Assets		336	339
Current assets	656		619
Current liabilities	(4)		(10)
Net Current assets		652	609
Pension Scheme Liability		(6)	(31)
		982	917

4f SUBSIDIARIES (Contd)

MERU

Company Number: 1214125
Charity Number: 269804

The Medical Engineering Resource Unit (MERU) joined the QEF Group on 1 April 2012. MERU designs and manufactures specialised equipment for children and young people with disabilities. MERU also sell a range of ready-made products designed in response to requests from families and therapists.

The results for the year ended 31 March 2022 net of intra-group transactions of £134k (2021: -£66k), were as follows:

	2022	2021
	£'000's	£'000's
MERU equipment sales	267	267
Grants	10	92
Gifts & donations	369	143
	646	502
Cost of sales	(160)	(114)
	486	388
Cost of charitable activities	(286)	(414)
Fundraising and publicity costs	(35)	(35)
Governance costs	(2)	(2)
Surplus/(Deficit) on ordinary activities	163	(63)

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

4f SUBSIDIARIES (Contd)

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	£'000's	2022 £'000's	£'000's	2021 £'000's
Fixed Assets		158		196
Current assets	269		273	
Current liabilities	<u>(372)</u>		<u>(444)</u>	
Net Current assets		<u>(103)</u>		<u>(171)</u>
		<u>55</u>		<u>25</u>

4g SUBSIDIARIES (Contd)

SSM

Company Number: 3291147
Charity Number: 1060286

Sutton Shopmobility (SSM) joined the QEF Group on 1 July 2012. SSM ceased trading on 24 December 2019 and the company was dissolved at Companies House on 7 June 2022.

5 STOCKS

	GROUP 2022 £'000's	2021 £'000's	QEF 2022 £'000's	2021 £'000's
Raw materials and finished goods	<u>96</u>	<u>80</u>	<u>-</u>	<u>-</u>

6 DEBTORS

	GROUP 2022 £'000's	2021 £'000's	QEF 2022 £'000's	2021 £'000's
Amounts falling due within one year				
Trade Debtors	943	880	889	817
Amount due from subsidiary company	-	-	155	437
Taxation & Social Security receivable	8	5	-	-
Other Debtors	99	44	52	9
Prepayments	255	265	162	166
Accrued Income	387	52	378	33
	<u>1,692</u>	<u>1,246</u>	<u>1,636</u>	<u>1,462</u>

The amounts due from the subsidiary company are unsecured, interest free and payable on demand.

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

7 CREDITORS

	GROUP 2022 £'000's	2021 £'000's	QEF 2022 £'000's	2021 £'000's
Amounts falling due within one year				
Trade Creditors	750	619	540	544
Taxation and Social Security payable	231	459	211	433
Amount due to subsidiary company	-	-	766	835
Other Creditors	177	170	797	766
Loans repayable	741	743	-	-
Accruals	482	545	413	511
Deferred income (see note 8)	574	107	514	65
	<u>2,955</u>	<u>2,643</u>	<u>3,241</u>	<u>3,154</u>

All creditors are unsecured, interest free and repayable on demand.

All creditors are financial instruments and are measured at present value.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

8 DEFERRED INCOME - Group and QEF

2022	Balance at 1 April 2021 £'000's	Incoming Resources £'000's	Amount Released £'000's	Balance at 31 March 2022 £'000's
Fundraising events income	35	14	(35)	14
CRC	0	484	0	484
Independent Living Services	5	3	(5)	3
Mobility Services	26	9	(26)	9
Central Services	0	4	0	4
The Grange	38	60	(38)	60
VASD Holiday Income	3	0	(3)	0
	107	574	(107)	574

These amounts have been deferred because the income relates to activities taking place in the next financial year.

2021	Balance at 1 April 2020 £'000's	Incoming Resources £'000's	Amount Released £'000's	Balance at 31 March 2021 £'000's
Fundraising events income	47	35	(47)	35
Independent Living Services	31	5	(31)	5
Mobility Services	10	26	(10)	26
Central Services	5	0	(5)	0
The Grange	53	38	(53)	38
VASD Holiday Income	14	3	(14)	3
	160	107	(160)	107

These amounts have been deferred because the income relates to activities taking place in the next financial year.

9 RESTRICTED FUNDS - Group and QEF

The funds of the charity include restricted funds in the form of grants and other donated funds received in respect of capital expenditure. The movement in funds also includes donations for revenue projects that have mostly been spent in the year.

2022	Movement in Funds			
	Balance at 1 April 2021 £'000's	Incoming Resources £'000's	Expenditure Gains and Losses £'000's	Balance at 31 March 2022 £'000's
CRC	102	303	(266)	139
Independent Living Services	86	169	(183)	72
Mobility Services	126	666	(666)	126
Central Services	-	5	(5)	-
Voluntary Assoc. Surrey Disabled	330	-	-	330
Medical Engineering Resource Unit	24	215	(191)	48
	668	1,358	(1,311)	715

The restriction is defined to have been met if money has been spent on the asset it was intended for.

The funds of the charity include restricted funds in the form of grants and other donated funds received in respect of capital expenditure. The movement in funds also includes donations for revenue projects that have mostly been spent in the year.

2021	Movement in Funds			
	Balance at 1 April 2020 £'000's	Incoming Resources £'000's	Expenditure Gains and Losses £'000's	Balance at 31 March 2021 £'000's
Neuro-Rehabilitation Services	94	-	(94)	-
CRC	179	234	(311)	102
Independent Living Services	67	303	(284)	86
Mobility Services	126	639	(639)	126
Accessible Aviation	-	-	-	-
Central Services	-	-	-	-
Voluntary Assoc. Surrey Disabled	330	5	(5)	330
Medical Engineering Resource Unit	4	88	(68)	24
Sutton Shopmobility	-	-	-	-
	800	1,269	(1,401)	668

The restriction is defined to have been met if money has been spent on the asset it was intended for.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

10 GENERAL UNRESTRICTED FUNDS

	GROUP 2022 £'000's	2021 £'000's	QEF 2022 £'000's	2021 £'000's
Balance brought forward	9,093	8,648	8,988	7,991
Net movement of resources in the year	1,077	445	838	997
Balance carried forward	<u>10,170</u>	<u>9,093</u>	<u>9,826</u>	<u>8,988</u>

11 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

	Fixed Assets	Net Current Assets	Creditors falling due after more than 1 year	Total Funds	Pensions Deficit	Total 2022
2022	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Restricted funds	330	385	-	715	-	715
Unrestricted funds	23,716	61	(13,601)	10,176	(6)	10,170
	<u>24,046</u>	<u>446</u>	<u>(13,601)</u>	<u>10,891</u>	<u>(6)</u>	<u>10,885</u>

	Tangible Fixed Assets	Net Current Assets	Creditors falling due after more than 1 year	Total Funds ex Pensions Deficit	Pensions Deficit	Total 2021
2021	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
Restricted funds	330	338	-	668	-	668
Unrestricted funds	23,619	(256)	(14,239)	9,124	(31)	9,093
	<u>23,949</u>	<u>81</u>	<u>(14,239)</u>	<u>9,792</u>	<u>(31)</u>	<u>9,761</u>

12 RECONCILIATION OF MOVEMENT IN FUNDS

	GROUP 2022 £'000's	2021 £'000's	QEF 2022 £'000's	2021 £'000's
Opening funds	9,761	9,447	9,304	8,915
Net movements of resources in the year	1,124	314	859	389
Closing funds	<u>10,885</u>	<u>9,761</u>	<u>10,163</u>	<u>9,304</u>

13 GOVERNMENT GRANTS

Total operating income in the year ended 31 March 2022 includes government grants of £135k (2021: £1,587k) comprising income from the Coronavirus Job Retention Scheme of £4k and the Infection Control Grant Scheme of £131k.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

14 TOTAL RESOURCES EXPENDED

2022	Staff Costs	Property Costs	Depn.	Other	TOTAL 2022
	£'000's	£'000's	£'000's	£'000's	£'000's
Charitable Activities	6,358	231	64	785	7,438
Fundraising	463	0	0	285	748
Trading	561	437	2	76	1,076
VASD	23	3	-	5	31
MERU	212	12	92	189	505
SSM	-	-	-	(70)	(70)
Grange	771	253	26	72	1,122
DevCo	-	-	-	-	-
Support Costs	1,117	380	121	938	2,556
Governance	-	-	-	37	37
TOTAL	9,505	1,316	305	2,317	13,443

Resources expended in the year include the following:

	2022
	£'000's
Staff costs	9,505
Auditors Remuneration:	
- Fees payable for the external audit	37
Movement in provision	
- Fees payable for the internal audit	-
Professional liability insurance (which includes Trustees' indemnity insurance)	6
Depreciation of fixed assets	305
Operating leases - hire of other assets	358

2021	Staff Costs	Property Costs	Depn.	Other	TOTAL 2021
	£'000's	£'000's	£'000's	£'000's	£'000's
Charitable Activities	5,071	217	54	635	5,977
Fundraising	510	-	-	165	675
Trading	513	430	6	72	1,021
VASD	25	11	2	2	39
MERU	283	63	92	124	562
SSM	-	-	-	-	-
Grange	797	287	14	73	1,172
DevCo	-	-	-	-	-
Support Costs	1,104	427	123	707	2,362
Governance	-	-	-	41	41
TOTAL	8,303	1,435	291	1,820	11,848

Resources expended in the year include the following:

	2021
	£'000's
Staff costs	8,304
Auditors Remuneration:	
- Fees payable for the external audit	41
Movement in provision	
- Fees payable for the internal audit	-
Professional liability insurance (which includes Trustees' indemnity insurance)	6
Depreciation of fixed assets	291
Operating leases - hire of other assets	607

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

15 ALLOCATION OF SUPPORT COSTS AND PENSIONS ADJUSTMENT

2022	Direct Costs £'000's	IT £'000's	Shared Services £'000's	Pensions £'000's	TOTAL 2022 £'000's
Care & Rehabilitation	3,741	118	518	81	4,458
Independent Living	3,202	136	599	93	4,030
Assisted Aviation	27	2	9	1	39
Mobility Services	785	33	144	22	984
Other	(70)	-	-	-	(70)
Fundraising	748	42	184	29	1,003
Trading	1,076	27	104	-	1,207
VASD	31	3	13	-	47
MERU	506	23	89	-	618
Grange	1,122	-	3	-	1,125
QEF Developments	-	-	2	-	2
	11,168	384	1,665	226	13,443

2021	Direct Costs £'000's	IT £'000's	Shared Services £'000's	Pensions £'000's	TOTAL 2021 £'000's
Care & Rehabilitation	2,444	127	494	98	3,163
Independent Living	3,167	147	570	113	3,997
Assisted Aviation	45	2	8	2	57
Mobility Services	589	36	134	27	786
Other	-	-	-	-	-
Fundraising	675	45	173	34	927
Trading	1,021	13	58	-	1,092
VASD	39	3	13	-	55
MERU	561	5	27	-	593
Grange	1,173	-	3	-	1,176
QEF Developments	-	-	2	-	2
	9,714	378	1,482	274	11,848

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd) FOR THE YEAR ENDED 31 MARCH 2022

16 EMPLOYEES

The average number of persons employed by QEF during the year was:

	Full time 2022	Full time 2021	Part time 2022	Part time 2021
Care & Rehabilitation	36	26	25	20
Independent Living Services	46	50	34	15
Mobility Services	7	7	21	14
Accessible Aviation	0	0	0	1
Central Services	21	21	5	3
Fundraising & Publicity	11	14	5	2
QEF	121	118	90	55
Commerical Trading Operations	14	13	23	23
VASD	-	-	1	1
MERU	4	5	5	3
Grange	17	17	15	15
GROUP	156	153	134	97

Staff costs:	GROUP	QEF		
	2022	2021	2022	2021
	£'000's	£'000's	£'000's	£'000's
Salaries and wages	6,456	6,131	5,109	4,762
Agency	2,242	1,423	2,163	1,306
Social Security costs	565	511	474	432
Defined benefit pension scheme costs	7	8	0	0
Other pension scheme costs	3	5	2	5
Defined contribution pension costs	213	207	176	166
Health scheme	19	19	14	14
	9,505	8,304	7,938	6,685

Agency costs are used mainly to cover staff vacancies, particularly where this is essential to meet Registered Homes staffing levels.

In the year 2022, 0 (2021: 0) members of the Board of Trustees were reimbursed £0 (2021: £0) for expenses incurred on behalf of QEF.

The Trustees received no remuneration in the year (2021: £nil).

Key management personnel for QEF include the Trustees, Chief Executive (and other senior staff reporting directly to the Chief Executive). The total employee benefits of the QEF Group's key management personnel were £615k (2021: £510k).

During the year around 350 volunteers helped QEF. They provide support in a variety of ways across the QEF shops as well as at our centres.

The number of employees earning £60,000 p.a. or more was:

	2022	2021
£60,000 - £69,999	2	3
£70,000 - £79,999	4	2
£100,000 - £109,999	1	1

Contributions to the defined contribution scheme by the employer on behalf of these staff was £20,909 (2021: £19,361)

17 LEGACIES

The charity has received notification of its entitlement to legacies estimated at £338,104 (2021: £275,030) which have been included in the financial statements. These legacies have been notified and although not received at year end, were considered probable and measurable in accordance with the FRS102. Prior to 2021/22, legacies were not recognised on this basis.

18 VALUE ADDED TAX

QEF, being a registered charity, is unable to recover the major part of VAT incurred on its expenditure. Where applicable, expenditure has been shown including VAT.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

19 CAPITAL COMMITMENTS

Group and QEF

Capital commitments at 31 March 2022 not provided for in these financial statements:

	2022 £'000's	2021 £'000's
Contracted for	-	-

20 PENSION COST

Defined benefit scheme

A restructuring plan was proposed and agreed between QEF, the pension scheme trustees and the PPF, with the scheme entering into an assessment period with the PPF in November 2019. The pension scheme liability was replaced with a liability of £30m to the PPF which is a long term creditor.

The assessment period with the PPF has come to an end and the Defined Benefit Scheme has now been fully adopted by the PPF.

The Pensions Trust

At the balance sheet date there was no employee who was an active member of The Pensions Trust Growth Plan 3, however there was a member earlier in the year. A new member to join the plan will need to be found by October 2022. The Plan is a multi-employer defined benefit pension plan and the member of the scheme paid contributions at a rate of 7% of basic salary. Employer contributions were also 7% of salary. In the twelve months to 31 March 2022 the employer made pension contributions of £289.82 (2021: £864.48). There were no outstanding contributions due at the end of the year (2021: £0).

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

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

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

A full actuarial valuation for the scheme was carried out at 30 September 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 additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11.2m per annum
(payable monthly and increasing by 3% each on 1 April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2019 to 31 March 2025: £11,243m per annum
(payable monthly and increasing by 3% each on 1 April)

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 company has agreed to a deficit funding arrangement the company 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.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

20 PENSION COST (Contd)

Present value of provision

	31 March 2022	31 March 2021	31 March 2020
	£	£	£
Present value of provision	5,717	31,032	36,769

Reconciliation of opening and closing provisions

	31 March 2022	31 March 2021	
	£	£	£
Provision at start of period		31,032	36,769
Unwinding of the discount factor (interest expense)		179	826
Deficit contribution paid		(7,853)	(7,624)
Remeasurements - impact of any changes in assumptions		(131)	1,061
Remeasurements - amendments to the contribution schedule		(17,510)	-
Provision at end of period		5,717	31,032

Income and expenditure impact

	31 March 2022	31 March 2021	
	£	£	£
Interest expense		179	826
Remeasurements - impact of any changes in assumptions		(131)	1,061
Remeasurements - amendments to the contribution schedule		(17,510)	-
Contributions paid in respect of future service		-	-
Costs recognised in income and expenditure account		-	-

Assumptions

	31 March 2022	31 March 2021	31 March 2020
	% per annum	% per annum	% per annum
Rate of discount	2.35	0.66	2.53

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.

The following schedule details the deficit contributions agreed between the company and the at each scheme year end and period:

Deficit contributions schedule

Year ending	31 March 2022	31 March 2021	31 March 2020
	£	£	£
Year 1	2,083	7,853	7,624
Year 2	2,083	8,088	7,853
Year 3	1,736	8,331	8,088
Year 4	-	7,151	8,331
Year 5	-	-	7,151
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

The company must recognise a liability measured at the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

20 PENSION COST (Contd)

Defined contribution scheme

QEF provides employees with the opportunity to join a Group Personal Pension Plan (GPPP). Employer contribution rates vary, for the majority of staff the employer rate is 5%, for former members of the final salary pension scheme it is 9% and for those staff who joined through the auto-enrolment process it was 4%. A third party pension provider holds the assets of the GPPP. The pension charge for the year was £202k (2021: £199k). There were outstanding contributions due at the end of the year of £30,722 (2021: £30,072).

A member of staff at MERU has their own private pension plan into which the employer contributes 6.5% of the employee's gross salary provided the employee has made a personal contribution. The pension charge for the year was £1,128 (2021: £1,032). There were no outstanding contributions due at the end of the year (2021: £Nil).

The defined contribution pension expense and year end liability relates solely to unrestricted funds. The expense is allocated across the group's activities on the basis of where each employee/scheme member works.

NHS Scheme

There was only one member of staff in the NHS Pension Scheme at the start of the year. This was a defined benefit scheme. In the event of underfunding, liability would rest with the NHS. The employer contributed 14% of the employee's gross salary provided the employee had made a personal contribution of 9.3%. The pension charge for the year was £1,791 (2021: £6,293). There were no outstanding contributions due at the end of the year (2021: £Nil). During the year, the last member of the scheme QEF, hence the lower level of contribution.

21 LONG TERM LIABILITIES

The defined benefit pension scheme deficit was transferred over to the Pension Protection Fund (PPF) resulting in a £30m long-term loan to QEF. The £30m loan comprised two loan notes; the Sale Note instrument for £7.5m to be repaid through property disposals and the Term Note instrument for £22.5m to be repaid over 30 years at £750k per annum. The PPF has first charge over all QEF buildings.

Initially, the PPF charges included both Dorincourt and Banstead Place sites which were valued at £7.5m for the purposes of the Sale Notes. Banstead Place was sold in October 2020 providing £4.9m towards the repayment of the £7.5m. The remaining £2.6m outstanding will continue to attract interest at 2% per annum, paid in quarterly instalments. When Dorincourt is sold, any proceeds over the agreed £7.5m will be taken off the Term Loan Notes therefore reducing the PPF loan repayment period.

QEF was due to start repaying the PPF Term Notes of £22.5m at a rate of £187.5k per quarter from December 2020 (a total £750k per annum) however the PPF agreed that the December 2020 payment could be deferred due to the financial impact of COVID-19. The first quarterly payment was made in April 21.

The amount outstanding to the PPF at 31 March 2022 under both loan notes was £24.6m (2021: £25.1m). On initial recognition, the term notes were discounted at 4% over the term of the loan and are subsequently measured at amortised cost using 4% as the effective interest rate. The total amount outstanding at 31 March 2022 was £13.6m (2021: £14.2m) of which £641k is due within one year and the balance of £12,988k due after one year.

In 2021, QEF was issued a loan of £750k under the Coronavirus Business Interruption Loan Scheme (CBILS). The loan is repayable over 60 months from September 2021 and after an interest free period of 1 year, interest is payable at 1.88% pa + base rate. The amount outstanding at 31 March 2022 was £712k (2021: £750k) of which £100k is due within 1 year and the balance of £612k is due after one year.

Total loan repayable:

	2022	2021
	£000's	£000's
PPF	13,630	14,234
CBILS	712	750
	14,342	14,984

Loans fall due:

	2022	2021
	£000's	£000's
Under 1 year	741	743
Within 2-5 years	2,928	2,571
After more than 5 years	10,673	11,670
	14,342	14,984

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

22 LEASE COMMITMENTS

At 31 March 2022 the group had non-cancellable total commitments under operating leases for properties, which expire:

	2022 £000's	2021 £000's
Under 1 year	358	607
Within 2-5 years	1,012	1,653
After more than 5 years	980	1,180
	2,350	3,440

23 GRANTS RECEIVED

	2022 £'000's	2021 £'000's
Department for Transport	563	590
Department for Transport Project Funding	45	20
Motability	43	28
Retail Grant Scheme	61	529
Infection Control and COVID Grants	190	429
	902	1,596

24 RELATED PARTY DISCLOSURES

During the year Queen Elizabeth Foundation for Disabled People charged management fees to its subsidiaries as follows:

	2022		2021	
The Voluntary Association for Surrey Disabled Ltd	£	15,622	£	16,056
Medical Engineering Resource Unit	£	111,161	£	31,136
QEF Trading Ltd	£	130,572	£	70,952

During the year Queen Elizabeth's Foundation for Disabled People issued a grant to MERU for £0k (2021: £100k). Queen Elizabeth's Foundation for Disabled People received donations from The Grange (2016) Ltd for £223k (2021: £200k).

Queen Elizabeth's Foundation for Disabled People also received donations from VASD for £190k (2021: £0k).

Included within creditors at year end for Queen Elizabeth Foundation for disabled people are the following balances with subsidiaries:

	2022		2021	
QEF Trading Ltd	£	157,587	£	140,315
QEF Developments Limited	£	133,508	-£	9,466
The Voluntary Association for Surrey Disabled Ltd	£	594,312	£	572,491
The Grange (2016) Ltd	£	14,506	£	-

Included within debtors at year end for Queen Elizabeth Foundation for disabled people are the following balances with subsidiaries:

	2022		2021	
Medical Engineering Resource Unit	£	288,565	£	349,512
The Sutton Shopmobility Charity Company	£	-	£	69,843
The Grange (2016) Ltd	£	-	£	8,488

During the Year, The Grange (2016) Ltd gave QEF an intercompany loan of £0 (2021: £122,558).

25 CONTROL

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2022

26 RECONCILIATION OF NET MOVEMENT IN FUNDS

	2022	2021
	£'000's	£'000's
QEF Incoming Resources	14,432	12,421
QEF Resources Expended	<u>(13,443)</u>	<u>(11,848)</u>
QEF Operating (Deficit)/ Surplus	989	573
Other movements in Funds	135	(259)
Net Movement in Funds on SOFA	<u>1,124</u>	<u>314</u>

27 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Other financial instruments

i. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

ii. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

England & Wales - Charity number 251051

Accounts

Queen Elizabeth's Foundation For Disabled People

Financial Statements

**For the year ended
31 March 2021**

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013



QEF
Queen Elizabeth's
Foundation for
Disabled People

achieving
goals for life
qef.org.uk

TRUSTEES, SENIOR MANAGERS AND ADVISORS

PRESIDENT	CORINNA, LADY HAMILTON OF DALZELL DL
CHAIRMAN	JOHN DENNING
BOARD OF TRUSTEES	MOIRA BOWIE GORDON BOWSER ALICE COLLINS MICHAEL CONNAUGTON TIMOTHY JASON DAVIES PETER GORDON (resigned 31 May 2021) ABIGAIL PRICE LYNN SCOTCHER (resigned 10 December 2020) ELIZABETH SHARP
CHIEF EXECUTIVE	KAREN DEACON
COMPANY SECRETARY	PHILIP KIRK
REGISTERED AND PRINCIPAL	LEATHERHEAD COURT OFFICE WOODLANDS ROAD LEATHERHEAD, SURREY, KT22 0BN
BANKERS	NATIONAL WESTMINSTER BANK PLC 57 VICTORIA STREET LONDON, SW1H 0HN
SOLICITORS	BLAKE MORGAN LLP NEW KINGS COURT, TOLLGATE, CHANDLER'S FORD EASTLEIGH, HAMPHIRE, SO53 3LG
INDEPENDENT AUDITORS	MOORE KINGSTON SMITH LLP DEVONSHIRE HOUSE, 60 GOSWELL ROAD LONDON, EC1M 7AD

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CEO AND CHAIRMAN'S STATEMENT

The year ended 31 March 2021 was dominated by the global COVID-19 pandemic which provided significant challenges across the Queen Elizabeth's Foundation for Disabled People (QEF).

COVID-19 reached the UK in late January 2020 and since this date, over 129,000 lives have been lost in the UK alone. The emergency and speed of this pandemic has significantly affected business and charities globally and QEF was not immune to this.

We are immensely proud of the QEF team who have continued to deliver an exceptional service to our clients and residents throughout this most difficult of years. They adapted quickly and with positivity to new ways of working and their dedication and resilience has allowed us to protect the people we support, and to develop and enhance our services throughout the year.

The priority has been on safeguarding clients, residents, supporters and employees. The organisation has successfully managed the risk of COVID-19 with measures such as self-isolation, additional personal protective equipment (PPE), testing regimes and vaccinations. A few positive cases were contained, and the impact of COVID-19 to our service delivery was limited. We are pleased to be able to report that there were no deaths in the services from COVID-19 during the year.

Rapid risk assessments undertaken in advance of the first lockdown resulted in the closure of our charity shops, Mobility Centre and MERU operations. The residential services remained open throughout the year and staff, who were able to, worked from home. Elements of the organisation re-opened as restrictions were eased but some subsequently closed again during further national lockdown periods.

The financial impact of the pandemic cannot be under-estimated resulting in a dramatic reduction in fundraising and retail income, and increased costs in our service delivery. However, we took prompt action to mitigate the financial effects including utilising government support initiatives to the full.

Notwithstanding the challenges posed by the pandemic, we continued to transform the Queen Elizabeth's Foundation for Disabled People (QEF) with the opening of the new Care and Rehabilitation Centre (CRC). This is the most significant undertaking that QEF has undertaken in its history and will be instrumental in ensuring that QEF continue providing care, support and rehabilitation for people in the future.

The CRC opened to clients in July 2020 with 15 joining from our previous neuro-rehabilitation location in Banstead and subsequent wings being opened as part of a phased roll-out of services. This additional capacity enabled us to work in partnership with the NHS to support people directly out of hospital throughout the pandemic and by January 2021, three out of the four wings were operational. We were delighted to welcome HRH, The Countess of Wessex to officially open the CRC in June 2021.

The former site of the neuro-rehabilitation centre in Banstead, Surrey was sold in October 2020 and the proceeds used to reduce the liability to the Pension Protection Fund (PPF) in accordance with the PPF restructuring agreement.

The ongoing impact of the COVID-19 pandemic is unknown and the impending mandatory vaccination programme may also have a significant impact on the sector. In addition, QEF continues to face longer-standing issues. The Social Care Sector remains difficult with short-term pressures on service fees, a lack of clarity over longer-term funding, and challenges with recruitment and retention due in part to the impact of Brexit.

Despite this most challenging of years, good progress was made with our plans to transform the charity and improve financial stability. Our staff, senior management team, and trustees have worked together tirelessly as one QEF to safeguard our clients, residents, staff and volunteers, strengthen the organisation and enhance our services.

QEF would like to thank two retiring Trustees in particular. Peter Gordon, having been a Trustee for more than eight years and Chair for nearly four, stepped down from those roles at the end of May 2021. The challenges faced by QEF while Peter was Chair were unprecedented and QEF owes Peter an enormous debt of gratitude for his leadership and drive, which contributed to our continued survival and success.

QEF would also like to thank Lynn Scotcher for her many years of service as a Trustee. Lynn was appointed in April 2006 and retired in November 2020. As a Trustee, Lynn always ensured that QEF prioritised the best interests, care and safety of our clients.

As we emerge from the pandemic, we must look to the future which for QEF will mean developing our strategy for the next 3-5 years and continuing to improve the services we provide. We are proud to lead an organisation which places the people we support at the heart of everything we do.

TRUSTEES' REPORT

The Trustees are pleased to present their Report and Financial Statements for the year ended 31 March 2021. The accounts have been prepared in accordance with the Statement of Recommended Practice applicable to charities preparing accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in July 2014. The report and statements also comply with the Companies Act 2006.

Purpose of the charity

Queen Elizabeth's Foundation for Disabled People (QEF) is a leading charity with over 80 years' experience of developing innovative services which enable and support people with disabilities to increase independence and improve opportunities for life.

Every year we work with an increasing number of disabled children and adults with physical or learning disabilities or acquired brain injuries. Due to COVID-19, this year it was just over 8,000 individuals. Whether it is gaining new skills to live independently, neuro rehabilitation after a brain injury or stroke or improving independence through increased mobility and accessible holidays; QEF helps disabled people to fulfil their potential in life.

What we do

The services we offer are as follows:

- Neuro Rehabilitation and Nursing Care – neuro rehabilitation and specialist care for neurological conditions including acquired brain injury, stroke and neurological illness
- Residential Care and Supporting Living – long term specialist care for complex disabilities at our Independent Living Service in Surrey and The Grange in Kent
- Independent Mobility – mobility driving assessments, wheelchair and scooter assessments, accessible aviation and seat assessments, mobility and disability aids, bespoke design, adapted toys and equipment

These services are supported by the following teams:

- Retail Trading with 19 Retail Shops supported by approx. 150 volunteers
- Engagement and Partnerships Team (Fundraising)
- Finance
- People Team (Human Resources)
- Marketing, Communication and Business Development
- Facilities Management
- QEF Developments Limited – A subsidiary company supporting the development of the Care and Rehabilitation Centre at Leatherhead Court.

Our clients

The key philosophy for the people to whom we provide services is about enabling them to be as independent as possible. Our main income comes from the Adult NHS and Social Care markets. QEF Group currently provides up to 115 residential beds (48 nursing care, 65 residential care, 2 supported living) and is seeing increasing complexity of need in the

clients using our services. Our nursing and residential care services are regulated by the Care Quality Commission. We also provide outpatient and outreach therapy.

Our Mobility Service provides driving assessments through a grant-based system from the Department for Transport, and private referrals as well as providing an accessible aviation service for air travel. We also provide scooter and wheelchair assessments in this service.

Our subsidiary charities (MERU and VASD Ltd) connect via the community with many more clients through disability equipment hire and sales for both adults and children.

The Grange (2016) Ltd and QEF Trading Limited are limited companies and wholly owned subsidiaries.

Geographical Reach

QEF is based in Surrey and now Kent, providing most of its residential and mobility services in the South East Region, covering London, Surrey, Essex, Herts, Berkshire, Kent, Bucks and Hampshire. MERU designs and sells products UK-wide and has international distribution channels through Europe and the USA.

Vision Statement

At QEF we work together to deliver caring and creative solutions for people with disabilities of all ages, enabling them to live life to the full.

Values and behaviours

We believe:

- Everyone matters
- Everyone works together
- Everyone makes a difference

Public benefit

The Trustees confirm they have given due consideration to the Charity Commission's guidance and that QEF's purpose is for public benefit.

MAIN ACTIVITIES

QEF Neuro Rehabilitation and Nursing Service

At our residential neuro rehabilitation service, we offer neuro rehabilitation, vocational rehabilitation and transition support for people with acquired brain injury (ABI) or other neurological impairments from all over the UK and wider afield. We provide residential or day services for adults from eighteen years of age who have moderate to severe physical, cognitive or communication disabilities, which may also include mild to moderate behavioural issues. Whilst the residential service remained fully operational during the pandemic, outreach and outpatient services were suspended.

The neuro rehabilitation service, previously located in Banstead, Surrey, was transferred into our new purpose-built 48 bed Care and Rehabilitation Centre (CRC) in July 2020 following registration confirmation from the Care Quality Commission. The 15 existing clients transitioned into the new building and a phased programme to increase occupancy levels began. The increase in available bed space enabled QEF to collaborate and support the NHS during the pandemic. With the enhanced facilities, we could admit clients from hospital and isolate them for the required period to minimise the transmission of COVID-19.

Clients and their families work together with our highly specialist and experienced multidisciplinary team of professionals including our rehabilitation consultant, local GP, specialist nurses, physiotherapists, speech and language therapists, occupational therapists, psychologists and care support workers.

Our aim is to maximise each clients' potential and for them to achieve ambitious goals, ranging from returning to work or university, being able to live back at home or reducing the level of long-term care needs.

QEF Residential Care and Supported Living

Independent Living Service (ILS)

ILS provides specialist residential care to a maximum of 43 adults aged 18 to 65 with complex physical disabilities, learning disabilities and sensory impairments. We have de-registered 2 beds with the Care Quality Commission due to lack of en-suite facilities in these rooms.

The residents receive 24-hour care and supervision, a programme of activities and leisure pursuits plus interventions from our therapy team. We provide three styles of accommodation on the one campus including en-suite bedrooms, group homes with en-suite bedrooms and their own communal facilities, and self-contained individual flats. All bedrooms have overhead tracking for hoists and are linked to a central call alarm system.

Residents have open access to the IT suite, a large multi-purpose activity room and the dining area. A small gym is also available for residents' use. A range of planned leisure activities are offered within the service and individuals are supported to access the local community.

The service is regulated by the Care Quality Commission and an unannounced inspection took place in March 2021. Whilst three out of five domains remain rated as good, the overall rating has reduced to requires improvement. No breaches or specific actions were

identified, however, an internal improvement plan is in place and progress monitored. Assessments for new placements continued throughout the year and we welcomed three new residents subsequent to the year-end.

The Grange (2016) Ltd

The principal activity of the Company is the provision of accommodation-based services for adults with learning disabilities based in Benenden, Cranbrook, Kent. These are provided for up to 24 people across two residential services regulated by the Care Quality Commission and one Supported Living accommodation.

After a tendering process for all residential and supported living contracts in Kent, the new contracts are in place and have been applied from June 2020.

Some environmental improvements have taken place to better reflect the needs and personalities of the people we support. Also new creative ideas and activities have been introduced to assist clients adapt to the restrictive COVID-19 measures. These changes were welcomed by residents and there are plans to continue these as we emerge from this crisis. The positive changes have been recognised in an article written by the manager and published on the Skills for Care website.

Independent Mobility

QEF Mobility Services

The mobility centre provides day care mobility assessments for driving, wheelchair and scooter proficiency for disabled people, accessible aviation and seat assessments.

The mobility centre was significantly impacted by the three lockdowns during the year when the vast majority of staff were furloughed with a few remaining in post to deliver remote services where possible.

The centre was only able to complete 30% of its DfT target for driving assessments in the year, with 326 appointments being cancelled due to lockdown periods.

The centre responded to a total of 2,443 enquiries received from the public, a 37% decrease on 2020. No Tryb4uFly assessments were completed and only 3 people hired equipment for flying for a total of 40 days, a reduction of 68 people and 859 days hire on the previous year. Only 12 people visited the centre compared to 203 in 2020 and it was unable to hold its annual open day event.

However, the centre provided remote consultation to over 200 clients to identify their wheelchair and other supported living needs including but not limited to stairlifts and grant applications. In addition, between July and December 2020, the centre delivered 385 hours of tuition and supported 2 people to pass their driving tests.

Voluntary Association for Surrey Disabled Ltd (VASD)

VASD provides a friendly and informative service with advice on the sale of a wide range of products for disabled people ranging from walking aids and wheelchairs to innovative tools to help with personal care and tasks around the home. VASD also lends equipment to people who have a temporary need.

Due to the COVID-19 pandemic, VASD (based in Leatherhead Court) has not been open to the public since March 2020.

The Elmer Sands holiday home was closed between 23rd March and 12th July 20. It was occupied for 12 weeks of the year and a total of 28 people stayed during this time. VASD helped 10 people through equipment hire (scooters on long term hire).

The canal boat was sold in May 2020.

Medical Engineering Resource Unit (MERU)

MERU offers a free loan scheme for our children's mini powered wheelchairs known as Bugzis. Following an assessment, Bugzis are available for the family to take home and use for as long as the child need it. It is then returned, refurbished and reloaned to another child.

A wide range of bespoke, assistive products are available to purchase as well as adaptions to toys. MERU stopped providing engineering services in the year to March 2021.

Due to the COVID-19 pandemic, the MERU centre was closed between March and August 2020 and staff were furloughed. The team returned full time in October 2020.

We provided 10 new Bugzis in the year; 6 for the loan scheme and 4 were sold. A further 26 Bugzis were refurbished and reissued through the loan scheme. A total of 26 assessments were undertaken, 14 of which at QEF with the remaining 12 taking place at our partner centres.

MERU increased the number of beneficiaries helped by our products and services in the UK to over 3,700.

QEF Trading Limited

Our 19 charity shops continue to sell a variety of donated goods and furniture, greatly helping QEF raise awareness and contributing to income in unrestricted funds.

Due to the COVID-19 pandemic the shops were closed for the three lockdown periods as they are classed as non-essential retail. The shops were reopened when possible on a phased approach. During the closures staff were furloughed.

The financial effects from the shop closures were mitigated by income received through the Government's coronavirus support schemes. In addition, we continued to benefit from the Retail Gift Aid scheme although this income was lower than in previous years in line with trading results.

We have seen a reduction in the number of volunteers assisting in our shops, with numbers down by approximately 50%. The biggest challenges facing the charity retail sector at this current time are the reduction in the number of volunteers and changes to people's shopping habits.

In a usual year, over 200 tonnes of clothing and bric-a-brac is recycled by third parties via our shops instead of going to landfill. This reduced to 17 tonnes in the year ended 31 March 2021 due to the shop closures.

Engagement and Partnerships (Fundraising)

The Engagement and Partnerships (E&P) Team provide a number of events, appeals, activities to help fulfil our charity objectives.

Our supporters are of pivotal importance to QEF – they volunteer their time, donate money, fundraise on our behalf, take part in events, raise awareness and share their expertise.

QEF is committed to fundraising best practice and is a member of the Fundraising Regulator. We have embedded a culture of honesty and integrity with our supporters – as well as transparency in how we invest each donation.

Before the advent of COVID-19, the E&P team were set to have a great year in 2020/2021 due to new partnerships however by July 2020 it became clear that we would lose close to £1m worth of fundraised income due to the pandemic. In response, we developed a 'Survive and Thrive' appeal, asking supporters to help us to fill the economic void that was left from cancelling events such as the Gala Dinner, Ladies Events, and London Marathon. Our supporters responded by helping to raise a staggering £549,000 enabling us to continue our great work.

In addition, the Edward Guinness Appeal, launched to help raise the remaining costs of £2.7m of the CRC, exceeded its first-year target of £700,000 during a most challenging of years.

We finished the year with income of £2,212k, only slightly lower than in prior year (2020: £2,350k), and our overall contribution was higher than in prior year due to a reduction in expenditure.

As we move into the next financial year, the environment for fundraising remains uncertain and we have to ensure that we have at least three contingencies for each and every event and activity we plan to hold. However, we are proud of our achievements – how the charity came together, to work as one, with our supporters, and are extremely appreciative of their efforts and contribution during an extraordinary year.

COVID-19 Pandemic

The arrival of the global COVID-19 pandemic provided significant challenges for all areas of the organisation. The organisation quickly introduced a gold/silver/bronze command structure to analyse the information, understand the impact and deliver a strategic and operational response to the pandemic. Risk assessments were completed, and control measures implemented with weekly reporting and updates.

In the residential services, actions were put in place to minimise the risk to clients and staff and ensure compliance with Government guidance. The services were closed all but essential visitors and clients were supported in bubbles with key staff. The measures put in place to manage the risk of COVID-19 had a significant impact on the costs of the service delivery.

The plan to register the new building and move in was interrupted by the first lockdown. The CQC registration inspection of the new building was completed virtually, and the neuro rehabilitation service successfully managed to move into the ground floor in July 2020. With the self-contained rooms, clients could be admitted from hospital and

immediately isolated for the required period to minimise the transmission. Plans to merge the two Leatherhead based services were reviewed and the decision was made to keep them separate.

The three lockdowns over the financial year (23rd March 2020 – 12th July 2020, 5th November 2020 – 2nd December 2020 and 21st December 2020 – 11th April 2021) resulted in the closure of our charity shops, mobility centre and MERU operation which had a significant impact on income. Our head office at Leatherhead Court closed initially and staff worked from home. It subsequently re-opened for essential staff on restricted hours and numbers. Face-to-face fundraising events were cancelled and virtual events were swiftly implemented.

To mitigate the financial impact of the loss of income, coupled with the increased service costs, QEF have utilised all government support available including retail grants, CBILS loan, the Adult Social Care Infection Control Fund, the Rapid Testing Fund and the Coronavirus Job Retention Scheme with 30% of employees being furloughed across the organisation.

Volunteers and Supporters

The pandemic resulted in a cessation of volunteering activity across QEF, resulting in the volunteer co-ordinator also being furloughed during the first lockdown. Many volunteers have gradually returned to their roles and new volunteers have been recruited across all areas of QEF. We have 211 active volunteers, over half of these volunteer in retail.

Strong relationships have been built with voluntary networks and this has resulted in a wide range of talent being introduced to QEF. There is focussed activity to grow the number of new volunteers in retail and create new opportunities in residential services. There is also well-established volunteering activity in Mobility and MERU as well as shared services.

Team volunteering from a variety of external groups also provides targeted resource ie gardening.

Volunteers offer their time for a variety of reasons, some for many years and others in short bursts. Whatever the reason their contribution adds value to the richness of diversity to our people resources and some transition into employment.

People

The consultation programme to merge and move 2 services into the new Care and Rehabilitation Centre completed a week before 23 March 2020 when the country went into lock down.

The workforce faced a considerable amount of change as a result of the pandemic. As a result, we implemented changes in working conditions and practices in residential services, furloughed staff where activity ceased, and started home working where possible. This required a great deal of agility and learning by the 'people' function to cope with rapid change and new evolving legislation. Over this period, surveys were used to take feedback, track attitudes and check on the well-being of our staff. A lot of activity supported communication and well-being of all three staff groups, those working on site, at home or furloughed.

Recruitment is a high priority to maintain and grow the health and care expertise required by residential services. There has been an increase in applications and appointments since early 2020, possibly as a result of the pandemic, alongside the attraction of working in our new Care and Rehabilitation Centre. The number of applications has significantly increased for most recruitment activity in QEF.

Absence increased over this period with 18% of working time lost being a result of COVID self-isolating or infection.

LOOKING FORWARD

Our key short-term aims are to:

- Ensure QEF services are running safely and COVID-19 secure.
- Maximise occupancy levels and opportunities for QEF between ILS, CRC and the Grange using increased customer engagement across London and the South East.
- Improve the environment of Independent Living Services
- Ensure we deliver our commitment to the Pension Protection Fund (PPF).
- Develop the QEF strategy for the next 3-5 years including ensuring that the services and environment are appropriate for the people we support.
- Ensure we are upskilling staff to meet the changing complexities of our client group and to provide them with opportunities to progress within the health and social care sector
- Continue to focus on new tenders and contracts for all services with a focus on optimal pricing.

In the medium term we aim to:

- Implement and deliver the new strategy and ensure that staff are aligned with the direction of QEF and our values
- Continually develop our services and seek innovative solutions to help the people we support
- Ensure that our regulated services achieve a good or outstanding rating
- Enhance our IT infrastructure to better support the organisation
- Strengthen our balance sheet and improve financial stability
- Increase the impact QEF has in the community.
 - Modernise our brand and service propositions.
 - Update and streamline our website
 - Increase the focus on digital communications

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

QEF is a registered charity and a company limited by guarantee governed by a Memorandum and Articles of Association which were reviewed and updated in 2018.

The Board of Trustees meets six times a year. Trustees visit each of the operating locations, meeting with staff and clients and gaining a current view of the activities and progress of each service. Guidelines for the visits have been developed. Visiting Trustees have been allocated to each service to enhance the Board's awareness of organisational culture and development. Trustees are subject to the 'fit and proper person' test required by the Care Quality Commission.

Each Trustee is required to resign at the end of their three-year term but they may be elected to serve for another term provided their total term of office does not exceed nine years.

When there is a requirement to recruit new Trustees a formal external recruitment procedure takes place. New Trustees receive induction training from the chief executive and Senior Management Team.

The Board of Trustees has responsibility for strategic development and for overall governance of QEF, members of the QEF family of charities and the QEF Trading Company.

The Board of Trustees delegates to committees some of its non-executive functions, including audit and risk, finance and property, fundraising and marketing, care quality and safety.

Executive leadership and management are delegated to the Chief Executive and the Senior Management Team.

Trustees

Trustees are elected by Members of QEF or co-opted by the Trustees, based on how their skill set and experience can benefit QEF and further improve the knowledge of the Board. A formal recruitment and selection process is agreed by the Board in advance of all appointments and is in line with best practice guidance.

As stated in the Memorandum and Articles of Association, one third (or the number nearest one third) of the Trustees must retire at each AGM, those longest in office retiring first and the choice between any equal service being made by drawing lots. A retiring Trustee who is eligible may be re-elected. If at the date of the AGM a Trustee has held office for nine consecutive years since first election, they may not be re-elected, except in exceptional circumstance of there being no other person eligible to be a Trustee and acceptable to the Members as such.

RISK MANAGEMENT

The Audit and Risk Committee is responsible for oversight and scrutiny in areas including internal and external audit, risk management and insurance. The system of internal controls is designed to provide reasonable, but not absolute, assurance against material misstatement or loss. Measures in place include:

- A strategic plan, a business plan and an annual budget approved by the Board of Trustees.
- Monthly consideration by the Senior Management Team of financial results, variance from budgets and performance indicators.
- Board Assurance Framework and corporate risk registers as part of a risk management strategy.
- Monthly quality and performance reports modelled around the CQC domains continue to develop. Five key domains are measured: safe, effective, caring, well led and sustainable (includes finances). The scorecard enables managers to comment on variances and identify actions being taken to mitigate risk.
- Proper delegation of authority and segregation of duties.
- The Senior Management Team and the Board review the nature of risks regularly, monitor actions taken, identify new risks and agree future mitigating action. An updated risk analysis is presented to the Board of Trustees at each of its meetings.
- An executive and professional liability insurance policy provides indemnity for the Trustees.
- Our auditors are Moore Kingston Smith LLP.

In common with all providers of health and care services, QEF faces a number of risks. These include:

Risk	Mitigation
Impact of a COVID-19 outbreak in services	Established controls mechanisms would limit impact and prevent a cross service outbreak
Poor quality of care or risk to safety	Ensure staff compliance with training and induction. Have well embedded operational processes, up-to-date policies and procedures. Involve service users in monitoring and actively seek feedback from people who use our services. Clear and thorough reporting to Care Quality and Safety committee and visibility of senior managers and trustees in services. Ensure Health and Safety compliance across all services and regulatory compliance in regulated services.

Workforce – difficulties recruiting and retaining a skilled workforce and associated impact on care	Be the place to work: continued recruitment process reviews, contract reviews, pay and reward reviews, flexible working, staff engagement, career development and training opportunities.
Management of the £25m long term debt to the PPF, which replaced the defined benefit pension deficit.	The PPF Agreement provides for regular performance reports and update meetings as required.
Failure to achieve financial balance impacting on viability	Five year financial plan including service restructuring. Overseen by Business Planning and Development Sub-Committee

Remuneration

The Remuneration Committee has responsibility for considering management recommendations for staff pay and setting the salaries of members of the Senior Management Team.

Before considering management recommendations for staff pay, the Remuneration Committee looks at the external market and pay relativity, internal pressures for talent and affordability.

FINANCIAL REVIEW

Income and expenditure

Total operating income of £12.4m in 2021 (2020 - £10.7m) included grants from government coronavirus support schemes totalling £1.6m (2020: £nil) of which £0.7m related to charitable activities and £0.9m to commercial operations.

Excluding these grants, income from charitable activities including three subsidiaries was £7.0m (2020 - £6.8m). Total charitable expenditure in the year was £8.6m (2020 - £8.3m) resulting in a shortfall of £1.6m.

Due to the shop closures, commercial operations also delivered a net operating loss before government support of £0.7m (2020 - £nil). These deficits were offset by net income from fundraising and other activities of £1.4m, which coupled with the government grants, resulted in an overall net operating surplus of £0.6m.

The net movement in funds was £0.3m after a £0.3m adjustment to the discounting of the loan term PPF liability. This total movement in funds comprised an increase in unrestricted reserves of £0.4m partially offset by a £0.1m reduction in restricted reserves.

Cash flow

The Group raised cash proceeds of £4.9m in the year from the disposal of the site in Banstead. These were used to repay the long-term liability to the PPF. After adjusting for the associated discounted interest of £0.3m, the amortised cost of the liability reduced by £4.6m.

Excluding the repayment of the PPF liability and the discounting adjustment, net cash from operating activities was £0.5m. The Group was issued a £0.8m loan under the Coronavirus Business Interruption Loan Scheme (CBILS). After fixed asset additions of £0.6m, the Group was left with an overall net cash inflow of £0.7m which increased the year-end cash position to £1.4m (2020: £0.7m).

Balance sheet

The Group balance sheet shows net assets, excluding long-term debt, of £24.0m (2020: £28.3m). Fixed assets reduced to £24.0m at 31 March 2021 (2020: £28.6m) primarily due to the disposal of the site in Banstead.

Long-term liabilities reduced to £14.3m at 31 March 2021 (2020: £18.9m) and include amounts due under the PPF and CBILS loan agreements of £13.5m and of £0.7m respectively. The PPF loan is a long-term liability which will not crystallise in the short to mid-term. Unlike the previous pension scheme deficit, this loan amount is fixed and the loan repayments are also fixed and affordable. The amount outstanding at 31 March 2021, following the repayment of £4.9m during the year, is £25.1m. This has been discounted over the 30 year-term at 4% to arrive at an amortised cost of £14.2m at 31 March 2021 of which £0.7m is due within one year and £13.5m is due after one year. The amount outstanding under the CBILS loan agreement is £0.75m of which £0.1m is due within one year.

The net current asset position improved to £0.1m (2020 - £(0.2)m) at 31 March 2021 but still reflects the investment in the CRC which has impacted on the cash balance over the last couple of years.

Overall, the Group balance sheet shows net assets of £9.8m at 31 March 2021 (2020: £9.4m).

Going concern

The financial impact of COVID-19 was felt across the whole of QEF; it had a significant impact on fundraising and commercial operations and resulted in increased costs in our service delivery. Prompt action undertaken to mitigate the financial effects included utilising all government support available including retail grants, CBILS loan, infection control funds, other additional local authority funding and furloughing staff where appropriate across the group.

The trustees recognise that COVID-19 continues to pose unique challenges but are continuing to utilise all support available from the government and from external stakeholders. The company has renegotiated loan repayments and will continue to work closely with loan providers to ensure that future obligations are met.

After making enquiries, the trustees have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

While the services and subsidiaries operated at a deficit, we are developing plans to return to an operating surplus in the short term and have sufficient free reserves to cover modest deficits in the intervening period.

Potential risks to QEF's future include reductions in government and public sector funding. QEF could be exposed to this by receiving less income from the Department for Transport at our Mobility Centre or reduced Health and Social Care funds being available for client/resident placements at ILS and the CRC from local authorities and CCGs. However, this is constantly being monitored, QEF is working to ensure services are as cost effective as possible, and new revenue streams are being developed to minimise this risk.

Reserves policy

The reserves policy is determined after assessing the capital requirements, considering the nature and timing of income and expenditure streams and by reviewing the specific business risks identified through the risk management process. The Board of Trustees aims to maintain a level of unrestricted reserves not tied up in fixed assets, which it believes will be sufficient to ensure the operational viability of the charity. The unrestricted fund balance at the year-end was £9.1m (2020 - £8.6m), including fixed assets of £24.0m and a £14.2m long-term liability to the Pension Protection Fund.

The Board of Trustees is also mindful that at a time of uncertainty in Government funding it may require sufficient reserves to maintain services for a limited period if funding ceased or contracts were cancelled. The Board of Trustees has concluded that given the economic environment its' services operate within (especially adult social care placements funding) and the reliance on fundraising income that the level of free reserves at the year-end should be six months' worth of unrestricted operating expenditure. Based on 2020/2021 results this would be circa £5.2m.

As well as the unrestricted reserves described above, QEF also held £668k (2020: £800k) of restricted reserves at 31 March 2021.

Investment policy

In view of the likely requirement for accessible cash over the next five years, the Board of Trustees has decided to continue its policy of holding investments in cash deposits.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of QEF for the purposes of company law) are responsible for preparing the Trustees' Annual 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 Trustees 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 the group) and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

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


The Trustees 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 the Group) and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

APPROVAL OF TRUSTEE REPORT AND STRATEGIC REPORT BY ORDER OF THE BOARD OF TRUSTEES


E J Denning 24/11/21
Director

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

Opinion

We have audited the financial statements of Queen Elizabeth's Foundation for Disabled People for the year ended 31st March 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31st March 2021 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 group's and the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE (Cont'd)

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE (Cont'd)

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 19, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the group and the parent charitable company and considered that the most significant are the Companies Act 2006 and the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE (Cont'd)

- We obtained an understanding of how the group and parent charitable company complies with these requirements by discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE (Cont'd)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company'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 charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

[Date] 7 December 2021

Neil Finlayson (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

QEF Queen Elizabeth's Foundation for Disabled People

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

GROUP BALANCE SHEET
AS AT 31 MARCH 2021
COMPANY REGISTRATION NO. 00892013

	Note	GROUP		QEF	
		2021 £000's	2020 £000's	2021 £000's	2020 £000's
FIXED ASSETS					
Tangible Fixed Assets	2	24,047	28,702	23,237	27,824
Intangible Fixed Assets	3	(98)	(123)	-	-
Investments	4	-	-	1,030	1,030
		<u>23,949</u>	<u>28,579</u>	<u>24,267</u>	<u>28,854</u>
CURRENT ASSETS					
Stocks	5	80	111	-	-
Debtors	6	1,246	1,540	1,462	1,659
Investments	4	24	21	20	17
Cash at bank and in hand		<u>1,377</u>	<u>690</u>	<u>948</u>	<u>296</u>
		<u>2,727</u>	<u>2,362</u>	<u>2,430</u>	<u>1,972</u>
CURRENT LIABILITIES					
Creditors - amounts falling due within one year	7	<u>(2,643)</u>	<u>(2,605)</u>	<u>(3,154)</u>	<u>(3,060)</u>
NET CURRENT ASSETS		<u>84</u>	<u>(243)</u>	<u>(724)</u>	<u>(1,088)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,033</u>	<u>28,336</u>	<u>23,543</u>	<u>27,766</u>
Creditors - amounts falling due after more than one year	21	<u>(14,272)</u>	<u>(18,889)</u>	<u>(14,239)</u>	<u>(18,852)</u>
NET ASSETS including pension scheme liability		<u>9,761</u>	<u>9,447</u>	<u>9,304</u>	<u>8,914</u>
ACCUMULATED FUNDS					
Restricted Funds	9	668	800	316	800
Unrestricted Funds	10	<u>9,093</u>	<u>8,647</u>	<u>8,988</u>	<u>8,114</u>
Total Accumulated Funds	11	<u>9,761</u>	<u>9,447</u>	<u>9,304</u>	<u>8,914</u>

The financial statements on pages 25 to 45 were approved and authorised for distribution by the Board of Trustees on 24/11/21 and were signed on it's behalf by:



E J Denning
Chairman of the Board of Trustees

QEF Queen Elizabeth's Foundation for Disabled People

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 Unrestricted £000's	2021 Restricted £000's	2021 TOTAL £000's	2020 Unrestricted £000's	2020 Restricted £000's	2020 TOTAL £000's
INCOME							
Donations		1,111	329	1,440	881	816	1,697
Legacies		662	-	662	436	-	436
Commercial Trading Operations	4	2,403	-	2,403	1,463	-	1,463
Fundraising Events		85	24	109	146	72	217
Income from property		29	-	29	28	-	28
Investment Income		4	-	4	2	-	2
Bank interest receivable		1	-	1	-	-	-
Other		32	-	32	-	-	-
		4,327	353	4,680	2,956	888	3,844
Incoming resources from charitable activities:							
Neuro-Rehabilitation Services		3,005	-	3,005	2,395	-	2,395
Independent Living Services		3,303	271	3,574	3,342	-	3,342
Mobility Services		188	638	826	213	524	737
Accessible Aviation		15	-	15	2	-	2
Voluntary Assoc. Surrey Disabled	4	54	-	54	59	-	59
Medical Engineering Resource Unit	4	267	-	267	265	-	265
Sutton Shopmobility	4	-	-	-	11	-	11
QEF Developments		-	-	-	-	-	-
Other		-	-	-	3	-	3
		6,832	909	7,741	6,290	524	6,814
TOTAL OPERATING INCOME		11,159	1,262	12,421	9,246	1,412	10,658
EXPENDITURE							
Raising funds:							
Fundraising and publicity costs		952	9	961	1,208	72	1,280
Commercial Trading Operations		2,267	-	2,267	1,444	-	1,444
Total costs of raising funds		3,219	9	3,228	2,652	72	2,724
Charitable activities:							
Neuro-Rehabilitation Services		2,760	403	3,163	1,142	1,507	2,649
Independent Living Services		3,714	283	3,997	3,988	30	4,018
Mobility Services		149	639	788	288	532	820
Accessible Aviation		57	-	57	34	40	74
Voluntary Assoc. Surrey Disabled		55	-	55	105	8	113
Medical Engineering Resource Unit		499	59	558	340	206	546
Sutton Shopmobility		-	-	-	32	-	32
QEF Developments		2	-	2	2	-	2
Other		-	-	-	4	3	7
Total charitable expenditure		7,236	1,384	8,620	5,935	2,326	8,261
TOTAL OPERATING EXPENDITURE	14	10,455	1,393	11,848	8,587	2,398	10,985
NET OPERATING (EXPENDITURE)/ INCOME BEFORE EXCEPTIONAL ITEMS		704	(131)	573	659	(986)	(327)
Exceptional items:							
Profit on sale of land and buildings		-	-	-	1,025	-	1,025
Revaluation of land and buildings		-	-	-	2,578	-	2,578
NET (EXPENDITURE)/INCOME	24	704	(131)	573	4,262	(986)	3,276
Other recognised gains and losses							
Change in discounting of long term loan		(259)	-	(259)	642	-	642
Net Movement in Funds		445	(131)	314	4,904	(986)	3,918
Fund balances brought forward at 1 April 2020		8,648	799	9,447	3,744	1,785	5,529
Fund balances carried forward at 31 March 2021		9,093	668	9,761	8,648	799	9,447

The Statement of Financial Activities includes all gains and losses recognised in the year.

All incoming resources and resources expended derive from continuing activities.

A reconciliation of the Net Movement in Funds to the in-year operational performance is shown in Note 26.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £'000	2020 £'000
Cash flows from operating activities:		
Net cash used in operating activities	(4,431)	3,147
Income taxes paid	-	(2)
	<u>(4,431)</u>	<u>3,145</u>
Cash flows from investing activities:		
Investment income and interest received	1	2
Proceeds from disposal of fixed asset investments excluding endowment funds	(4)	1,552
Proceeds from disposal of tangible fixed assets	4,926	2,915
Intangible fixed asset	-	123
Payments to acquire tangible fixed assets	(554)	(8,399)
	<u>4,369</u>	<u>(3,807)</u>
Financing activities:		
Proceeds of new bank loans	750	-
	<u>750</u>	<u>-</u>
Net increase in cash and cash equivalents	687	(662)
Cash and cash equivalents at beginning of year	690	1,352
Cash and cash equivalents at end of year	<u>1,377</u>	<u>690</u>
Reconciliation of net (expenditure)/ income to net cash flow from operating activities		
Net income including endowments	314	3,918
Depreciation charges	290	261
Goodwill amortisation	(25)	-
Taxation charged	-	-
Net gains on investments	-	-
Movement in long term debt from PPF	(5,367)	(642)
Movement in defined benefit pension scheme provision	(6)	(9)
Revaluation of land and buildings	-	(2,578)
Gain on disposal of fixed assets	-	(1,025)
Investment income	(1)	(2)
Increase in stock	32	(1)
(Increase)/decrease in debtors	294	2,312
Increase in creditors	38	914
Net cash used in operating activities	<u>(4,431)</u>	<u>3,147</u>

1 ACCOUNTING POLICIES

Company Status

The Company is limited by guarantee, has no share capital and is also a registered charity. The liability of each member is limited to a sum of no more than £1 in the event of a winding up.

Principal Accounting Policies

The financial statements comprise the charity and its subsidiaries.

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of land and buildings and investments being measured at fair value through income and expenditure within the Statement of Financial Activities.

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company and its subsidiaries are a public benefit group for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with the 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 (The FRS 102 Charities SORP), the Companies Act 2006 [under the provision of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410)], the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charitable company and its subsidiaries. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

Presentation of Financial Statements

In order that the financial statements should present a true and fair view, it has been necessary to differ from the presentational requirements of the Companies Act 2006. The presentation required by the Companies Act for the consolidated profit and loss account would not have given a true and fair view of the operations of the company. The Foundation has therefore adapted the presentation and applied it consistently.

Basis of Consolidation

The consolidated statement of financial activities and balance sheet include the financial statements of QEF and its subsidiary undertakings made up to 31 March 2021. The results of the subsidiaries are consolidated on a line-by-line basis. Uniform accounting policies are applied across the Group and intra-group transactions are eliminated. As permitted by section 408 of the Companies Act 2006, QEF's (this is QEF Group excluding all subsidiaries) income and expenditure account has not been included in these financial statements. During the year QEF's incoming resources were £12,421k and the surplus for the year was £573k (2020: incoming resources £10,658k and a surplus of £3,276k).

Going Concern

The trustees have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The trustees have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the trustees have considered the charitable group's forecasts and projections and have taken account of pressures on contract income, the occupancy of the CRC, grants, and donation income.

The trustees recognise that COVID-19 poses unique challenges but are continuing to utilise all support available from the government and from external stakeholders. The company has renegotiated loan repayments and will continue to work closely with loan providers to ensure that future obligations are met.

After making enquiries, the trustees have concluded that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

Incoming Resources

All income is recognised when there is entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Voluntary income is accounted for when received. Income from activities for generating funds and income from charitable activities are both accounted for when receivable. Income is stated excluding VAT. Gifts donated for resale are included as income when they are sold.

Legacies are recognised following probate and once there is sufficient evidence that receipt is probable and the amount of the legacy receivable can be measured reliability. Where entitlement to a legacy exists but there is uncertainty as to its receipt or the amount receivable, details are disclosed as a contingent asset until the criteria for income recognition are met.

Fixed Assets and Depreciation

All fixed assets with a value over £1,500 are capitalised at cost, being their purchase cost, together with any incidental expenses at acquisition, and depreciated to their estimated residual value over their estimated useful lives, as follows:

Leasehold property	The term of the lease or 10-15 years, whichever is the lower.
Computer equipment	5-10 years
Other equipment	4 years
Motor vehicles	4 years

Freehold Land and buildings are not depreciated. Grants received relating to these assets are shown as incoming resources within restricted funds upon receipt and are amortised within the Statement of Financial Activities (SOFA) over the estimated useful life of the asset. It is our policy to review the fixed asset register on an annual basis and to write down the book value of any asset that has become impaired.

Freehold land and buildings are stated at existing use being value.

Where properties are subsequently sold, the valuation is revised on a market value basis less costs associated with the sale.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable asset, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over it's useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their estimated useful lives, as follows:

Goodwill	5 years
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Stocks

Stocks of raw materials, finished goods and consumables are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Resources Expended

Expenditure related to generating funds and to charitable activities is accounted for on an accruals basis and has been classified under headings that aggregate all costs, including irrecoverable VAT, related to the category.

Costs for repairs and maintenance are accounted for when incurred or when there is an irrevocable contractual commitment.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

Resources Expended (cont'd)

Support costs include the Chief Executive, the Finance and Human Resources departments and the provision of Information Technology services; these costs are incurred directly in support of the objects of the charity. Information Technology Services costs are allocated in proportion to the equipment held at each Service or Department.

Shared Service costs are allocated in accordance to the total expenditure of each Service or Department.

The FRS 102 Net Pensions Adjustment is allocated in accordance to the total expenditure of each Service or Department.

Operating Leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Investments

At 31 March 2021 the value of of the investments held at NatWest Bank were £1k (2020 £1k).

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the Statement of Financial Activities as 'gains or losses on investments' and are allocated to the appropriate fund holding or disposing of the relevant investment.

Pensions

QEF operates a defined contribution scheme, the assets of which are held separately from those of the company in an independently administered scheme. Two employees are members of the Teachers Pension Scheme and one is a member of the Pension Trust, into which QEF pay the required employer's pension contribution for both schemes. Contributions are charged to the Statement of Financial Activities as they fall due.

Grant Commitments

Grants are charged against the appropriate fund in the period in which the grant is approved.

Taxation

The charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives.

Critical accounting estimates and areas of judgement

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the trustees to have most significant effect on amounts recognised in the financial statements.

As disclosed in note 19 to the financial statements, the pension scheme deficit has been determined using a number of actuarial assumptions. Variations in those assumptions, particularly in regard to discount rates and projected returns on investments, can cause significant changes (positive and negative) in the resulting valuation of the scheme liabilities. The trustees have relied on independent actuarial advice in respect of the assumptions used, however these are by nature uncertain and may therefore result in material adjustments in subsequent years' financial statements.

In the view of the trustees in applying the accounting policies adopted, no judgements were required that have a significant effect on the amounts recognised in the financial statements nor do any estimates or assumptions made carry a significant risk of material adjustment in the next financial year.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

2 TANGIBLE FIXED ASSETS

GROUP	Freehold Land & Buildings £'000's	Leasehold Property £'000's	Equipment £'000's	Motor Vehicles £'000's	Total £'000's
Cost at 1.4.20	27,789	64	3,361	266	31,480
Additions	256	-	295	3	554
Disposals	4,897	64	242	11	5,214
Revaluation gain	-	-	-	-	-
Cost at 31.3.21	23,148	0	3,414	258	26,820
Depreciation at 1.4.20	-	64	2,471	244	2,778
Revaluation adjustment	-	-	-	-	-
Charge for year	-	-	280	10	290
On disposals	-	64	221	11	296
Depreciation at 31.3.21	-	-	2,530	243	2,772
NET BOOK VALUE at 31.3.21	23,148	-	884	15	24,047
NET BOOK VALUE at 31.3.20	27,789	-	891	22	28,702

QEF	Freehold Land & Buildings £'000's	Leasehold Property £'000's	Equipment £'000's	Motor Vehicles £'000's	Total £'000's
Cost at 1.4.20	27,235	-	2,453	226	29,914
Additions	259	-	224	3	486
Disposals	4,897	-	150	11	5,058
Cost at 31.3.21	22,597	-	2,527	218	25,342
Depreciation at 1.4.20	-	-	1,864	226	2,090
Charge for year	-	-	175	1	176
On disposals	-	-	150	11	161
Depreciation at 31.3.21	-	-	1,889	216	2,105
NET BOOK VALUE at 31.3.21	22,597	-	638	2	23,237
NET BOOK VALUE at 31.3.20	27,235	-	589	-	27,824

The charity has applied the existing use valuation method and used a previous valuation as the deemed cost for its freehold property. The properties values were reviewed as at 31 March 2020 using recent valuations, provided by Hurst Warne and Christies who are both property consultants.

3 INTANGIBLE FIXED ASSETS

GROUP	Goodwill £'000's	Total £'000's
Cost at 1.4.20	(123)	(123)
Additions	-	0
Cost at 31.3.21	(123)	(123)
Amortisation at 1.4.20	-	-
Charge for year	25	25
Amortisation at 31.3.21	25	25
NET BOOK VALUE at 31.3.21	(98)	(98)
NET BOOK VALUE at 31.3.20	(123)	(123)

QEF	Goodwill £'000's	Total £'000's
Cost at 1.4.20	-	-
Additions	-	-
Cost at 31.3.21	-	-
Amortisation at 1.4.20	-	-
Charge for year	-	-
Amortisation at 31.3.21	-	-
NET BOOK VALUE at 31.3.21	-	-
NET BOOK VALUE at 31.3.20	-	-

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

4a INVESTMENTS

QEF RETAIL TRADING

Company Number: 00913002

QEF owns 100% of the ordinary share capital of QEF Trading Limited, which is registered in England. Its principal activity is the retail sale of donated goods, gifts and greetings cards by means of mail order and through retail shops. It has covenanted to pay its profits to QEF. Its accounts are included within the consolidated accounts of the Group.

	2021	2020
	£'000's	£'000's
The balance comprises:		
Shares at cost	280	280
	280	280

The results for the year ended 31 March 2021 net of intra-group transactions of £68k (2020: £112k), were as follows:

	2021	2020
	£'000's	£'000's
Turnover	1,098	1,370
Cost of Sales	(28)	(54)
	1,070	1,316
Administrative expenses	(996)	(1,192)
Taxation	0	0
Profit on ordinary activities	74	123

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	£'000's	2021	£'000's	2020	£'000's
Fixed Assets		3		10	
Current assets	411		409		
Current liabilities	(130)		(140)		
Net Current assets		282		269	
		285		279	
Called up share capital		280		280	
Donations Paid		0		0	
Profit & loss account		5		(1)	
Shareholders surplus		285		279	

4b INVESTMENTS (Contd)

QEF DEVELOPMENTS LIMITED

Company Number: 10069580

QEF owns 100% of the ordinary share capital of QEF Developments Limited, incorporated on 17 March 2016 and registered in England and Wales. QEF Developments has been set up to manage the design and construction of the new CRC centre.

The results for the period ended 31 March 2021 were as follows:

	2021	2020
	£'000's	£'000's
Turnover	74	7,562
Professional fees and building costs	(73)	(7,400)
Gross profit	1	163
Administrative expenses	(2)	(2)
Taxation	0	0
Profit for the financial year	(1)	161

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	£'000's	2021	£'000's	2020	£'000's
Fixed Assets		-		-	
Current assets	25		1,065		
Current liabilities	(12)		(898)		
Net Current assets		13		167	
		13		167	

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

4c INVESTMENTS (Contd)

THE GRANGE (2016) LTD

Company Number: 10106614

QEF owns 100% of the ordinary share capital of The Grange (2016) Ltd, incorporated on 6 April 2016 and registered in England and Wales. The Grange has been set up to provide accommodation-based services for adults with learning disabilities based in Cranbrook, Kent.

The results for the period (from acquisition) ended 31 March 2021 were as follows net of intercompany transactions of £220k (2020 £0k):

	2021	2020
	£'000's	£'000's
Turnover	1,315	94
Administrative expenses	(1,200)	(83)
Taxation	-	-
Profit for the financial year	115	11

The assets and liabilities of the company at the end of the period, including intra-group amounts, were as follows:

	2021		2020
	£'000's	£'000's	£'000's
Fixed Assets	781		765
Current assets	138		198
Current liabilities	(121)		(80)
Net Current assets	18		118
	798		883

4d INVESTMENTS (Contd)

CURRENT ASSET INVESTMENTS

QEF has current asset investments in the form of equity and cash investments, as follows:

GROUP

	2021	2020
	£'000's	£'000's
Listed Shares	23	20
Deposits	1	1
	24	21

QEF

	2020	2020
	£'000's	£'000's
Listed Shares	19	16
Deposits	1	1
	20	17

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

4e SUBSIDIARIES

VASD

Company Number: 07759768
Charity Number: 1143985

QEF is the sole Member of the Voluntary Association for Surrey Disabled Limited (VASD). The charity joined the QEF Group on 18 November 2011. VASD sells and loans equipment and products to disabled people. In addition it owns two fully adapted holiday homes on the South Coast which are available to rent for disabled people.

The results for the year ended 31 March 2021 net of intra-group transactions of £14k (2020: £25k), were as follows:

	2021	2020
	£'000's	£'000's
VASD equipment hire and sales	1	25
Income from property	15	33
Grant Income	32	-
Gifts & donations	7	8
	55	66
Cost of sales	-	(6)
	55	60
Cost of charitable activities	(53)	(104)
Fundraising and publicity costs	-	0
Governance costs	(2)	(2)
Surplus on ordinary activities	-	(46)

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	£'000's	2021	£'000's	2020	£'000's
Fixed Assets		339		621	340
Current assets	619			621	
Current liabilities	(10)		(13)		
Net Current assets		609			608
Pension Scheme Liability		(31)		(37)	
		917		911	

4f SUBSIDIARIES (Contd)

MERU

Company Number: 1214125
Charity Number: 269804

The Medical Engineering Resource Unit (MERU) joined the QEF Group on 1 April 2012. MERU designs and manufactures specialised equipment for children and young people with disabilities. MERU also sell a range of ready-made products designed in response to requests from families and therapists.

The results for the year ended 31 March 2021 net of intra-group transactions of -£66k (2020: £0k), were as follows:

	2021	2020
	£'000's	£'000's
MERU equipment sales	267	265
Grants	92	-
Gifts & donations	143	336
	502	601
Cost of sales	(114)	(108)
	388	494
Cost of charitable activities	(414)	(436)
Fundraising and publicity costs	(35)	(83)
Governance costs	(2)	(2)
Surplus/(Deficit) on ordinary activities	(63)	(28)

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

4g SUBSIDIARIES (Contd)

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	£'000's	2021 £'000's	£'000's	2020 £'000's
Fixed Assets		196		268
Current assets	273		192	
Current liabilities	(444)		(443)	
Net Current assets		(171)		(251)
		25		17

4h SUBSIDIARIES (Contd)

SSM

Company Number: 3291147
Charity Number: 1060286

Sutton Shopmobility (SSM) joined the QEF Group on 1 July 2012. Located in the St Nicholas Shopping Centre, Sutton, SSM offered a manual wheelchair, electric wheelchair and power scooter hire service for people with mobility problems. SSM also provided an assistant service for visually impaired people and nervous/first-time wheelchair and scooter users. SSM ceased trading on 24 December 2019.

The results for the period ended 24 December 2020 net of intra-group transactions of £0k (2020: £8k), were as follows:

	2021 £'000's	2020 £'000's
Incoming resources from charitable activities	-	-
Sale & Hire of Disability Equipment	-	11
Gifts & donations	-	10
	-	21
Cost of sales	-	(1)
	-	20
Cost of charitable activities	-	(22)
Surplus/(Deficit) on ordinary activities	-	(2)

The assets and liabilities of the company at the end of the year, including intra-group amounts, were as follows:

	£'000's	2021 £'000's	£'000's	2020 £'000's
Fixed Assets		0		0
Current assets	0		0	
Current liabilities	0		(70)	
Net Current assets		0		(70)
		0		(70)

5 STOCKS

	GROUP	2021	2020	QEF	2021	2020
		£'000's	£'000's		£'000's	£'000's
Raw materials and finished goods		80	111		-	-

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

6	DEBTORS	GROUP		QEF	
		2021	2020	2021	2020
		£'000's	£'000's	£'000's	£'000's
Amounts falling due within one year					
	Trade Debtors	879	1,058	816	928
	Amount due from subsidiary company	0	-	437	509
	Taxation & Social Security receivable	5	96	-	-
	Other Debtors	44	51	9	20
	Prepayments	265	203	166	122
	Accrued Income	52	132	33	80
		<u>1,246</u>	<u>1,540</u>	<u>1,462</u>	<u>1,659</u>

The amounts due from the subsidiary company are unsecured, interest free and payable on demand.

With the exception of prepayments, all debtors are financial instruments and are measured at present value.

7 CREDITORS

Amounts falling due within one year	GROUP		QEF	
	2021	2020	2021	2020
	£'000's	£'000's	£'000's	£'000's
Trade Creditors	619	1,285	544	695
Taxation and Social Security payable	459	306	433	283
Amount due to subsidiary company	-	-	835	821
Other Creditors	913	226	766	96
Accruals	545	631	511	1,071
Deferred income (see note 8)	107	157	65	93
	<u>2,643</u>	<u>2,605</u>	<u>3,154</u>	<u>3,060</u>

All creditors are unsecured, interest free and repayable on demand.

All creditors are financial instruments and are measured at present value.

8 DEFERRED INCOME - Group and QEF

2021	Balance at 1 April 2020	Incoming Resources	Amount Released	Balance at 31 March 2021
	£'000's	£'000's	£'000's	£'000's
Fundraising events income	47	34	(47)	34
Independent Living Services	31	5	(31)	5
Mobility Services	10	26	(10)	26
Central Services	5	-	(5)	-
The Grange	53	38	(53)	38
VASD Holiday Income	14	3	(14)	3
	<u>160</u>	<u>106</u>	<u>(160)</u>	<u>106</u>

These amounts have been deferred because the income relates to activities taking place in the next financial year.

2020	Balance at 1 April 2019	Incoming Resources	Amount Released	Balance at 31 March 2020
	£'000's	£'000's	£'000's	£'000's
Fundraising events income	43	47	(43)	47
Independent Living Services	50	31	(50)	31
Mobility Services	13	10	(13)	10
Central Services	5	5	(5)	5
Canal Boat	3	-	(3)	-
The Grange	-	53	-	53
VASD Holiday Income	19	14	(19)	14
	<u>133</u>	<u>160</u>	<u>(133)</u>	<u>160</u>

These amounts have been deferred because the income relates to activities taking place in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

9 RESTRICTED FUNDS - Group and QEF

The funds of the charity include restricted funds in the form of grants and other donated funds received in respect of capital expenditure. The movement in funds also includes donations for revenue projects that have mostly been spent in the year.

	Movement in Funds			
	Balance at 1 April 2020	Incoming Resources	Expenditure Gains and Losses	Balance at 31 March 2021
2021	£'000's	£'000's	£'000's	£'000's
Neuro-Rehabilitation Services	94	-	(94)	-
CRC	179	234	(311)	102
Independent Living Services	67	303	(284)	86
Mobility Services	126	639	(639)	126
Accessible Aviation	-	-	-	-
Central Services	-	-	-	-
Voluntary Assoc. Surrey Disabled	330	5	(5)	330
Medical Engineering Resource Unit	4	88	(68)	24
Sutton Shopmobility	-	-	-	-
	800	1,269	(1,401)	668

The restriction is defined to have been met if money has been spent on the asset it was intended for.

The funds of the charity include restricted funds in the form of grants and other donated funds received in respect of capital expenditure. The movement in funds also includes donations for revenue projects that have mostly been spent in the year.

	Movement in Funds			
	Balance at 1 April 2019	Incoming Resources	Expenditure Gains and Losses	Balance at 31 March 2020
2020	£'000's	£'000's	£'000's	£'000's
Neuro-Rehabilitation Services	131	52	(89)	94
CRC	1,099	498	(1,418)	179
Independent Living Services	95	2	(30)	67
Mobility Services	126	532	(532)	126
Accessible Aviation	-	40	(40)	0
Canal Boat	-	-	-	0
Central Services	3	-	(3)	0
Voluntary Assoc. Surrey Disabled	330	8	(8)	330
Medical Engineering Resource Unit	2	280	(278)	4
Sutton Shopmobility	-	-	-	-
	1,786	1,412	(2,398)	800

The restriction is defined to have been met if money has been spent on the asset it was intended for.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

10 GENERAL UNRESTRICTED FUNDS

	GROUP		QEF	
	2021	2020	2021	2020
	£'000's	£'000's	£'000's	£'000's
Balance brought forward	8,647	3,743	8,114	3,308
Net movement of resources in the year	446	4,904	996	4,806
Balance carried forward	<u>9,093</u>	<u>8,647</u>	<u>9,110</u>	<u>8,114</u>

11 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

	Fixed Assets	Net Current Assets	Creditors falling due after more than 1 year	Total Funds	Pensions Deficit	Total 2021
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
2021						
Restricted funds	330	338	-	668	-	668
Unrestricted funds	23,619	(257)	(14,239)	9,124	(31)	9,093
	<u>23,949</u>	<u>81</u>	<u>(14,239)</u>	<u>9,792</u>	<u>(31)</u>	<u>9,761</u>

	Tangible Fixed Assets	Net Current Assets	Creditors falling due after more than 1 year	Total Funds ex Pensions Deficit	Pensions Deficit	Total 2020
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
2020						
Restricted funds	330	470	-	800	-	800
Unrestricted funds	28,249	(713)	(18,853)	8,684	(37)	8,647
	<u>28,579</u>	<u>(243)</u>	<u>(18,853)</u>	<u>9,484</u>	<u>(37)</u>	<u>9,447</u>

12 RECONCILIATION OF MOVEMENT IN FUNDS

	GROUP		QEF	
	2021	2020	2021	2020
	£'000's	£'000's	£'000's	£'000's
Opening funds	9,447	5,529	8,914	4,762
Net movements of resources in the year	314	3,918	512	4,152
Closing funds	<u>9,761</u>	<u>9,447</u>	<u>9,426</u>	<u>8,914</u>

13 GOVERNMENT GRANTS

Total operating income in the year ended 31 March 2021 includes government grants of £1,587k (2020: £nil) comprising income from the Coronavirus Job Retention Scheme of £680k, the Retail Grant scheme of £544k and the Infection Control Grant Scheme of £364k. The amounts received from these initiatives in 2020 were immaterial.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

14 TOTAL RESOURCES EXPENDED

2021	Staff Costs	Property Costs	Depn.	Other	TOTAL 2021
	£'000's	£'000's	£'000's	£'000's	£'000's
Charitable Activities	5,071	217	53	635	5,976
Fundraising	510	-	-	165	675
Trading	513	430	6	72	1,021
VASD	25	11	2	2	40
MERU	283	63	92	124	562
SSM	-	-	-	-	-
Grange	798	287	14	73	1,172
DevCo	-	-	-	-	-
Support Costs	1,104	427	123	707	2,361
Governance	-	-	-	41	41
TOTAL	8,304	1,435	290	1,819	11,847

Resources expended in the year include the following:

	2021
	£'000's
Staff costs	8,304
Auditors Remuneration:	
- Fees payable for the external audit	41
Movement in provision	
- Fees payable for the internal audit	-
Professional liability insurance	6
(which includes Trustees' indemnity insurance)	
Depreciation of fixed assets	290
Operating leases - hire of other assets	-

2020	Staff Costs	Property Costs	Depn.	Other	TOTAL 2020
	£'000's	£'000's	£'000's	£'000's	£'000's
Charitable Activities	4,814	619	46	574	6,053
Fundraising	474	-	-	451	925
Trading	628	471	7	141	1,247
VASD	41	17	4	20	82
MERU	284	64	92	188	628
SSM	16	1	1	4	23
Grange	55	16	1	8	80
DevCo	-	-	-	-	-
Support Costs	1,143	(23)	111	679	1,910
Governance	-	-	-	38	38
TOTAL	7,456	1,165	261	2,103	10,985

Resources expended in the year include the following:

	2020
	£'000's
Staff costs	7,456
Auditors Remuneration:	
- Fees payable for the external audit	38
Movement in provision	
- Fees payable for the internal audit	-
Professional liability insurance	5
(which includes Trustees' indemnity insurance)	
Depreciation of fixed assets	261
Operating leases - hire of other assets	-

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

15 ALLOCATION OF SUPPORT COSTS AND PENSIONS ADJUSTMENT

2021	Direct Costs	IT	Shared Services	Pensions	TOTAL 2021
	£'000's	£'000's	£'000's	£'000's	£'000's
Care & Rehabilitation	2,444	127	494	98	3,163
Independent Living	3,167	147	570	113	3,997
Assisted Aviation	45	2	8	2	57
Mobility Services	589	36	134	27	786
Other	-	-	-	-	-
Fundraising	675	45	173	34	927
Trading	1,021	13	58	-	1,092
VASD	39	3	13	-	55
MERU	561	5	27	-	593
SSM	-	-	-	-	-
Grange	1,173	-	3	-	1,176
QEF Developments	-	-	2	-	2
	9,714	378	1,482	274	11,848

2020	Direct Costs	IT	Shared Services	Pensions	TOTAL 2020
	£'000's	£'000's	£'000's	£'000's	£'000's
Care & Rehabilitation	1,830	103	658	58	2,649
Independent Living	2,807	136	999	76	4,018
Assisted Aviation	74	-	-	-	74
Mobility Services	630	30	143	17	820
Other	7	-	-	-	7
Fundraising	925	44	203	25	1,196
Trading	1,247	25	88	-	1,361
VASD	82	5	26	-	113
MERU	628	-	2	-	630
SSM	23	1	7	-	32
Grange	80	-	3	-	83
QEF Developments	-	-	2	-	2
	8,336	343	2,131	175	10,985

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

16 EMPLOYEES

The average number of persons employed by QEF during the year was:

	Full time 2021	Full time 2020	Part time 2021	Part time 2020
Care & Rehabilitation	26	24	20	29
Independent Living Services	50	43	15	12
Mobility Services	7	7	14	11
Accessible Aviation	-	1	1	-
Central Services	21	24	3	8
Fundraising & Publicity	14	10	2	2
QEF	118	109	55	62
Commerical Trading Operations	13	16	23	28
VASD	-	-	1	2
MERU	5	6	3	4
SSM	-	1	-	1
Grange	17	17	15	17
GROUP	153	149	97	114

	GROUP		QEF	
	2021 £'000's	2020 £'000's	2021 £'000's	2020 £'000's
Staff costs:				
Salaries and wages	6,131	5,547	4,762	4,633
Agency	1,423	1,192	1,306	1,189
Social Security costs	511	480	432	424
Defined benefit pension scheme costs	8	7	-	-
Other pension scheme costs	5	8	5	8
Defined contribution pension costs	207	206	166	166
Health scheme	19	15	14	11
	8,304	7,455	6,685	6,431

Agency costs are used mainly to cover staff vacancies, particularly where this is essential to meet Registered Homes staffing levels.

In the year 2021, 0 (2020: 2) members of the Board of Trustees were reimbursed £0 (2020: £518) for expenses incurred on behalf of QEF.

The Trustees received no remuneration in the year (2020: £nil).

Key management personnel for QEF include the Trustees, Chief Executive (and other senior staff reporting directly to the Chief Executive). The total employee benefits of the QEF Group's key management personnel were £510k (2020: £474k).

During the year over 400 volunteers helped QEF. They provide support in a variety of ways across the QEF shops as well as at our centres.

The number of employees earning £60,000 p.a. or more was:

	2021	2020
£60,000 - £69,999	3	3
£70,000 - £79,999	2	1
£100,000 - £109,999	1	-
£120,000 - £129,999	-	1

Contributions to the defined contribution scheme by the employer on behalf of these staff was £19,361 (2020: £11,053)

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

17 LEGACIES

The charity has received notification of its entitlement to legacies estimated at £543,209 (2020: £536,550) which have not been included in the financial statements. These are only accounted for when received in view of the uncertainty up to that point as to the amounts involved.

18 VALUE ADDED TAX

QEF, being a registered charity, is unable to recover the major part of VAT incurred on its expenditure. Where applicable, expenditure has been shown including VAT.

19 CAPITAL COMMITMENTS

Group and QEF

Capital commitments at 31 March 2021 not provided for in these financial statements:

	2021 £'000's	2020 £'000's
Contracted for	-	-
	<u>-</u>	<u>-</u>

20 PENSION COST

Defined benefit scheme

A restructuring plan was proposed and agreed between QEF, the pension scheme trustees and the PPF, with the scheme entering into an assessment period with the PPF in November 2019. The pension scheme liability was replaced with a liability of £30m to the PPF which is a long term creditor.

The assessment period with the PPF has come to an end and the Defined Benefit Scheme has now been fully adopted by the PPF.

The Pensions Trust

At the balance sheet date there was one employee who was an active member of The Pensions Trust Growth Plan 3. The Plan is a multi-employer defined benefit pension plan and the member of the scheme paid contributions at a rate of 7% of basic salary. Employer contributions were also 7% of salary. In the twelve months to 31 March 2020 the employer made pension contributions of £864 (2020: £995). There were no outstanding contributions due at the end of the year (2020: £0).

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

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £132m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11.2m per annum
(payable monthly and increasing by 3% each on 1 April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2016 to 31 March 2025: £12,945,440 per annum
(payable monthly and increasing by 3% each on 1 April)

From 1 April 2016 to 31 March 2028: £54,560 per annum
(payable monthly and increasing by 3% each on 1 April)

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 company has agreed to a deficit funding arrangement the company 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.

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

20 PENSION COST (Contd)

Teachers' pension scheme

The Teachers' pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. The GA's report of October 2012 revealed that the total liabilities of the Scheme amounted to £191.5 million and the value of the assets was £176.6 million. The current employee contribution rate ranges from 7.4% to 11.7% and the employer contribution rate is 16.48%. A copy of the GA's 2012 valuation report can be found on the Department for Education website. In the twelve months to 31 March 2021 the employer made pension contributions of £0 (2020: £1,442). There were no outstanding contributions due at the end of the year.

The last employee in the TPS left QEF in January 2020, so there are no longer any contributions to this scheme.

Defined contribution scheme

QEF provides employees with the opportunity to join a Group Personal Pension Plan (GPPP). Employer contribution rates vary, for the majority of staff the employer rate is 5%, for former members of the final salary pension scheme it is 9% and for those staff who joined through the auto-enrolment process it was 4%. A third party pension provider holds the assets of the GPPP. The pension charge for the year was £199k (2020: £180k). There were outstanding contributions due at the end of the year of £30,072 (2020: £27,594).

A member of staff at MERU has their own private pension plan into which the employer contributes 6.5% of the employee's gross salary provided the employee has made a personal contribution. The pension charge for the year was £1,032 (2020: £1,060). There were no outstanding contributions due at the end of the year (2020: £Nil).

NHS Scheme

Three members of staff at MERU participated in the NHS pension scheme. This is a defined benefit scheme. In the event of underfunding, liability would rest with the NHS. The employer contributes 14% of the employee's gross salary provided the employee had made a personal contribution of 9.3%. The pension charge for the year was £6,293 (2020: £18,746). There were no outstanding contributions due at the end of the year (2020: £Nil). During the year, two out of the three members of the scheme left QEF, hence the lower level of contribution.

21 LONG TERM LIABILITIES

The defined benefit pension scheme deficit was transferred over to the Pension Protection Fund (PPF) resulting in a £30m long-term loan to QEF. The £30m loan comprised two loan notes; the Sale Note instrument for £7.5m to be repaid through property disposals and the Term Note instrument for £22.5m to be repaid over 30 years at £750k per annum. The PPF has first charge over all QEF buildings.

At the start of the year, the PPF charges included both Dorincourt and Banstead Place sites which were valued at £7.5m for the purposes of the Sale Notes. Banstead Place was sold in October 2020 providing £4.9m towards the repayment of the £7.5m. The remaining £2.6m outstanding will continue to attract interest at 2% per annum, paid in quarterly instalments. When Dorincourt is sold, any proceeds over the agreed £7.5m will be deducted from the Term Loan Notes therefore reducing the PPF loan repayment period.

QEF was due to start repaying the PPF Term Notes of £22.5m at a rate of £187.5k per quarter from December 2020 (a total £750k per annum) however the PPF agreed that the December 2020 payment could be deferred due to the financial impact of COVID-19. The first quarterly payment was made in April 21.

The amount outstanding to the PPF at 31 March 2021 under both loan notes was £25.1m. On initial recognition, the term notes were discounted at 4% over the term of the loan and are subsequently measured at amortised cost using 4% as the effective interest rate. The total amount outstanding at 31 March 2021 was £14.2m of which £668k is due within one year and the balance of £13,566k due after one year.

In 2021, QEF was issued a loan of £750k under the Coronavirus Business Interruption Loan Scheme (CBILS). The loan is repayable over 60 months from September 2021 and after an interest free period of 1 year, interest is payable at 1.88% pa + base rate. The amount outstanding at 31 March 2021 was £750k of which £75k is due within 1 year and the balance of £675k is due after one year.

Total loan repayable:	2021	2020
	£000's	£000's
PPF	14,234	18,852
CBILS	750	-
	<u>14,984</u>	<u>18,852</u>

Loans fall due:	2021	2020
	£000's	£000's
Under 1 year	743	-
Within 2-5 years	2,571	6,983
After more than 5 years	11,670	11,869
	<u>14,984</u>	<u>18,852</u>

QEF Queen Elizabeth's Foundation for Disabled People

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

22 LEASE COMMITMENTS

At 31 March 2021 the group had non-cancellable total commitments under operating leases for properties, which expire:

	2021 £000's	2020 £000's
Under 1 year	607	644
Within 2-5 years	1,653	2,038
After more than 5 years	1,180	1,402
	3,440	4,084

23 GRANTS RECEIVED

	2021 £'000's	2020 £'000's
Department for Transport	590	477
Department for Transport Project Funding	20	2
Motability	28	10
Motor Neurone Disease Association	-	35
Retail Grant Scheme	529	-
Infection Control and COVID Grants	429	-
	1,597	524

24 RELATED PARTY DISCLOSURES

During the year Queen Elizabeth Foundation for Disabled People charged management fees to its subsidiaries as follows:

	2021		2020
The Voluntary Association for Surrey Disabled Ltd	£ 16,056	£	30,995
The Sutton Shopmobility Charity Company	£ -	£	8,500
Medical Engineering Resource Unit	£ 31,136	£	2,280
QEF Trading Ltd	£ 70,952	£	115,276

During the year Queen Elizabeth Foundation for Disabled People was charged a management fee by QEF Developments Ltd, a subsidiary company, of £0 (2020: £148,283).

During the year Queen Elizabeth's Foundation for Disabled People issued a grant to MERU for £100k. Queen Elizabeth's Foundation for Disabled People also received donations from The Grange (2016) Ltd for £200k.

Included within creditors at year end for Queen Elizabeth Foundation for disabled people are the following balances with subsidiaries:

	2021		2020
QEF Trading Ltd	£ 140,315	£	224,063
QEF Developments Limited	-£ 9,466	£	-
The Voluntary Association for Surrey Disabled Ltd	£ 572,491	£	596,605

Included within debtors at year end for Queen Elizabeth Foundation for disabled people are the following balances with subsidiaries:

	2021		2020
Medical Engineering Resource Unit	£ 349,512	£	347,202
QEF Developments Limited	£ -	£	91,616
The Sutton Shopmobility Charity Company	£ 69,843	£	69,843
The Grange (2016) Ltd	£ 8,488	£	-

During the Year, The Grange (2016) Ltd gave QEF an intercompany loan of £122,558.

25 CONTROL

The charitable company is under the control of its members. No one member has sufficient voting rights to control the charitable company.

NOTES TO THE FINANCIAL STATEMENTS (Contd)
 FOR THE YEAR ENDED 31 MARCH 2021

26 RECONCILIATION OF NET MOVEMENT IN FUNDS

	2021	2020
	£'000's	£'000's
QEF Incoming Resources	12,421	10,657
QEF Resources Expended	(11,848)	(10,985)
QEF Operating (Deficit)/ Surplus	573	(327)
Other movements in Funds	(259)	4,245
Net Movement in Funds on SOFA	<u>314</u>	<u>3,918</u>

27 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Other financial instruments

i. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

ii. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.