

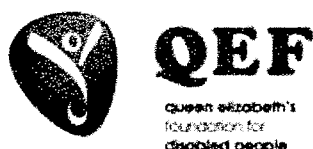
Queen Elizabeth's Foundation For Disabled People

Financial Statements

**For the year ended
31 March 2021**

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013



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 CONNAUGHTON 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 adaption 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.

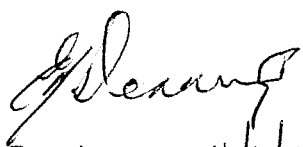
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

COMPANY REGISTRATION NO. 00892013

| | | GROUP | | QEF | |
|--|------|-----------------|-----------------|-----------------|-----------------|
| | Note | 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> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

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 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 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 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.

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 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 £'000's | 2020 £'000's |
|------------------------|-----------------|-----------------|
| The balance comprises: | | |
| Shares at cost | 280 | 280 |
| | <u>280</u> | <u>280</u> |

The results for the year ended 31 March 2021 net of intra-group transactions of £68k (2020: £112k), were as follows:

| | 2021 £'000's | 2020 £'000's |
|-------------------------------|-----------------|-----------------|
| Turnover | 1,098 | 1,370 |
| Cost of Sales | (28) | (54) |
| | <u>1,070</u> | <u>1,316</u> |
| Administrative expenses | (996) | (1,192) |
| Taxation | 0 | 0 |
| Profit on ordinary activities | <u>74</u> | <u>123</u> |

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

| | 2021 £'000's | 2020 £'000's |
|-------------------------|-----------------|-----------------|
| Fixed Assets | 3 | 10 |
| Current assets | 411 | 409 |
| Current liabilities | (130) | (140) |
| Net Current assets | <u>282</u> | <u>269</u> |
| | <u>285</u> | <u>279</u> |
| Called up share capital | 280 | 280 |
| Donations Paid | 0 | 0 |
| Profit & loss account | 5 | (1) |
| Shareholders surplus | <u>285</u> | <u>279</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 new CRC centre.

The results for the period ended 31 March 2021 were as follows:

| | 2021 £'000's | 2020 £'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 | <u>(1)</u> | <u>161</u> |

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

| | 2021 £'000's | 2020 £'000's |
|---------------------|-----------------|-----------------|
| Fixed Assets | - | - |
| Current assets | 25 | 1,065 |
| Current liabilities | (12) | (898) |
| Net Current assets | <u>13</u> | <u>167</u> |
| | <u>13</u> | <u>167</u> |

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 £'000's | 2020 £'000's |
|-------------------------------|-------------------------------|-------------------------------|
| Turnover | 1,315 | 94 |
| Administrative expenses | (1,200) | (83) |
| Taxation | - | - |
| Profit for the financial year | <u>115</u> | <u>11</u> |

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

| | £'000's | 2021 £'000's | £'000's | 2020 £'000's |
|---------------------|----------------|-------------------------------|----------------|-------------------------------|
| Fixed Assets | | 781 | | 765 |
| Current assets | 138 | | 198 | |
| Current liabilities | <u>(121)</u> | | <u>(80)</u> | |
| Net Current assets | | <u>18</u> | | <u>118</u> |
| | | <u>798</u> | | <u>883</u> |

4d INVESTMENTS (Contd)

CURRENT ASSET INVESTMENTS

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

GROUP

| | 2021 £'000's | 2020 £'000's |
|---------------|-------------------------------|-------------------------------|
| Listed Shares | 23 | 20 |
| Deposits | <u>1</u> | <u>1</u> |
| | <u>24</u> | <u>21</u> |

QEF

| | 2020 £'000's | 2020 £'000's |
|---------------|-------------------------------|-------------------------------|
| Listed Shares | 19 | 16 |
| Deposits | <u>1</u> | <u>1</u> |
| | <u>20</u> | <u>17</u> |

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 £'000's | 2020 £'000's |
|---------------------------------|-----------------|-----------------|
| VASD equipment hire and sales | 1 | 25 |
| Income from property | 15 | 33 |
| Grant Income | 32 | - |
| Gifts & donations | 7 | 8 |
| | <u>55</u> | <u>66</u> |
| Cost of sales | - | (6) |
| | <u>55</u> | <u>60</u> |
| Cost of charitable activities | (53) | (104) |
| Fundraising and publicity costs | - | 0 |
| Governance costs | (2) | (2) |
| Surplus on ordinary activities | <u>-</u> | <u>(46)</u> |

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 | | 339 | | 340 |
| Current assets | 619 | | 621 | |
| Current liabilities | <u>(10)</u> | | <u>(13)</u> | |
| Net Current assets | | 609 | | 608 |
| Pension Scheme Liability | | <u>(31)</u> | | <u>(37)</u> |
| | | <u>917</u> | | <u>911</u> |

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 £'000's | 2020 £'000's |
|--|-----------------|-----------------|
| MERU equipment sales | 267 | 265 |
| Grants | 92 | - |
| Gifts & donations | 143 | 336 |
| | <u>502</u> | <u>601</u> |
| Cost of sales | <u>(114)</u> | <u>(108)</u> |
| | <u>388</u> | <u>494</u> |
| Cost of charitable activities | (414) | (436) |
| Fundraising and publicity costs | (35) | (83) |
| Governance costs | (2) | (2) |
| Surplus/(Deficit) on ordinary activities | <u>(63)</u> | <u>(28)</u> |

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 £'000's | 2020 £'000's | QEF 2021 £'000's | 2020 £'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 | 2020 | QEF | 2020 |
|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| | | 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 |
| | | 1,246 | 1,540 | 1,462 | 1,659 |

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 | 2020 | QEF | 2020 |
|--|----------------|----------------|----------------|----------------|
| | 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 |
| | 2,643 | 2,605 | 3,154 | 3,060 |

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 |
| | 160 | 106 | (160) | 106 |

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 |
| | 133 | 160 | (133) | 160 |

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 31 March 2021 |
|-----------------------------------|----------------------------|-----------------------|------------------------------------|-----------------------------|
| | Balance at 1 April 2020 | Incoming Resources | Expenditure Gains and Losses | |
| 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 | - | - | - | - |
| | <u>800</u> | <u>1,269</u> | <u>(1,401)</u> | <u>668</u> |

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 31 March 2020 |
|-----------------------------------|----------------------------|-----------------------|------------------------------------|-----------------------------|
| | Balance at 1 April 2019 | Incoming Resources | Expenditure Gains and Losses | |
| 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 | - | - | - | - |
| | <u>1,786</u> | <u>1,412</u> | <u>(2,398)</u> | <u>800</u> |

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

NOTES TO THE FINANCIAL STATEMENTS (Contd)
FOR THE YEAR ENDED 31 MARCH 2021

10 GENERAL UNRESTRICTED FUNDS

| | GROUP 2021 £'000's | 2020 £'000's | QEF 2021 £'000's | 2020 £'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 | <u>23,619</u> | <u>(257)</u> | <u>(14,239)</u> | <u>9,124</u> | <u>(31)</u> | <u>9,093</u> |
| | <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 | <u>28,249</u> | <u>(713)</u> | <u>(18,853)</u> | <u>8,684</u> | <u>(37)</u> | <u>8,647</u> |
| | <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 2021 £'000's | 2020 £'000's | QEF 2021 £'000's | 2020 £'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

| | Direct Costs | IT | Shared Services | Pensions | TOTAL 2021 |
|-----------------------|--------------|------------|-----------------|------------|---------------|
| 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 |
| | <u>9,714</u> | <u>378</u> | <u>1,482</u> | <u>274</u> | <u>11,848</u> |

| | Direct Costs | IT | Shared Services | Pensions | TOTAL 2020 |
|-----------------------|--------------|------------|-----------------|------------|---------------|
| 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 |
| | <u>8,336</u> | <u>343</u> | <u>2,131</u> | <u>175</u> | <u>10,985</u> |

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)

QEF Queen Elizabeth's Foundation for Disabled People

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 | - | - |

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 |
| | <u>3,440</u> | <u>4,084</u> |

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 | - |
| | <u>1,597</u> | <u>524</u> |

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 £'000's | 2020 £'000's |
|----------------------------------|-------------------------------|-------------------------------|
| QEF Incoming Resources | 12,421 | 10,657 |
| QEF Resources Expended | <u>(11,848)</u> | <u>(10,985)</u> |
| 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.