

Queen Elizabeth's Foundation For Disabled People

Financial Statements

**For the year ended
31 March 2022**

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013



Queen Elizabeth's
Foundation for
Disabled People



Enabling Potential

TRUSTEES, SENIOR MANAGERS AND ADVISORS

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

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

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

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

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

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

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

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

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

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

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

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

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

TRUSTEES' REPORT

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

Purpose of the charity

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

What we do

The services we offer include the following:

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

These services are supported by the following teams:

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

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

Geographical Reach

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

Vision Statement

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

Values and behaviours

We believe:

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

Public benefit

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

MAIN ACTIVITIES

QEF Care and Rehabilitation Centre

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

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

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

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

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

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

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

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

QEF Residential Care and Supported Living

Independent Living Service (ILS)

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

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

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

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

The Grange (2016) Ltd (the Grange)

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

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

Independent Mobility

QEF Mobility Services

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

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

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

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

VASD

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

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

MERU

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

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

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

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

QEF Trading Limited

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

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

E&P

Engagement and Partnerships (Fundraising)

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

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

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

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

People

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

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

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

Volunteering

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

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

COVID-19 Command Structure

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

LOOKING FORWARD

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

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

1) Deliver operational excellence

We will:

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

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

2) Strengthen our business

We will:

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

3) Seek innovative and sustainable solutions

We will:

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

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

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

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

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

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

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

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

Trustees

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

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

RISK MANAGEMENT

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

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

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

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

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

Remuneration

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

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

FINANCIAL REVIEW

Income and expenditure

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

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

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

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

Cash flow

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

Balance sheet

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

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

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

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

Going concern

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

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

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

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

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

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

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

Reserves policy

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

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

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

Investment policy

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of QEF for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the Trustees are aware:

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

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

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



E J Denning
Director

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013

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

Opinion

We have audited the financial statements of Queen Elizabeth's Foundation for Disabled People (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the Consolidated and Group Company Balance Sheets, the Group Summary Income and Expenditure Account, the Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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

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

Our approach was as follows:

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

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

Date: 5 December 2022

Chartered Accountants
Statutory Auditor

9 Appold Street
London
EC2A 2AP

QEF Queen Elizabeth's Foundation for Disabled People

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

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

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



E J Denning
Chairman of the Board of Trustees

QEF Queen Elizabeth's Foundation for Disabled People

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

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

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

All incoming resources and resources expended derive from continuing activities.

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

QUEEN ELIZABETH'S FOUNDATION FOR DISABLED PEOPLE

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2022**

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

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

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

Analysis of changes in net funds - group

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1 ACCOUNTING POLICIES

Company Status

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

Principal Accounting Policies

The financial statements comprise the charity and its subsidiaries.

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

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

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

Presentation of Financial Statements

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

Basis of Consolidation

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

Going Concern

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

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

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

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

Incoming Resources

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

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

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

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

Fixed Assets and Depreciation

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

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

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

Freehold land and buildings are stated at existing use value.

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

Goodwill

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

Amortisation

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

Goodwill	5 years
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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 2022

Resources Expended (cont'd)

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

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

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

Operating Leases

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

Investments

At 31 March 2022 the value of the investments held at NatWest Bank were £1k (2021 £1k).

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

Pensions

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

Grant Commitments

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

Taxation

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

Critical accounting estimates and areas of judgement

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

As disclosed in note 19 to the financial statements, the pension scheme deficit has been determined using a number of actuarial assumptions. Variations in those assumptions, particularly in regard to discount rates and projected returns on investments, can cause significant changes (positive and negative) in the resulting valuation of the scheme liabilities. The trustees have relied on independent actuarial advice in respect of the assumptions used, however these are by nature uncertain and may therefore result in material adjustments in subsequent years' financial statements.

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

QEF Queen Elizabeth's Foundation for Disabled People

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

2 TANGIBLE FIXED ASSETS

GROUP	Freehold Land & Buildings £'000's	Leasehold Property £'000's	Equipment £'000's	Motor Vehicles £'000's	Total £'000's
Cost at 1.4.21	23,148	-	3,414	258	26,820
Additions	208	-	181	13	402
Disposals	-	-	38	15	53
Revaluation gain	-	-	-	-	-
Cost at 31.3.22	23,356	-	3,557	256	27,169
Depreciation at 1.4.21	-	-	2,530	243	2,773
Revaluation adjustment	-	-	-	-	-
Charge for year	-	-	302	9	311
On disposals	-	-	20	15	35
Depreciation at 31.3.22	-	-	2,812	237	3,049
NET BOOK VALUE at 31.3.22	23,356	-	745	19	24,120
NET BOOK VALUE at 31.3.21	23,148	-	884	15	24,047

QEF	Freehold Land & Buildings £'000's	Leasehold Property £'000's	Equipment £'000's	Motor Vehicles £'000's	Total £'000's
Cost at 1.4.21	22,597	-	2,527	218	25,342
Additions	172	-	87	-	259
Disposals	-	-	-	15	15
Cost at 31.3.22	22,769	-	2,614	203	25,586
Depreciation at 1.4.21	-	-	1,889	216	2,105
Charge for year	-	-	184	1	185
On disposals	-	-	-	15	15
Depreciation at 31.3.22	-	-	2,073	202	2,275
NET BOOK VALUE at 31.3.22	22,769	-	541	1	23,311
NET BOOK VALUE at 31.3.21	22,597	-	638	2	23,237

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

3 INTANGIBLE FIXED ASSETS

GROUP	Goodwill £'000's	Total £'000's
Cost at 1.4.21	(123)	(123)
Additions	-	-
Cost at 31.3.22	(123)	(123)
Amortisation at 1.4.21	25	25
Charge for year	24	24
Amortisation at 31.3.22	49	49
NET BOOK VALUE at 31.3.22	(74)	(74)
NET BOOK VALUE at 31.3.21	(98)	(98)

QEF	Goodwill £'000's	Total £'000's
Cost at 1.4.21	-	-
Additions	-	-
Cost at 31.3.22	-	-
Amortisation at 1.4.21	-	-
Charge for year	-	-
Amortisation at 31.3.22	-	-
NET BOOK VALUE at 31.3.22	-	-
NET BOOK VALUE at 31.3.21	-	-

QEF Queen Elizabeth's Foundation for Disabled People

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

4 INVESTMENTS

All subsidiaries are included in the consolidation. The registered address of all subsidiaries except The Grange (2016) Ltd is: Leatherhead Court, Woodlands Road, Leatherhead, Surrey, KT22 0BN. The registered address for The Grange (2016) Ltd is: The Grange, The Green, Benenden, Cranbrook, Kent, TN17 4DN

4a INVESTMENTS (Contd)

QEF RETAIL TRADING

Company Number: 00913002

QEF owns 100% of the ordinary share capital of QEF Trading Limited, which is registered in England. 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.

	2022 £'000's	2021 £'000's
The balance comprises:		
Shares at cost	280	280
	<u>280</u>	<u>280</u>

The results for the year ended 31 March 2022 net of intra-group transactions of £127k (2021: £68k), were as follows:

	2022 £'000's	2021 £'000's
Turnover	1,319	1,098
Cost of Sales	(25)	(28)
	<u>1,294</u>	<u>1,070</u>
Administrative expenses	(1,054)	(996)
Taxation	0	0
Profit on ordinary activities	<u>240</u>	<u>74</u>

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

	2022 £'000's	2021 £'000's
Fixed Assets	18	4
Current assets	510	411
Current liabilities	(130)	(130)
Net Current assets	<u>380</u>	<u>281</u>
	<u>398</u>	<u>285</u>
Called up share capital	280	280
Donations Paid	0	0
Profit & loss account	118	5
Shareholders surplus	<u>398</u>	<u>285</u>

4b INVESTMENTS (Contd)

QEF DEVELOPMENTS LIMITED

Company Number: 10069580

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

The results for the period ended 31 March 2022 were as follows:

	2022 £'000's	2021 £'000's
Turnover	172	74
Professional fees and building costs	(172)	(71)
Gross profit	0	3
Administrative expenses	(2)	(2)
Taxation	0	0
Profit for the financial year	<u>(2)</u>	<u>1</u>

QEF Queen Elizabeth's Foundation for Disabled People

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

4b INVESTMENTS (Contd)

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

	£'000's	2022 £'000's	£'000's	2021 £'000's
Fixed Assets		-		-
Current assets	168		25	
Current liabilities	(157)		(12)	
Net Current assets		11		13
		11		13

4c INVESTMENTS (Contd)

THE GRANGE (2016) LTD

Company Number: 10106614

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

The results for the year ended 31 March 2022 were as follows net of intercompany transactions of £223k (2021 £220k):

	2022 £'000's	2021 £'000's
Turnover	1,312	1,315
Administrative expenses	(1,125)	(1,200)
Taxation	-	-
Profit for the financial year	187	115

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

	£'000's	2022 £'000's	£'000's	2021 £'000's
Fixed Assets		809		781
Current assets	185		261	
Current liabilities	(109)		(121)	
Net Current assets		76		140
		885		921

4d INVESTMENTS (Contd)

CURRENT ASSET INVESTMENTS

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

GROUP

	2022 £'000's	2021 £'000's
Listed Shares	33	23
Deposits	0	1
	33	24

QEF

	2022 £'000's	2021 £'000's
Listed Shares	27	19
Deposits	0	1
	27	20

QEF Queen Elizabeth's Foundation for Disabled People

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

4e SUBSIDIARIES

VASD

Company Number: 07759768
Charity Number: 1143985

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

The results for the year ended 31 March 2022 net of intra-group transactions of £203k (2021: £14k), were as follows:

	2022 £'000's	2021 £'000's
VASD equipment hire and sales	2	1
Income from property	13	15
Grant Income	3	32
Gifts & donations	257	7
	<u>275</u>	<u>55</u>
Cost of sales	0	0
	<u>275</u>	<u>55</u>
Cost of charitable activities	(31)	(53)
Fundraising and publicity costs	0	0
Governance costs	(2)	(2)
Surplus on ordinary activities	<u>242</u>	<u>0</u>

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

	£'000's	2022 £'000's	£'000's	2021 £'000's
Fixed Assets		336		339
Current assets	656		619	
Current liabilities	(4)		(10)	
Net Current assets		652		609
Pension Scheme Liability		(6)		(31)
		<u>982</u>		<u>917</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 2022 net of intra-group transactions of £134k (2021: -£66k), were as follows:

	2022 £'000's	2021 £'000's
MERU equipment sales	267	267
Grants	10	92
Gifts & donations	369	143
	<u>646</u>	<u>502</u>
Cost of sales	(160)	(114)
	<u>486</u>	<u>388</u>
Cost of charitable activities	(286)	(414)
Fundraising and publicity costs	(35)	(35)
Governance costs	(2)	(2)
Surplus/(Deficit) on ordinary activities	<u>163</u>	<u>(63)</u>

QEF Queen Elizabeth's Foundation for Disabled People

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

4f SUBSIDIARIES (Contd)

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

	£'000's	2022 £'000's	£'000's	2021 £'000's
Fixed Assets		158		196
Current assets	269		273	
Current liabilities	(372)		(444)	
Net Current assets		(103)		(171)
		55		25

4g SUBSIDIARIES (Contd)

SSM

Company Number: 3291147
Charity Number: 1060286

Sutton Shopmobility (SSM) joined the QEF Group on 1 July 2012. SSM ceased trading on 24 December 2019 and the company was dissolved at Companies House on 7 June 2022.

5 STOCKS

	GROUP 2022 £'000's	2021 £'000's	QEF 2022 £'000's	2021 £'000's
Raw materials and finished goods	96	80	-	-

6 DEBTORS

	GROUP 2022 £'000's	2021 £'000's	QEF 2022 £'000's	2021 £'000's
Amounts falling due within one year				
Trade Debtors	943	880	889	817
Amount due from subsidiary company	-	-	155	437
Taxation & Social Security receivable	8	5	-	-
Other Debtors	99	44	52	9
Prepayments	255	265	162	166
Accrued Income	387	52	378	33
	1,692	1,246	1,636	1,462

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 2022 £'000's	2021 £'000's	QEF 2022 £'000's	2021 £'000's
Trade Creditors	750	619	540	544
Taxation and Social Security payable	231	459	211	433
Amount due to subsidiary company	-	-	766	835
Other Creditors	177	170	797	766
Loans repayable	741	743	-	-
Accruals	482	545	413	511
Deferred income (see note 8)	574	107	514	65
	2,955	2,643	3,241	3,154

All creditors are unsecured, interest free and repayable on demand.

All creditors are financial instruments and are measured at present value.

QEF Queen Elizabeth's Foundation for Disabled People

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

8 DEFERRED INCOME - Group and QEF

	Balance at 1 April 2021 £'000's	Incoming Resources £'000's	Amount Released £'000's	Balance at 31 March 2022 £'000's
2022				
Fundraising events income	35	14	(35)	14
CRC	0	484	0	484
Independent Living Services	5	3	(5)	3
Mobility Services	26	9	(26)	9
Central Services	0	4	0	4
The Grange	38	60	(38)	60
VASD Holiday Income	3	0	(3)	0
	<u>107</u>	<u>574</u>	<u>(107)</u>	<u>574</u>

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

	Balance at 1 April 2020 £'000's	Incoming Resources £'000's	Amount Released £'000's	Balance at 31 March 2021 £'000's
2021				
Fundraising events income	47	35	(47)	35
Independent Living Services	31	5	(31)	5
Mobility Services	10	26	(10)	26
Central Services	5	0	(5)	0
The Grange	53	38	(53)	38
VASD Holiday Income	14	3	(14)	3
	<u>160</u>	<u>107</u>	<u>(160)</u>	<u>107</u>

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

9 RESTRICTED FUNDS - Group and QEF

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

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

	Balance at 1 April 2020 £'000's	Incoming Resources £'000's	Movement in Funds Expenditure Gains and Losses £'000's	Balance at 31 March 2021 £'000's
2021				
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.

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

10 GENERAL UNRESTRICTED FUNDS

	GROUP 2022 £'000's	2021 £'000's	QEF 2022 £'000's	2021 £'000's
Balance brought forward	9,093	8,648	8,988	7,991
Net movement of resources in the year	1,077	445	838	997
Balance carried forward	10,170	9,093	9,826	8,988

11 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

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

	Tangible Fixed Assets	Net Current Assets	Creditors falling due after more than 1 year	Total Funds ex Pensions Deficit	Pensions Deficit	Total 2021
	£'000's	£'000's	£'000's	£'000's	£'000's	£'000's
2021						
Restricted funds	330	338	-	668	-	668
Unrestricted funds	23,619	(256)	(14,239)	9,124	(31)	9,093
	23,949	81	(14,239)	9,792	(31)	9,761

12 RECONCILIATION OF MOVEMENT IN FUNDS

	GROUP 2022 £'000's	2021 £'000's	QEF 2022 £'000's	2021 £'000's
Opening funds	9,761	9,447	9,304	8,915
Net movements of resources in the year	1,124	314	859	389
Closing funds	10,885	9,761	10,163	9,304

13 GOVERNMENT GRANTS

Total operating income in the year ended 31 March 2022 includes government grants of £135k (2021: £1,587k) comprising income from the Coronavirus Job Retention Scheme of £4k and the Infection Control Grant Scheme of £131k.

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

14 TOTAL RESOURCES EXPENDED

2022	Staff Costs	Property Costs	Depn.	Other	TOTAL 2022
	£'000's	£'000's	£'000's	£'000's	£'000's
Charitable Activities	6,358	231	64	785	7,438
Fundraising	463	0	0	285	748
Trading	561	437	2	76	1,076
VASD	23	3	-	5	31
MERU	212	12	92	189	505
SSM	-	-	-	(70)	(70)
Grange	771	253	26	72	1,122
DevCo	-	-	-	-	-
Support Costs	1,117	380	121	938	2,556
Governance	-	-	-	37	37
TOTAL	9,505	1,316	305	2,317	13,443

Resources expended in the year include the following:

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

2021	Staff Costs	Property Costs	Depn.	Other	TOTAL 2021
	£'000's	£'000's	£'000's	£'000's	£'000's
Charitable Activities	5,071	217	54	635	5,977
Fundraising	510	-	-	165	675
Trading	513	430	6	72	1,021
VASD	25	11	2	2	39
MERU	283	63	92	124	562
SSM	-	-	-	-	-
Grange	797	287	14	73	1,172
DevCo	-	-	-	-	-
Support Costs	1,104	427	123	707	2,362
Governance	-	-	-	41	41
TOTAL	8,303	1,435	291	1,820	11,848

Resources expended in the year include the following:

	2021
	£'000's
Staff costs	8,304
Auditors Remuneration:	
- Fees payable for the external audit	41
Movement in provision	
- Fees payable for the internal audit	-
Professional liability insurance	6
(which includes Trustees' indemnity insurance)	
Depreciation of fixed assets	291
Operating leases - hire of other assets	607

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

15 ALLOCATION OF SUPPORT COSTS AND PENSIONS ADJUSTMENT

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

2021	Direct Costs £'000's	IT £'000's	Shared Services £'000's	Pensions £'000's	TOTAL 2021 £'000's
Care & Rehabilitation	2,444	127	494	98	3,163
Independent Living	3,167	147	570	113	3,997
Assisted Aviation	45	2	8	2	57
Mobility Services	589	36	134	27	786
Other	-	-	-	-	-
Fundraising	675	45	173	34	927
Trading	1,021	13	58	-	1,092
VASD	39	3	13	-	55
MERU	561	5	27	-	593
Grange	1,173	-	3	-	1,176
QEF Developments	-	-	2	-	2
	9,714	378	1,482	274	11,848

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

16 EMPLOYEES

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

	Full time 2022	Full time 2021	Part time 2022	Part time 2021
Care & Rehabilitation	36	26	25	20
Independent Living Services	46	50	34	15
Mobility Services	7	7	21	14
Accessible Aviation	0	0	0	1
Central Services	21	21	5	3
Fundraising & Publicity	11	14	5	2
QEF	121	118	90	55
Commerical Trading Operations	14	13	23	23
VASD	-	-	1	1
MERU	4	5	5	3
Grange	17	17	15	15
GROUP	156	153	134	97

	GROUP		QEF	
	2022	2021	2022	2021
	£'000's	£'000's	£'000's	£'000's
Staff costs:				
Salaries and wages	6,456	6,131	5,109	4,762
Agency	2,242	1,423	2,163	1,306
Social Security costs	565	511	474	432
Defined benefit pension scheme costs	7	8	0	0
Other pension scheme costs	3	5	2	5
Defined contribution pension costs	213	207	176	166
Health scheme	19	19	14	14
	9,505	8,304	7,938	6,685

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

In the year 2022, 0 (2021: 0) members of the Board of Trustees were reimbursed £0 (2021: £0) for expenses incurred on behalf of QEF.

The Trustees received no remuneration in the year (2021: £nil).

Key management personnel for QEF include the Trustees, Chief Executive (and other senior staff reporting directly to the Chief Executive). The total employee benefits of the QEF Group's key management personnel were £615k (2021: £510k).

During the year around 350 volunteers helped QEF. They provide support in a variety of ways across the QEF shops as well as at our centres.

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

	2022	2021
£60,000 - £69,999	2	3
£70,000 - £79,999	4	2
£100,000 - £109,999	1	1

Contributions to the defined contribution scheme by the employer on behalf of these staff was £20,909 (2021: £19,361)

17 LEGACIES

The charity has received notification of its entitlement to legacies estimated at £338,104 (2021: £275,030) which have been included in the financial statements. These legacies have been notified and although not received at year end, were considered probable and measurable in accordance with the FRS102. Prior to 2021/22, legacies were not recognised on this basis.

18 VALUE ADDED TAX

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

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

19 CAPITAL COMMITMENTS

Group and QEF

Capital commitments at 31 March 2022 not provided for in these financial statements:

	2022 £'000's	2021 £'000's
Contracted for	-	-

20 PENSION COST

Defined benefit scheme

A restructuring plan was proposed and agreed between QEF, the pension scheme trustees and the PPF, with the scheme entering into an assessment period with the PPF in November 2019. The pension scheme liability was replaced with a liability of £30m to the PPF which is a long term creditor.

The assessment period with the PPF has come to an end and the Defined Benefit Scheme has now been fully adopted by the PPF.

The Pensions Trust

At the balance sheet date there was no employee who was an active member of The Pensions Trust Growth Plan 3, however there was a member earlier in the year. A new member to join the plan will need to be found by October 2022. The Plan is a multi-employer defined benefit pension plan and the member of the scheme paid contributions at a rate of 7% of basic salary. Employer contributions were also 7% of salary. In the twelve months to 31 March 2022 the employer made pension contributions of £289.82 (2021: £864.48). There were no outstanding contributions due at the end of the year (2021: £0).

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

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11.2m per annum
(payable monthly and increasing by 3% each on 1 April)

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

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

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

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

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

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

20 PENSION COST (Contd)

Present value of provision

	31 March 2022	31 March 2021	31 March 2020
	£	£	£
Present value of provision	5,717	31,032	36,769

Reconciliation of opening and closing provisions

	31 March 2022	31 March 2021
	£	£
Provision at start of period	31,032	36,769
Unwinding of the discount factor (interest expense)	179	826
Deficit contribution paid	(7,853)	(7,624)
Remeasurements - impact of any changes in assumptions	(131)	1,061
Remeasurements - amendments to the contribution schedule	(17,510)	-
Provision at end of period	5,717	31,032

Income and expenditure impact

	31 March 2022	31 March 2021
	£	£
Interest expense	179	826
Remeasurements - impact of any changes in assumptions	(131)	1,061
Remeasurements - amendments to the contribution schedule	(17,510)	-
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	-	-

Assumptions

	31 March 2022	31 March 2021	31 March 2020
	% per annum	% per annum	% per annum
Rate of discount	2.35	0.66	2.53

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

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

Deficit contributions schedule

Year ending	31 March 2022	31 March 2021	31 March 2020
	£	£	£
Year 1	2,083	7,853	7,624
Year 2	2,083	8,088	7,853
Year 3	1,736	8,331	8,088
Year 4	-	7,151	8,331
Year 5	-	-	7,151
Year 6	-	-	-
Year 7	-	-	-
Year 8	-	-	-
Year 9	-	-	-
Year 10	-	-	-

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

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

20 PENSION COST (Contd)

Defined contribution scheme

QEF provides employees with the opportunity to join a Group Personal Pension Plan (GPPP). Employer contribution rates vary, for the majority of staff the employer rate is 5%, for former members of the final salary pension scheme it is 9% and for those staff who joined through the auto-enrolment process it was 4%. A third party pension provider holds the assets of the GPPP. The pension charge for the year was £202k (2021: £199k). There were outstanding contributions due at the end of the year of £30,722 (2021: £30,072).

A member of staff at MERU has their own private pension plan into which the employer contributes 6.5% of the employee's gross salary provided the employee has made a personal contribution. The pension charge for the year was £1,128 (2021: £1,032). There were no outstanding contributions due at the end of the year (2021: £Nil).

The defined contribution pension expense and year end liability relates solely to unrestricted funds. The expense is allocated across the group's activities on the basis of where each employee/scheme member works.

NHS Scheme

There was only one member of staff in the NHS Pension Scheme at the start of the year. This was a defined benefit scheme. In the event of underfunding, liability would rest with the NHS. The employer contributed 14% of the employee's gross salary provided the employee had made a personal contribution of 9.3%. The pension charge for the year was £1,791 (2021: £6,293). There were no outstanding contributions due at the end of the year (2021: £Nil). During the year, the last member of the scheme QEF, hence the lower level of contribution.

21 LONG TERM LIABILITIES

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

Initially, the PPF charges included both Dorincourt and Banstead Place sites which were valued at £7.5m for the purposes of the Sale Notes. Banstead Place was sold in October 2020 providing £4.9m towards the repayment of the £7.5m. The remaining £2.6m outstanding will continue to attract interest at 2% per annum, paid in quarterly instalments. When Dorincourt is sold, any proceeds over the agreed £7.5m will be taken off the Term Loan Notes therefore reducing the PPF loan repayment period.

QEF was due to start repaying the PPF Term Notes of £22.5m at a rate of £187.5k per quarter from December 2020 (a total £750k per annum) however the PPF agreed that the December 2020 payment could be deferred due to the financial impact of COVID-19. The first quarterly payment was made in April 21.

The amount outstanding to the PPF at 31 March 2022 under both loan notes was £24.6m (2021: £25.1m). On initial recognition, the term notes were discounted at 4% over the term of the loan and are subsequently measured at amortised cost using 4% as the effective interest rate. The total amount outstanding at 31 March 2022 was £13.6m (2021: £14.2m) of which £641k is due within one year and the balance of £12,988k due after one year.

In 2021, QEF was issued a loan of £750k under the Coronavirus Business Interruption Loan Scheme (CBILS). The loan is repayable over 60 months from September 2021 and after an interest free period of 1 year, interest is payable at 1.88% pa + base rate. The amount outstanding at 31 March 2022 was £712k (2021: £750k) of which £100k is due within 1 year and the balance of £612k is due after one year.

Total loan repayable:

	2022	2021
	£000's	£000's
PPF	13,630	14,234
CBILS	712	750
	14,342	14,984

Loans fall due:

	2022	2021
	£000's	£000's
Under 1 year	741	743
Within 2-5 years	2,928	2,571
After more than 5 years	10,673	11,670
	14,342	14,984

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

22 LEASE COMMITMENTS

At 31 March 2022 the group had non-cancellable total commitments under operating leases for properties, which expire:

	2022 £000's	2021 £000's
Under 1 year	358	607
Within 2-5 years	1,012	1,653
After more than 5 years	980	1,180
	2,350	3,440

23 GRANTS RECEIVED

	2022 £'000's	2021 £'000's
Department for Transport	563	590
Department for Transport Project Funding	45	20
Motability	43	28
Retail Grant Scheme	61	529
Infection Control and COVID Grants	190	429
	902	1,596

24 RELATED PARTY DISCLOSURES

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

	2022	2021
The Voluntary Association for Surrey Disabled Ltd	£ 15,622	£ 16,056
Medical Engineering Resource Unit	£ 111,161	£ 31,136
QEF Trading Ltd	£ 130,572	£ 70,952

During the year Queen Elizabeth's Foundation for Disabled People issued a grant to MERU for £0k (2021: £100k). Queen Elizabeth's Foundation for Disabled People received donations from The Grange (2016) Ltd for £223k (2021: £200k).

Queen Elizabeth's Foundation for Disabled People also received donations from VASD for £190k (2021: £0k).

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

	2022	2021
QEF Trading Ltd	£ 157,587	£ 140,315
QEF Developments Limited	£ 133,508	-£ 9,466
The Voluntary Association for Surrey Disabled Ltd	£ 594,312	£ 572,491
The Grange (2016) Ltd	£ 14,506	£ -

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

	2022	2021
Medical Engineering Resource Unit	£ 288,565	£ 349,512
The Sutton Shopmobility Charity Company	£ -	£ 69,843
The Grange (2016) Ltd	£ -	£ 8,488

During the Year, The Grange (2016) Ltd gave QEF an intercompany loan of £0 (2021: £122,558).

25 CONTROL

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

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

26 RECONCILIATION OF NET MOVEMENT IN FUNDS

	2022 £'000's	2021 £'000's
QEF Incoming Resources	14,432	12,421
QEF Resources Expended	(13,443)	(11,848)
QEF Operating (Deficit)/ Surplus	989	573
Other movements in Funds	135	(259)
Net Movement in Funds on SOFA	1,124	314

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 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.

