

Queen Elizabeth's Foundation For Disabled People

Financial Statements

**For the year ended
31 March 2023**

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013



**Queen Elizabeth's
Foundation for
Disabled People**



Enabling Potential

TRUSTEES, SENIOR MANAGERS AND ADVISORS

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

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CEO AND CHAIRMAN'S STATEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TRUSTEES' REPORT

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

Purpose of the charity

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

What we do

The services we offer include the following:

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

These services are supported by the following teams:

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

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

Geographical Reach

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

Vision Statement

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

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

Values and behaviours

We believe:

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

Public benefit

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

MAIN ACTIVITIES

QEF Care and Rehabilitation Centre

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

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

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

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

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

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

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

QEF Residential Care and Supported Living

Independent Living Service (ILS)

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

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

The Grange (2016) Ltd (the Grange)

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

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

Independent Mobility

QEF Mobility Services

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

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

VASD

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

MERU

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

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

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

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

QEF Trading Limited

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

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

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

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

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

Engagement and Partnerships ("E&P")

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

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

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

People

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

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

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

Volunteering

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

LOOKING FORWARD

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

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

1) Deliver operational excellence

We will:

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

2) Strengthen our business

We will:

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

3) Seek innovative and sustainable solutions

We will:

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Structure

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

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

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

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

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

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

Trustees

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

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

RISK MANAGEMENT

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

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

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

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

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

Remuneration

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

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

FINANCIAL REVIEW

Income and expenditure

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

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

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

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

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

Cash flow

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

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

Balance sheet

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

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

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

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

Going concern

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

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

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

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

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

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

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

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

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

Reserves policy

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

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

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

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

Investment policy

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

In so far as the Trustees are aware:

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

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

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



Gordon Bowser
Chairman

CHARITY NO. 251051

COMPANY REGISTRATION NO. 00892013

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

Opinion

We have audited the financial statements of Queen Elizabeth's Foundation for Disabled People (the "parent charitable company") and its subsidiaries (the "group") for the year ended 31st March 2023 which comprise the consolidated and Group Balance Sheets, the Group Summary Income and Expenditure Account, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Our approach was as follows:

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken

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

Moore Kingston Smith LLP

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

Date: *11/12/2023*

Chartered Accountants
Statutory Auditor

9 Appold Street
London
EC2A 2AP

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

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

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

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



Gordon Bowser

Chairman of the Board of Trustees

QEF Queen Elizabeth's Foundation for Disabled People

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

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

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

All incoming resources and resources expended derive from continuing activities.

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023

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

Analysis of changes in net funds - group

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

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

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

1 ACCOUNTING POLICIES

Company Status

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

Principal Accounting Policies

The financial statements comprise the charity and its subsidiaries.

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

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

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

Presentation of Financial Statements

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

Basis of Consolidation

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

Going Concern

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

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

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

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

Financial Instruments

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

Other financial instruments

i. Cash and cash equivalents

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

ii. Debtors and creditors

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

Stocks

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

Resources Expended

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

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

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

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

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

Operating Leases

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

Investments

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

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

Incoming Resources

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

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

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

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

Fixed Assets and Depreciation

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

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

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

Freehold land and buildings are stated at existing use value.

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

Goodwill

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

Amortisation

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

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

Pensions

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

Grant Commitments

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

Taxation

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

Critical accounting estimates and areas of judgement

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

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

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

QEF Queen Elizabeth's Foundation for Disabled People

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

2 TANGIBLE FIXED ASSETS

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

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

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

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

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

3 INTANGIBLE FIXED ASSETS

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

QEF	Goodwill £'000's	Total £'000's
Cost at 1.4.22	-	-
Additions	-	-
Cost at 31.3.23	-	-
Amortisation at 1.4.22	-	-
Charge for year	-	-
Amortisation at 31.3.23	-	-
NET BOOK VALUE at 31.3.23	-	-
NET BOOK VALUE at 31.3.22	-	-

QEF Queen Elizabeth's Foundation for Disabled People

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

4a INVESTMENTS

QEF RETAIL TRADING

Company Number: 00913002

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

	2023 £'000's	2022 £'000's
The balance comprises:		
Shares at cost	280	280
	<u>280</u>	<u>280</u>

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

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

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

	£'000's	2023 £'000's	£'000's	2022 £'000's
Fixed Assets		15		18
Current assets	482		510	
Current liabilities	<u>(47)</u>		<u>(130)</u>	
Net Current assets		435		380
Long term liabilities		<u>(46)</u>		<u>398</u>
		<u>404</u>		<u>398</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 2023 were as follows:

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

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

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

QEF Queen Elizabeth's Foundation for Disabled People

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

4c INVESTMENTS (Contd)

THE GRANGE (2016) LTD

Company Number: 10106614

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

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

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

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

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

4d INVESTMENTS (Contd)

VASD

Company Number: 07759768
Charity Number: 1143985

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

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

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

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

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

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

4e INVESTMENTS (Contd)

MERU

Company Number: 1214125
Charity Number: 269804

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

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

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

4f INVESTMENTS (Contd)

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

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

4g INVESTMENTS (Contd)

CURRENT ASSET INVESTMENTS

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

GROUP

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

QEF

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

5 STOCKS & ASSETS HELD FOR RESALE

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

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

QEF Queen Elizabeth's Foundation for Disabled People

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

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

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

7 CREDITORS

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

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

8 DEFERRED INCOME - Group and QEF

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

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

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

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

QEF Queen Elizabeth's Foundation for Disabled People

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

9 RESTRICTED FUNDS - Group and QEF

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

2023	Movement in Funds			
	Balance at 1 April 2022	Incoming Resources	Expenditure Gains and Losses	Balance at 31 March 2023
	£'000's	£'000's	£'000's	£'000's
CRC	138	453	(476)	115
Independent Living Services	72	20	(60)	32
Mobility Services	126	737	(737)	126
Central Services	-	-	-	-
Residents of The Grange	-	15	-	15
Voluntary Assoc. Surrey Disabled	330	-	(330)	-
Medical Engineering Resource Unit	49	175	(224)	-
	<u>715</u>	<u>1,400</u>	<u>(1,827)</u>	<u>288</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 mostly received in respect of capital expenditure. The movement in funds also includes donations for revenue projects that have mostly been spent in the year.

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

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

10 GENERAL UNRESTRICTED FUNDS

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

11 ANALYSIS OF GROUP ASSETS BETWEEN FUNDS

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

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

QEF Queen Elizabeth's Foundation for Disabled People

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

12 RECONCILIATION OF MOVEMENT IN FUNDS

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

13 GOVERNMENT GRANTS

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

14 TOTAL RESOURCES EXPENDED

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

Resources expended in the year include the following:

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

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

Resources expended in the year include the following:

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

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

15 ALLOCATION OF SUPPORT COSTS AND PENSIONS ADJUSTMENT

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

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

16 EMPLOYEES

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

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

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

16 EMPLOYEES (Contd)

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

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

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

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

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

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

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

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

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

17 LEGACIES

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

18 VALUE ADDED TAX

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

19 CAPITAL COMMITMENTS

Group and QEF

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

	2023	2022
	£'000's	£'000's
Contracted for	128	-
	128	-

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

20 PENSION COST

Defined benefit scheme

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

The Pensions Trust

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

The company participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

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

Deficit contributions

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

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

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustees asked the participating employers to pay additional contributions to the scheme as follows:

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

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

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

Present value of provision

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

Reconciliation of opening and closing provisions

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

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

20 PENSION COST (Contd)

Income and expenditure impact

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

Assumptions

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

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

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

Deficit contributions schedule

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

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

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

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

20 PENSION COST (Contd)

Defined contribution scheme

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

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

21 LONG TERM LIABILITIES

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

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

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

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

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

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

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

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

22 LEASE COMMITMENTS

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

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

23 GRANTS RECEIVED

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

24 RELATED PARTY DISCLOSURES

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

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

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

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

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

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

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

25 CONTROL

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

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

26 RECONCILIATION OF NET MOVEMENT IN FUNDS

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

27 POST BALANCE SHEET EVENT

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

