

ANNUAL REPORT AND ACCOUNTS 2023–24

THE QUEEN ELIZABETH II CONFERENCE CENTRE EXECUTIVE
AGENCY TRADING AS THE QUEEN ELIZABETH II CENTRE

QUEEN ELIZABETH II CENTRE



On the front page, the Pocket Watch Sculpture displayed is part of London Heritage Quarter's Summer Sculpture Trail.



The Queen Elizabeth II Conference Centre
Annual Report and Accounts 2023–24

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to Section 4(6) of the Government Trading Funds Act 1973 as amended by the Government Trading Act 1990.

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Performance Report

CHIEF EXECUTIVE'S STATEMENT

Trading Performance

I am delighted to report that The Queen Elizabeth II Conference Centre (known as "the Centre") has generated its best ever revenue since opening in 1986 and sees a healthy return to profitability. The Centre delivered total revenues of £17.6m, equivalent to 110% of what was achieved in its best year of trading in 2019-20 of £15.9m.

Room hire for the year was £7.7m versus the plan of £7.4m. In terms of secondary revenue, the results have been quite phenomenal achieving £9.6m versus the plan of £7.1m. Following the success in 2022-23, secondary revenue once again achieved the record ratio to room hire of 124%. As a result, the Centre has delivered a surplus from its operations of £1.0m against £0.6m planned and has also repaid the remaining £2.6m loan to its parent agency, Ministry of Housing, Community and Local Government ("MHCLG") by 31 March 2024.

Future Bookings and Industry Awards

With the Centre previously earmarked as a temporary decant location for the House of Lords as part of the Restoration and Renewal ("R&R") of Parliament, this restriction has since been removed and the Centre has been able to contract numerous multi-year contracts for future bookings to 2029. The many years of advising clients of this closure will take time to reverse perceptions, whilst the Centre works tirelessly to re-build its portfolio by proactively liaising with clients, business tourism industry bodies and promotional agencies.

The Centre has continued to be successful at winning industry awards following its impressive track record over the years. These included 2 London Venue & Catering Awards: The Sustainability Award for Caterers (Gold); and Best Venue Team (Silver).

Economic Contribution

With 2023-24's revenue having outperformed 2022-23's by 118%, the Centre contributed a Gross Value Added ("GVA") to UK GDP of £221m in 2023-24, which generated UK expenditure of £385m, with the Centre supporting 5,014 FTE jobs.

Workforce

From a human resource perspective and as a people business, the Centre's workforce has played a crucial role in driving business growth. The QEII Workforce Plan for the next year will continue to focus on maintaining stability and building a future people platform to deliver business growth.

The ongoing skills shortages in the events industry, particularly within the audio visual field, continues to present significant recruitment and retention challenges for the Centre. However, by adopting proactive recruitment strategies, supporting employee training and development, and reviewing retention initiatives, the Centre is actively addressing these challenges.

The Centre understands the impact of the cost of living on staff and strives to provide a supportive work environment. To support staff well-being, hybrid working arrangements remain in place and staff have access to a range of wellbeing support initiatives.

The Centre participated in the Investor's in People reaccreditation in 2025 and has successfully retained the Silver standard awarded in 2020 with an aspiration to achieve gold standard over the coming years.

Building Management

From a building management operations perspective, the team have had an exceptionally busy year reacting to various remedial works requirements to the plant and fabric of the building. In addition, proactive works continue in maintaining regulatory compliance across the site, upgrading front and back of house areas in line with business developments, improving fire prevention and controls, security, critical plant, service lifts, with enhanced web steaming and new virtual local area network infrastructure for client events.

Looking forward over the next few years, the Centre plans to: continue investing in the Centre's event related equipment and infrastructure; commence replacement of its 9 passenger lifts; implement a long-term maintenance programme of its building plant and fabric based on a building condition survey; re-mobilise the Centre's Building Masterplan Phase 5 to enclose the levels 4 and 5 courtyard and refurbish both floors (subject to MHCLG approval), which was paused in 2018 due to uncertainty over Parliament's Restoration and Renewal programme.

Cost Inflation

The core risk to profitability continues to be economic with persistent inflation and negative economic indicators suggesting a possible risk of an economic recession combined with labour shortages across the sector. Continuing levels of inflation and increased costs across staffing, equipment, consumables, services, and particularly food and beverage continue to significantly prejudice profitability levels and margins. It is anticipated that it will take several years to return back to profitability levels similar to those associated with pre-pandemic trading.

Despite these factors, the Centre remains committed to delivering a strong and robust business plan with its core priorities being to optimise profitability, whilst maintaining the highest possible standards of health and safety, customer delivery and experience, and facilities.

Service Providers

The Centre's Catering concession was re-tendered with a new contract that commenced January 2025. In the previous years, other services were also re-tendered resulting in new service provider contracts for: Soft Services Facilities Management (i.e. cleaning and porterage) from April 2022; Reception and Security from June 2022; and Hard Services Facilities Management (i.e. building maintenance and engineering) from January 2023.

I would like to pay tribute to the Centre's team, including our service providers, who collectively have continued to provide high quality services to our clients, and to operate and maintain our facilities with dedication, perseverance and resilience.

Performance Report continued

CHIEF EXECUTIVE'S STATEMENT CONTINUED

Energy Usage

The Operations team have continued to look for efficiency savings on energy usage across the Centre. There is ongoing work to replace all fluorescent tube lighting with sustainable light-emitting diode (LED) lighting.

The Centre is a member of the Green Tourism Accreditation programme and has been awarded Silver status. The Centre is also a member of the Greengage accreditation programme and has been awarded Gold status, recognising its ecological approach to Food and Beverage, Energy and Water Conservation, Waste Management and Recycling, Corporate and Social Responsibility and consumables.

Recycling

The recycling rate across the Centre during the year was 100% (2022-23: 100%) with 297 tonnes of waste (2022-23: 224 tonnes) either recycled or recovered as waste-to-energy. This is in line with the Greening Government Initiative on waste management (2021-2025) where a key target of waste to landfill is less than 5%. The volume of waste generated was an increase of 33% (2022-23: 42%) on the previous year due to the increased number of events, however no waste was sent to landfill.

Procurement

During the year, the Centre discovered it had suffered from manipulation of its procurement and purchasing controls between 2020 and 2023, resulting in an expense overstatement that is disclosed in the Profit and Loss as an exceptional item. Oversight controls are being proactively addressed with a complete review and tightening of procurement processes, and independent verification of purchases.

Directorate Team


During the year, both the Finance Director and the Sales and Marketing Director retired, having successfully served more than a decade on the Board. I would like to thank them both for their dedicated and outstanding contributions to the Centre over this period.

The Centre has therefore welcomed their successors. EeLain Ong was appointed Finance Director in January 2024, whilst Elena Gurgul joined as Sales and Marketing Director in March 2024. Both bring rigour and discipline into delivering business plan targets through continuous measurement of achievements.

Our previous Venue Operations Director left and has been successfully replaced with Peter Ochser who joined in June 2024 who brings a wealth of experience in venue management and operations.

Client Commitment

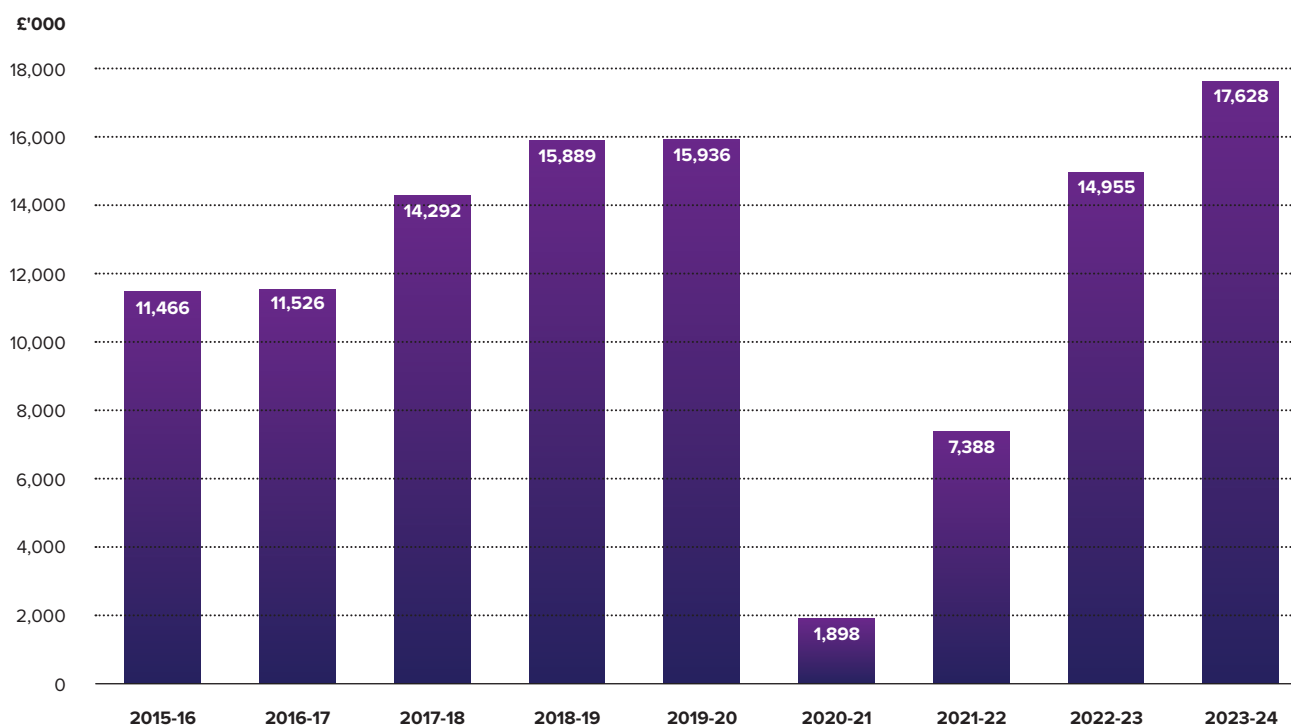
The Centre and its team remain fully committed to delivering a first-class service to the Centre's clients, through maintaining and building successful client partnerships and delivering creative, professional and innovative events. Our aim is to continue to be London's finest specialist events venue with a global reputation for excellence.



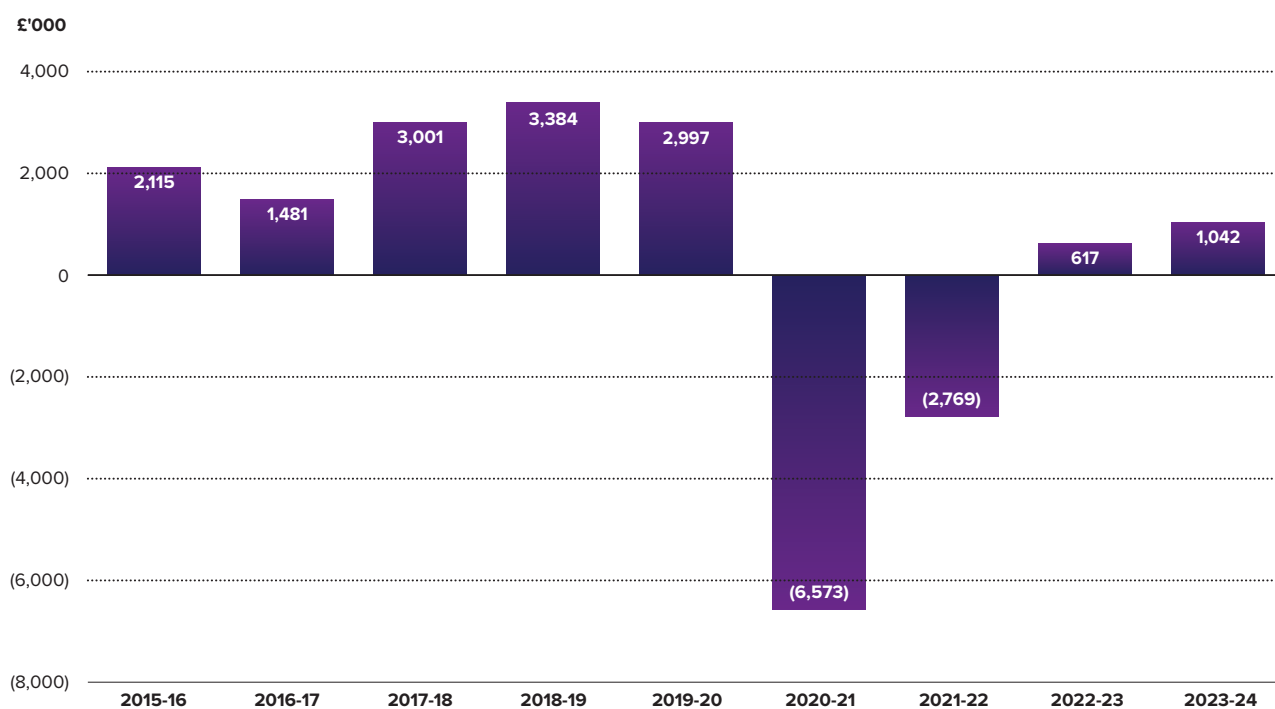
Mark Taylor, Chief Executive and Accounting Officer | 1 July 2025

Performance Report continued

10-YEAR RECORD OF REVENUE AND OPERATING SURPLUS/(DEFICIT) REVENUE (£'THOUSAND)



OPERATING SURPLUS/(DEFICIT) (£'THOUSAND)



Performance Report continued

9-YEAR RECORD OF UK ECONOMIC CONTRIBUTIONS

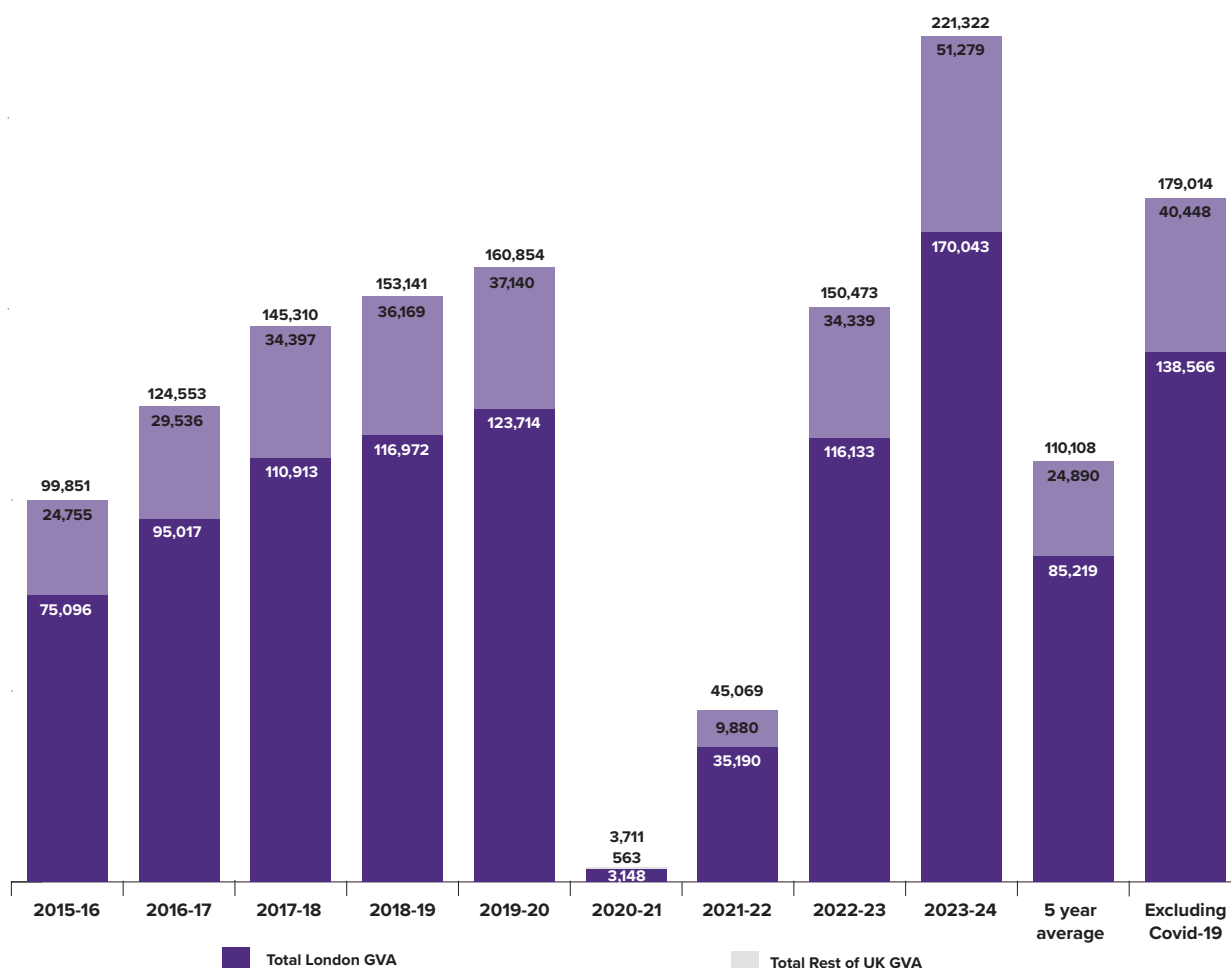
The following 3 graphs showcase the Centre's ongoing contributions to the UK economy over a 9 year period.

During 2023-24, the economic impacts generated by the Centre's activities included:

- 271,421 visitors attended events at the Centre. Of the visitors, 44% are estimated to be from London, 25% elsewhere in the UK and 31% from overseas.
- Net contribution to the UK economy was £221.3m of Gross Value Added (GVA). The Centre's contribution to UK GVA is some 12 times its annual revenue.
- Supported net employment of 5,041 of full time equivalent (FTE) jobs with 3,985 in London and a further 1,029 spread across the UK. The Centre's activities support additional jobs amounting to some 100 times its own FTE headcount.
- Total Gross UK expenditure generated by the Centre's activities was £385.3m. Visitor and exhibitor expenditure covers a range of areas including - accommodation, subsistence, transport, shopping, cultural and tourism activities.

GROSS VALUE ADDED ("GVA") (£'THOUSAND)

Incremental contribution to UK GVA as a consequence of events held at the Centre.



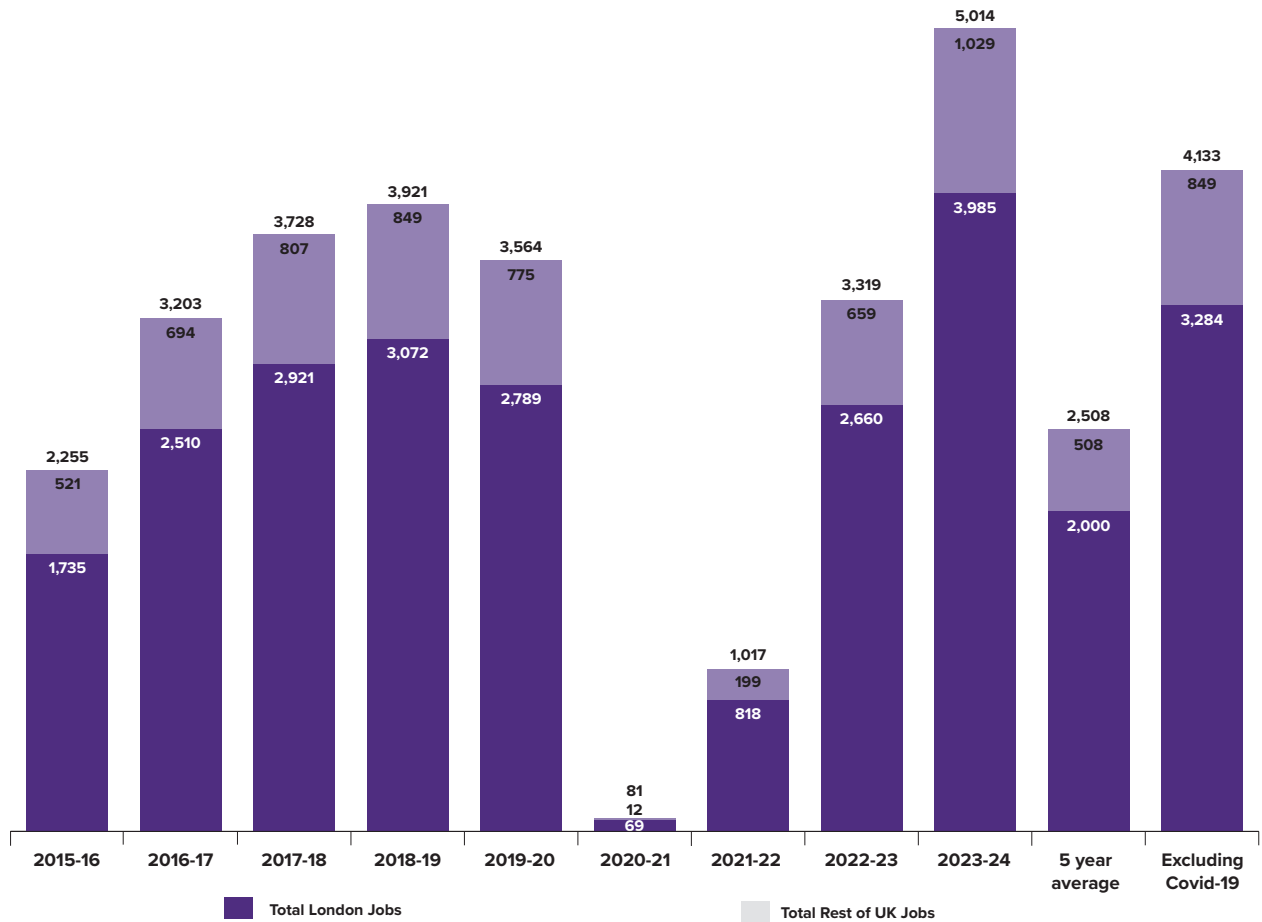
Source: Grant Thornton UK LLP analysis of Office for National Statistics data

Performance Report continued

9-YEAR RECORD OF UK ECONOMIC CONTRIBUTIONS CONTINUED

FULL TIME EQUIVALENT (“FTE”) UK JOBS CREATED (HEADCOUNT)

Incremental jobs created as a consequence of events held at the Centre.



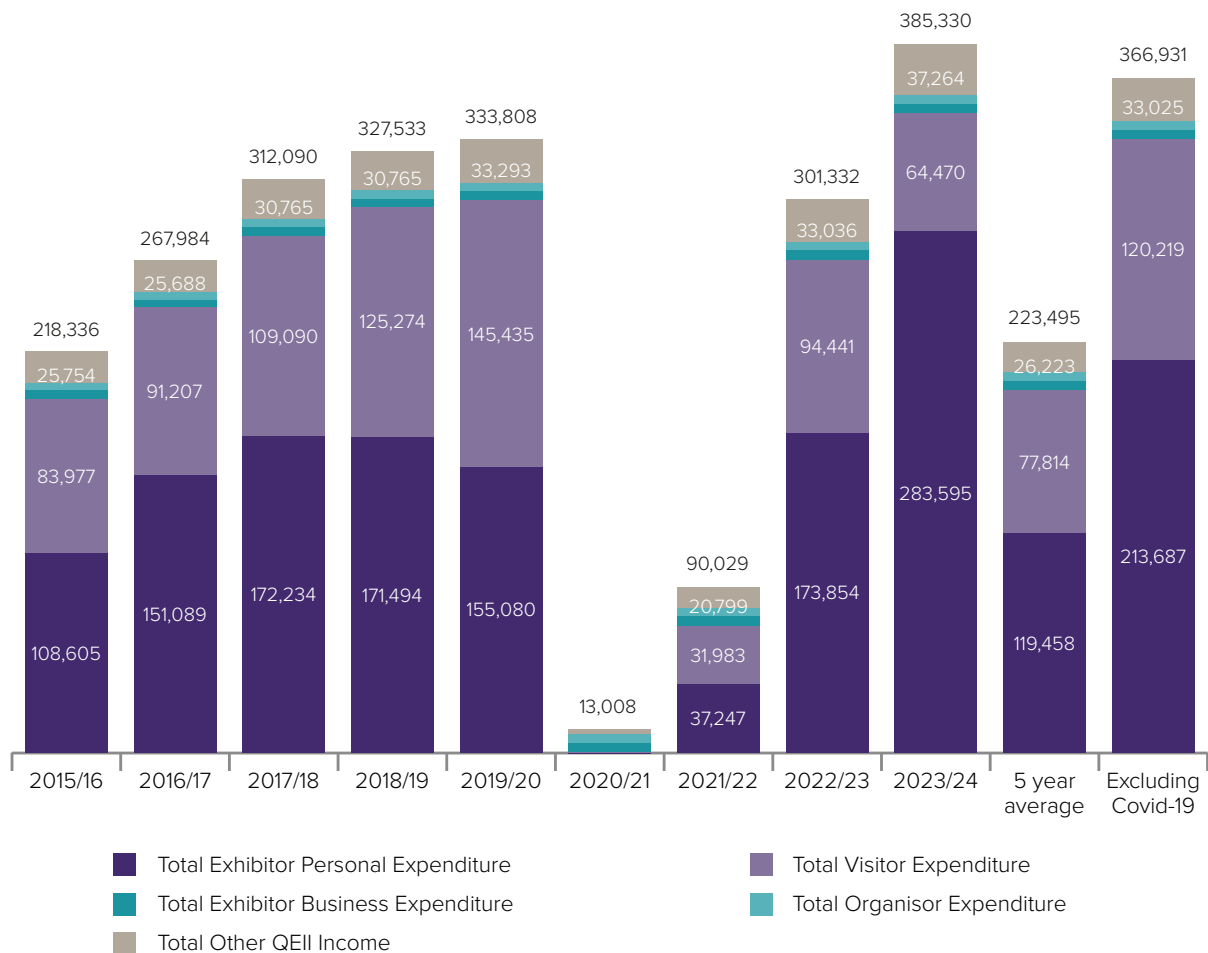
Source: Grant Thornton UK LLP analysis of Office for National Statistics data

Performance Report continued

9-YEAR RECORD OF UK ECONOMIC CONTRIBUTIONS CONTINUED

UK GROSS EXPENDITURE (£'THOUSAND)

Total spend by delegates attending events at the Centre, viz. accommodation, food, travel, tourism.



* Excluding Covid-19 is the average of 2017/18-2019/20 & 2022/23-2023/24

Source: Grant Thornton UK LLP analysis of Office for National Statistics data

Performance Analysis

1. Methods of Measurement

Capacity utilisation of the Centre is the relationship between the annual room hire revenue and a theoretical whole Centre hire of 39 lettable weeks in a year.

Scoring for client, delegate and exhibitor satisfaction is the calculated average of responses to two specific questions in the event questionnaires that accompanies each event. Expressions of overall client, delegate and exhibitor satisfaction are measured on a scale of 0% to 100% with a score of 100% representing maximum overall satisfaction.

2. Comparison Against Targets Set

The Centre's 5-year record of performance against targets were:

		2019–20	2020–21	2021–22	2022–23	2023–24
Contribution to MHCLG	Target	£1.90m	£0.0m	£0.0m	£0.0m	£0.0m
	Outturn	£1.90m	£0.0m	£0.0m	£0.0m	£0.0m
Capacity Utilisation of the Centre	Target	60.0%	N/A	N/A	45.7%	57.0%
	Outturn	62.9%	6.3%	29.0%	51.0%	55.0%
Overall Score for Client, Delegate and Exhibitor Satisfaction	Target	90.0%	N/A	N/A	90.0%	90.0%
	Outturn	100.0%	N/A	N/A	95.0%	98.0%
Number of Complaints per 100 Events	Target	<2	N/A	N/A	2.00	2.00
	Outturn	0.00	0.00	0.00	1.08	2.25
Ratio of Secondary Revenue to Room Hire Revenue	Target	90.0%	N/A	N/A	85.0%	95.0%
	Outturn	103.0%	4.3%	72.3%	124.0%	124.0%

3. History and Principal Activities

The Queen Elizabeth II Conference Centre ("the Centre") was opened by Her Majesty Queen Elizabeth II in 1986. Trading Fund status was granted on 1 April 1997 under the Government Trading Funds Act 1973. Its role is to provide conference facilities for national and international meetings at the highest level and to market its facilities commercially as a high-quality venue for both government and private sector use. The Centre continues to operate in the marketplace with the trading name, the Queen Elizabeth II Centre, which was introduced in 2014.

4. Financial Year Performance

4.1 Trading performance

Revenues continued its rapid post-pandemic recovery with significant increases across all revenue streams. Room hire has improved to £7.7m (2022-23: £6.6m), whilst other revenue streams for QEII Live (audio visual) and QEII Taste (catering) have risen to £9.6m (2022-23: £8.2m). The ratio of secondary revenue to room hire has been maintained at 124% (2022-23: 124%).

Total costs have risen to £16.7m (2022-23: £14.3m) in direct consequence of the Centre returning to normal business for the full trading period. Utility costs increased to £1.6m (2022-23: £1.1m) as a result of significant inflationary pressure on energy costs. Maintenance costs rose to £4.5m (2022-23: £2.6m) following a catch up of works suspended or postponed during the pandemic,

in addition to intensive repairs undertaken to remediate an ageing building.

Notwithstanding cost increases, the buoyant revenues generated have resulted in a surplus on ordinary activities of £1.0m (2022-23: £0.6m).

4.2 Economic contribution

The most recent assessment of the Centre's economic contribution related to trading in 2023-24, where the Centre's business contributing a Gross Value Added ("GVA") to UK GDP of £221m, with the Centre supporting 5,014 FTE jobs, and generating gross UK expenditure of £385m.

4.3 Capital and reserves

The amount of Public Capital remains unchanged at £821k.

As a result of capital works required to replace all 9 passenger lifts that would ordinarily form part of the building's landlord obligations, this would be funded out of the current year's surplus. As such, no dividend payment will be made to the Centre's building landlord and parent department, MHCLG. This resulted in the current year's surplus of £1.0m being added to the General Reserve which will increase to £8.0m (2022-23: £7.0m).

Performance Analysis continued

4.4 Cash management

Cash balances have improved to pre-pandemic levels which allowed for the repayment of the remaining £2.6m loan to its parent department, MHCLG. Supplier invoices were paid in accordance with Confederation of British Industry (CBI) guidelines, which is within 30 days from receipt of goods or services or, if later, receipt of an agreed invoice. Credit control measures on client receivables also improved at reducing exposure to risks of client bad debt.

4.5 Non-current asset management

Consistent with prior years, an annual fixed asset verification was carried out in March 2024.

5. Trends and Factors Affecting Financial Year Performance

5.1 The market in which we operate

The conference and meetings market are both local and international and are very competitive by nature. A wide range of facilities suitable for hosting conferences is available from large purpose-built conference centres in major cities to single rooms in institutions and hotels, with new and additional capacity regularly coming on stream.

The Centre can accommodate large conferences, either alone or as part of a London syndicate, as well as small to medium sized events in rooms that can be let individually. It enjoys a prestigious location facing Westminster Abbey and close to Whitehall, the Houses of Parliament and the London Eye.

The Centre is an ideal venue for large conferences and congresses, with or without an associated exhibition, and for annual general meetings and gatherings of international organisations. It also competes successfully for a diverse range of other events including award ceremonies, banquets, receptions, product launches, fashion shows, university graduations and other special events.

The products and services offered by the Centre target sections of the market that value quality, reliability, security and the latest technology. Its competitive advantage is enhanced by its catering concession with Compass Group Ltd (branded as QEII Taste), whose reputation for quality catering and excellent service is widely recognised.

Another core competitive advantage of the Centre is its own highly experienced audio visual team (branded as QEII Live) that is able to deliver the most sophisticated and complex event delivery and presentation specifications, complemented by an extraordinarily most experienced event management team.

5.2 Market conditions

The global events market has fully recovered from the pandemic disruption. Market recovery has been very strong despite multiple factors such as persistent inflation and high interest rates, conflicts in Europe and the Middle East, industrial action such as rail strikes across the UK which has weakened business and consumer confidence, with the latter resulting in event cancellations and rescheduling.

The Centre is seeing a strong return of events with high levels of international and large-scale events. Some of these events had been disrupted from their traditional meeting cycles during the pandemic and the rotational cycle for international congresses are still disrupted albeit recovering at a slower pace. Short booking lead times remains a trend in the industry. Nonetheless, the Centre's forecast revenues for the next few years look positive and achievable, so long as the prevailing economic conditions do not deteriorate further.

However current economic and business confidence indicators suggest this position may not be sustained with many organisations forecasting adverse economic conditions with sluggish GDP growth. The continued presence of persistent inflation and increased costs across staffing, equipment, consumables, services and particularly food and beverage continue to significantly prejudice profitability levels and margins. It is anticipated that it will take several years to return back to profitability levels similar to those associated with pre-pandemic trading.

5.3 Risk management

The Centre's risk management is governed by a Risk Management Working Group ("RMWG") which meets quarterly to identify, quantify and mitigate pre-existing, new and emerging latent risks. Departmental Risk Registers are maintained for all line managers to itemise risks and near misses in their departments. Key risks from the Departmental Risk Registers are then collated and fed into the Strategic Risk Register.

Risks are quantified both pre- and post-mitigation measures. The quantified risks post-mitigation are then compared to ensure these are below the Centre's risk tolerance levels. Where the quantified risks post-mitigation are above the Centre's risk tolerance levels, further remediation measures are taken to either improve existing controls or introduce additional control measures.

The effectiveness of the Centre's risk management process is reviewed by the Audit and Risk Assurance Committee. An online Health and Safety reporting system, Safesmart, is used for the recording of accidents, incidents and near misses. The key risks facing the business are reported in the Governance Statement.

5.4 Centre's strengths and resources

The Centre's principal strengths are its location and the quality of its facilities and services. Its principal resource is the considerable experience, expertise and professionalism of its staff and of its on-site service providers. Analysis of client feedback questionnaires confirms that the Centre is preferred mainly because of the quality of service provided, whether it be the creativity of QEII Tastes' (catering) cuisine, the flair of the QEII Live's (audio visual) team, the attentiveness of our event managers or our flexibility in dealing with changing circumstances.

Performance Analysis continued

6. Trends and Factors Affecting Future Performance

6.1 Strategy

The strategic aim of the Centre is to meet the financial objectives of the Trading Fund Order. To this end, the Centre has established itself as the finest specialist events venue in London with a global reputation for excellence, successful client partnership working, and the delivery of creative, professional and innovative events. Its corporate priorities anticipate a growth in clients' expectations of the quality and range of available services, and the use of leading-edge technology. Integrated commercial, operational, financial and human resource strategies are updated annually in the light of past performance and perceived changes in market conditions.

6.2 Objectives

The broad operational objective of the Centre, as set out in its Framework Document, is to operate the venue as a high-quality facility for use, on a commercial basis, by both the private and public sectors for local, national and international events. Its specific objectives are: to further strengthen commercial performance by optimising the use of the Centre; to maximise revenue from room hire and maximise secondary revenues from ancillary services such as audio visual and catering; to maintain the building and its services consistent with a high-quality venue; and to ensure that all staff members are properly trained, well-motivated and have opportunities to develop to their full potential.

6.3 Building operations

The Building Management team have continued their work to maintain regulatory compliance across the building site, upgrading front and back of house areas in line with business developments. Work continued throughout the year to improve fire prevention and controls, security, critical plant and all areas affecting Health and Safety. Other works have included: extending automated doors throughout the building; repairing the heating, ventilation and air conditioning units; extending the passenger lifts' shelf life; upgrading the basement level facilities and refurbishing broadcasting studios.

QEII Live (audio visual) have further invested in web streaming events for clients, with 4K broadcast cameras and mass recording equipment. The Centre has also invested in a new virtual local area network ("VLAN") infrastructure, allowing us to sell many different VLANs to multiple clients simultaneously. The Centre's information and communications technology ("ICT") infrastructure and plans also work flawlessly in enabling QEII personnel to work seamlessly both onsite and offsite.

6.4 Service providers

The Centre has historically outsourced both Soft and Hard Facilities Management Services. This was previously undertaken via a Framework Agreement with the Ministry of Justice ("MOJ") which came to an end in stages during 2022 and 2023.

Subsequently, these were re-tendered resulting in new contracts for: Soft Services Facilities Management (i.e. cleaning and portage) with Julius Rutherford & Co Ltd from April 2022; Reception and Security with OCS Security Ltd from June 2022; and Hard Services Facilities Management (i.e. building maintenance and engineering) with BAM FM Ltd from January 2023.

The Centre's Catering concession contract with Compass Group Ltd expired in December 2024. This was re-tendered under the Public Sector Procurement regulations, with a new contract that commenced from January 2025 with the same service provider.

6.5 Competitive pricing

Market conditions have ensured that a high level of competitiveness remains, and pricing policies have been market compared against the Centre's core competitors. In responding to high levels of inflation impacting costs, the Centre has deployed dynamic pricing policies to maintain its profitability levels, whilst remaining competitive without compromising standards and its position in the marketplace.

6.6 Trading outlook

6.6.1 Trading overview

Trading for 2024-25 remains on a strong trajectory with signed contracts for room hire at £8.0m as at March 2025 versus the full year plan of £8.1m. Whilst room hire for subsequent years 2025-26 and beyond are progressing to plan. Since the lifting of the trading restrictions in May 2022, which was imposed by the proposed Restoration and Renewal (R&R) project, the Centre has been able to trade unencumbered and has increased its focus once more on competing for larger association and international events which generally have a much longer lead time. The Centre has to date secured numerous contracts for multi-year deals for future bookings through to 2029.

6.6.2 Going concern assessment

As earlier reported, the Centre was previously earmarked as a temporary decant location for the House of Lords as part of the Restoration and Renewal ("R&R") of Parliament. However this restriction was removed in May 2022 by the Secretary of State for the then Department of Levelling Up, Housing and Communities (since renamed MHCLG) – thus allowing the Centre to trade unencumbered and it has now been able to contract numerous multi-year contracts for future bookings up to 2029.

The Minister in approving the 2024-25 and 2025-26 business plans, has agreed with the Centre's various capital expenditure plans, namely to continue investing in the Centre as follows: upgrade event related equipment and infrastructure; commence replacement of its 9 passenger lifts; implement a long-term maintenance programme of its building plant and fabric based on a building condition survey; re-mobilise the Centre's Building Masterplan Phase 5 to enclose the levels 4 and 5 courtyard and refurbish both floors (subject to MHCLG approval), which was paused in 2018 due to the R&R project uncertainty.

The Centre maintains the financial security of being able to borrow up to £12m via its Statutory Instrument from its parent department, MHCLG. In addition, MHCLG has provided a letter of support advising that should any issues arise now or in the future that affects the Centre's ability to meet its contractual commitments, MHCLG will provide the Centre with sufficient financial resources to cover the costs incurred. Accordingly, management considers it appropriate to continue to adopt the going concern basis.

Performance Analysis continued

7. Environmental, Social and Governance ("ESG")

7.1 Sustainability reporting

The Centre in compliance with the Treasury Sustainability Reporting does report on its scope 1, 2 and 3 carbon emissions based on the data available for reporting.

7.2 Waste generated

All waste generated by the Centre were either recycled or incinerated to heat energy, with none being landfilled. This is in line with the Greening Government Initiative on waste management (2021–2025) where a key target of waste to landfill is less than 5%, which the Centre has met. The overall volume of waste generated was an increase of 33% (2022-23: 42%) on the previous year due to the increased number of events.

	Emissions	2023-24 Tonnes	2022-23 Tonnes	2023-24 CO2e Kg	2022-23 CO2e Kg
Waste Generated					
Recycled	Scope 3	204	157	0	0
Incinerated to heat energy	Scope 3	93	67	1,979	1,426
Landfilled	Scope 3	0	0	0	0
		297	224	1,979	1,426

7.3 Utilities usage

The Centre consumes water, electricity and gas energy, with no solar panels or wind turbines in existence for self-generating energy.

	Sources	Emissions	2023-24 m3	2022-23 m3	2023-24 CO2e Kg	2022-23 CO2e Kg
Water Consumed						
Water	Renewable	Scope 3	23,386	23,752	4,132	3,539
	Sources	Emissions	2023-24 kWh	2022-23 kWh	2023-24 CO2e Kg	2022-23 CO2e Kg
Energy Consumed						
Electricity	Renewable	Scope 2	6,020,645	5,961,205	1,246,721	1,152,778
Gas	Non-renewable	Scope 1	4,759,738	2,780,246	870,694	507,506
			10,780,383	8,741,451	2,117,415	1,660,284

7.4 Energy and water efficiency and sustainability

In respect of sustainability and efficiency, the Centre has undertaken numerous initiatives and continues to look for further efficiency savings to reduce energy and water consumption.

The Operations team have continued to look for efficiency savings across the Centre. There is ongoing work to replace all fluorescent tube lighting with sustainable light-emitting diode (LED) lighting.

In addition, the multi-phased programme of toilet refurbishments, installing reduced capacity flush tanks, half flush buttons as part of the Building Masterplan is on-going with the programme continuing to be rolled out over the next 3-4 years. The Centre is currently testing waterless urinals.

The Centre has also commenced a long-term maintenance programme of its building plant and fabric based on a building condition survey, which is being implemented in a phased basis over 15 years. The condition survey works programme implementation will be looking at all opportunities to reduce energy consumption and meet net zero targets including the continuation of the lighting replacement programme over to LEDs, potential use of heat pump technology (subject to planning), connection to South Westminster Area Network (low energy heat network across Westminster), installation of revolving doors to retain heat and cool environments, and replacement of all window seals to name just a few of the opportunities being considered.

7.5 Sustainability accreditation and corporate social responsibility

The Centre is a member of the Green Tourism Accreditation programme and has been awarded Silver status. The Centre is also a member of the Greengage accreditation programme and has been awarded Gold status, recognising its eco approach to Food and Beverage, Energy and Water Conservation, Waste Management & Recycling, Corporate and Social Responsibility and consumables.

The Centre's EPA assessment has rated the Centre as a "C". We continue to actively support the Victoria/Westminster Business Improvement District (BID) Clean team and Ambassador personnel, with the CEO also serving on the Victoria/Westminster BID's Board of Directors.

A board member of the Compass Quarterly Contract Meeting stepped into a new role in 2023, Net Zero Lead, which was created within Compass as part of the rollout of their long-term sustainability strategy. They have implemented a range of initiatives to help drive forward ambitious environmental targets. These include Compass UK & Ireland's plan to become net zero in the UK by 2027, which will require an 80% decarbonisation of the business. QEII continues to work closely in support of this as well as introducing its own initiatives.

8. Accounts Direction

This statement of accounts has been prepared in accordance with a Treasury direction, dated 15 December 2022, given in pursuance of section 4(6)(a) of the Government Trading Funds Act 1973.



Mark Taylor, Chief Executive and Accounting Officer | 1 July 2025

Accountability Report

DIRECTORS' REPORT

1. Management Board

The following served as members of the Management Board during the financial year and to the date of this report.

Name	Role(s)	Start Date
Executive Directors		
Mark Taylor	Chief Executive Officer Accounting Officer	Pre 1 April 2023
Raj Pragji	Human Resource Director	Pre 1 April 2023
Simon Wilkinson	Venue Operations Director (Interim)	10 October 2023
EeLain Ong	Finance Director	8 January 2024
Elena Gurgul	Sales and Marketing Director	4 March 2024
Peter Ochser	Venue Operations Director	3 June 2024

Independent Non-Executives Directors

Lindsey Hoy	Independent Non Executive Director Chair of Audit Risk and Assurance Committee	Pre 1 April 2023
Mark Riches	Independent Non Executive Director	Pre 1 April 2023

Name	Role(s)	Leave Date
Executive Directors		
Neil Chandler	Venue Operations Director	21 November 2023
John French	Finance Director (Interim)	26 January 2024
Diane Waldron	Sales and Marketing Director	31 March 2024
Simon Wilkinson	Venue Operations Director (Interim)	3 June 2024

Other than as disclosed in Note 16 to the financial statements, none of the Directors have outside interests that conflict with their management responsibilities (2022-23: none).

2. Advisory Board

The Advisory Board comprises all members of the Management Board, in addition to a Chair, whose details are set out below and who served throughout the financial year and to the date of this report.

Name	Role(s)	Start Date
Non-Executive Director		
Andy Hobart	MHCLG Commercial Director as Senior Sponsor for Centre Chair and Non-Executive Director of Advisory Board	Pre 1 April 2023

3. Employee Engagement

The Centre delivers a range of employee engagement activities to keep staff motivated and engaged to deliver ongoing excellent customer service. The Centre maintains regular contact with staff through meetings, workshops, circulars, forums and via consultation with trade union representatives. The Centre actively promotes learning and development including continuous professional development, encouraging staff to keep skills and knowledge updated and relevant.

The Centre operates a variety of reward and recognition schemes, for example, staff participate in an annual bonus scheme based on various trading outcomes achieved for the financial year. The Centre has also refreshed its culture and wellbeing plans, and has created a set of 'QEII Way' employee guidelines that will consolidate the QEII values and behavioural expectations.

4. Policy in Relation to Employment of People with a Disability

The Centre operates a fair and open recruitment and will not discriminate on any grounds as defined by the Equality Act 2010. Full and fair consideration is given to any applicants with a disability, having due regard to their experience, skills and capabilities.

5. Pension Scheme

Staff are eligible to join either the Principal Civil Service Pension Scheme ("PCSPS") and/or the Civil Servant and Other Pension Scheme ("CSOPS") the latter known as 'alpha'. The accounting policy on pension costs can be found in Note 1.16 of the financial statements and information on the Pension Schemes can be found in Note 4 to the financial statements.

6. Value of Property

The Centre does not recognise the Conference Centre land and building in their financial statements because MHCLG holds title to the land and building, which reflects the fact that the risk and rewards from the building do not fully sit with the Centre, as outlined in the original QEII Trading Fund status granted on 1 April 1997. MHCLG commissions a valuation of the property on an annual basis and the valuation at 31 March 2024 was £32.75m (2022-23: £32.5m).

7. Auditor's Remuneration

The Comptroller and Auditor General is the appointed auditor under the provisions of the Government Trading Funds Act 1973 and reports their findings to the Houses of Parliament. The cost for the audit of the financial statements is £190,000 (2022-23: £60,000). No other assurance or non-assurance services were provided (2022-23: £nil).

8. Operational Performance

The average absence from work during the year due to sickness was 11.5 days per employee which is reduced to 3.9 days if one long term sick case is excluded (2022-23: 11.5 days reducing to 5.3 days excluding two long term sick cases).

Accountability Report continued

DIRECTORS' REPORT CONTINUED

9. Personal Data Incidents

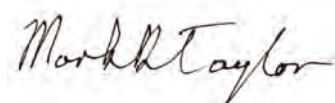
There have been no personal data related incidents during the year (2022-23: none).

10. Countering Fraud, Bribery and Corruption

The Centre has comprehensive fraud and whistleblowing policies and processes in place. These are reviewed annually and updated in accordance with government guidance. Management considers these to adequately cover the Centre's requirements.

11. Changes in Property, Plant and Equipment

Changes in property, plant and equipment are summarised in Note 8 to the financial statements.



Mark Taylor, Chief Executive and Accounting Officer | 1 July 2025

Accountability Report continued

GOVERNANCE STATEMENT

Corporate Governance

As Accounting Officer, working with the Centre's Management Board, I have responsibility for maintaining effective governance and a sound system of internal controls to achieve the strategic objectives of the Trading Fund. The key strategic objectives are to optimise commercial revenues from effective operations of the Centre and to achieve targets set by government including the payment of a dividend to MHCLG, except on those exceptional occasions (for example to fund capital replacements within the Centre's building in lieu of a dividend, or where the dividend requirement was relaxed due to the adverse trading impact of the COVID-19 pandemic and the R&R project).

This statement sets out the key challenges faced by the Centre, the risks identified and under active management, together with the control and assurance processes in place to mitigate these risks.

The key elements of the governance structure are:

- The **Management Board**, chaired by the Centre's Chief Executive Officer ("CEO"), who is also the Accounting Officer, is accountable for achievement of the strategic objectives and performance of the Centre by overseeing the completion and approval of the Centre's business plan and Annual Report. The Management Board is comprised of two Independent Non-Executive Directors, the CEO, the Finance Director, the Human Resources Director, the Sales and Marketing Director, and the Venue Operations Director. The Management Board met on four occasions during 2023-24 (2022-23: six).
- The **Advisory Board**, chaired by the MHCLG Commercial Director, who is also the Centre's Non-Executive Director, supports the MHCLG Permanent Secretary in providing advice to the Secretary of State and Ministers on business planning and target setting. The Advisory Board is comprised of the Management Board members, and the MHCLG Commercial Director. The Advisory Board met on three occasions during 2023-24 (2022-23: four).
- The **Audit and Risk Assurance Committee** ("ARAC"), chaired by an Independent Non-Executive Director, supports the Management Board and the Accounting Officer in their responsibilities for risk management, control and governance within the Centre. The ARAC is comprised of two Non-Executive Directors and in attendance are the CEO, the Finance Director, the Human Resources Director, the Sales and Marketing Director, the Venue Operations Director, the National Audit Office ("NAO"), the Government Internal Audit Agency ("GIAA") and other representatives of MHCLG. The quorum was met for all meetings during the financial year. The Audit and Risk Assurance Committee met five times during 2023-24 (2022-23: four).

There is also a proportionate structure of other sub-committees where accountability has been devolved by the Management and Advisory Boards to ensure decision-making is conducted appropriately. The other elements of the governance structure are as follows:

- The **Directors'** meeting brings together the executive directors on a weekly basis to review, monitor and manage operational performance, to manage strategic risks, to ensure clarity of accountability and decision-making at the correct level to optimise performance. Once a month, the directors meet to form the **Executive Committee**.

- The **Business Performance Management** meeting brings directors and managers together on a quarterly basis to review business performance and strategy.
- The **Remuneration Committee** meets on an as needed basis to review and approve the results of the performance appraisal process, the proposed allocation of the corporate bonus, and the pay remit.
- The **Catering Contract meetings** are held on a quarterly basis to govern the management of the Catering Contract with Compass Group Ltd: this includes reviewing contract performance and joint strategies for growing the business. The CEO and Directors of Finance, Sales and Marketing, and Venue Operations are present at meetings with the caterers, who are represented via their onsite General Manager as well as the Divisional Director.
- The **Facilities Management Contract meetings** are held between the Centre's management and its service providers: Julius Rutherford & Co Ltd who provide soft services facilities (i.e. cleaning and portage); BAM FM Ltd who provide hard services facilities (i.e. building maintenance and engineering); and OCS Security Ltd who provide reception and security services. The CEO chairs these quarterly update meetings with the onsite contractors' management team and regional management.
- The **Health and Safety Committee**, chaired by the Venue Operations Director, meets every 2 months and is attended by departmental representatives, the catering, hard and soft facilities management service providers. Safesmart, a Health and Safety online platform enables the team to: manage the recording and investigation of incidents/accidents/near misses; provide staff safety training; issue and monitor risk assessments specific to needs; log the Centre's safety and routine tests/checks; and manage internal policies and eventually log the Centre's assets.

Staff training continues to be undertaken via the Safesmart online platform to ensure staff compliance. The Centre continues to rely on internal expertise within the business to manage Health and Safety by ensuring greater accountability and performance across the site. This Committee also reports on, and reviews, core initiatives and developments with sustainability and environmental matters.
- The **Sustainability Committee**, chaired by the Venue Operations Director, meets every 2 months and maps the QEII journey towards a net zero carbon neutral strategy.

The Centre has complied with the HM Treasury corporate governance code for the period covered by this report.

Key Risks to the Centre

The Centre's previous core risks of being a decant venue during R&R of Parliament and the attendant COVID-19 repercussions have now dissipated therefore providing the opportunity to trade unencumbered and without restriction. With 2023-24 generating the highest ever revenue for the Centre, the final £2.6m tranche of parental loans were repaid in full to MHCLG by 31 March 2024.

Although the ongoing conflicts in Europe and the Middle East have not had a significant impact on trading, management is closely monitoring and managing the impacts of persistent inflation, high interest rates and labour shortages following the UK's withdrawal from the European Union and recognise the potential impact that may result from the slowing down of the global economy.

Accountability Report continued

GOVERNANCE STATEMENT CONTINUED

At the heart of the risk management process is an integrated system of long-term planning, allocation of responsibilities and budgetary control. The Centre's business plan is prepared over a three- to ten-year horizon, with annual Ministerial sign off for the first year of each business plan.

Responsibility for delivering a specific section of the business plan is allocated top-down to a director. Targets are set for the coming year and a plan is drawn up incorporating income expectations, with appropriate levels of both operating expenditure and capital expenditure to run the business effectively. This includes identification of risks, and mitigations, taking account of the risk tolerances determined by the Management Board.

Directors subsequently allocate targets, specific responsibilities, and financial authority to the managers within their departments. In line with a prudent approach to financial management, close scrutiny of expenditure across all areas of the Centre's operations continues, with close monitoring of actual expenditure against the business plan undertaken by departmental managers every month.

The Risk Management Working Group ("RMWG")

The Risk Management Working Group is chaired by the Finance Director and oversees the Centre's risk management process. Directors and managers supply regular updates on the identification, quantification and mitigation of pre-existing, new and emerging latent risks in their departmental areas of responsibility. The Strategic Risk Register is formulated by selecting the most important risks emanating from each Departmental Risk Register and this is tabled at the Directors' meetings, the Audit and Risk Assurance Committee, and the Management Board.

The Audit and Risk Assurance Committee ("ARAC")

The Audit and Risk Assurance Committee is chaired by Lindsey Hoy, the Centre's Independent Non-Executive Director, a qualified accountant who was formerly Head of Audit with AXA, and sits on a range of other audit and risk committees. The Committee oversees the risk management processes and regularly reviews the Centre's Strategic Risk Register. The Committee continues to provide advice over the Centre's risk management process, principally through review of RMWG meeting minutes.

The key risks which were identified and managed during the year included:

- Expense overstatement through procurement and purchasing of non-existent goods and services.
- Gaps in the Centre's fire compartmentalisation compliance.
- Presence of reinforced autoclaved aerated concrete ("RAAC") roof in the Centre's top floor.
- Failure of hard services facilities management service provider to meet service level agreements.

Information Security Assurance

The Centre holds a limited level of sensitive information commensurate with its size and commercial remit. There are data collection policies and controls in place which ensure access to information is managed correctly in accordance with the Data Protection Act 2018 and Freedom of Information Act 2014. The Senior Information Risk Owner ("SIRO") ensures the overall management of such information. There have been no data security breaches during the financial year (2022-23: none).

Conflicts of Interest

Members of the Management Board, both executive and non-executive, are obliged to report all potential conflicts of interest. Except for the circumstances relating to the 'exceptional event' (refer governance statement and Note 7 in the financial statements) and 'related party transactions' (refer Note 16 in the financial statements), there are no relevant interests and potential conflicts to report during the financial year (2022-23: none).

Internal Audit

The Government Internal Audit Agency ("GIAA") provides internal audit services to the Centre. During the financial year, the GIAA produced reports on the following topic areas, with their associated opinion ratings below:

- Key Financial Controls – "moderate" rating.
- Fraud Response Plan Implementation – "moderate" rating.
- Payroll One off Payments – "moderate" rating.
- Payroll Overtime Payments – "limited" rating.
- Assurance Mapping – no rating as advisory in nature.
- Fraud Awareness Training – no rating as advisory in nature.

The overall rating provided by GIAA was "limited".

Exceptional Event

During the course of the year, the Centre discovered that there had been a manipulation of procurement and purchasing controls between 2020 and 2023, which led to material supplier overpayments over that period. The Directors have worked proactively with external consultants and the ARAC Chair in enhancing the robustness of end-to-end procurement and purchasing controls, as well as financial performance monitoring - whilst embedding these operationally to mitigate this risk going forward.

The aggregate of supplier overpayments totalled £1.3m on the Profit and Loss, split into financial years as follows: £8k in 2020-21, £103k in 2021-22, £614k in 2022-23, £562k in 2023-24. These amounts have been disclosed in the Statement of Comprehensive Net Income as 'Other Expenditure – Exceptional'. The Centre is pursuing various avenues of recovery.

As a consequence of these material supplier overpayments, the Comptroller and Auditor General's regularity opinion is qualified, and the audit opinion on true and fair has been qualified with a "limited in scope" opinion over the quantum's accuracy and completeness.

Accountability Report continued

GOVERNANCE STATEMENT CONTINUED

Effectiveness of Internal Control System

The internal control system is designed, inter alia, to mitigate risks to a risk tolerance level rather than to eliminate risks of failure to achieve policies, aims and objectives. It can therefore provide reasonable but not absolute assurance of effectiveness. Other than the limitations in controls linked to the event described above, the internal control system accords with HM Treasury guidance and has been in place throughout the financial year (2022-23: in place throughout).

As Accounting Officer, I have responsibility for reviewing the effectiveness of the internal control system. My effectiveness review is informed by the work of the GIAA internal auditors and the Directors and Managers of the Centre who have responsibility for the development and maintenance of the internal control framework. My review takes into account comments made by the NAO external auditors in their management letter and the audit completion report. I have also been advised on the effectiveness of the internal control system by the Management Board and the ARAC.

Application of UK Government Functional Standards


The suite of Government Functional Standards sets out to:

- Support the governance, planning, delivery and assurance of functional work.
- Support continuous improvement and professional development.
- Provide a reference point that other requirements and guidance need to meet, to support coherent and joined up working
- Align the definitions and language used to describe functional work.

The UK Government Functional Standards are the primary reference documents for improved and consistent ways of working, to help the Centre achieve its objectives more effectively and efficiently. These standards bring together and clarify what should already be happening at the Centre and assists the Centre's Accounting Officer fulfil its duties. In embedding these within the Centre, the Centre's policies and procedures are being refreshed to bring these into line with the UK Government Functional Standards.

Conclusion

As Accounting Officer, I have considered the evidence provided regarding the production of the Governance Statement and the independent advice and assurance provided by the ARAC. Following the exceptional event over the manipulation of procurement and purchasing controls, I have concluded that the Centre's internal control environment was not effective in the year. The Centre has since improved its risk management and internal control systems with robust plans being delivered for further enhancements.



Mark Taylor, Chief Executive and Accounting Officer | 1 July 2025

Remuneration and Staff Report

Where indicated, certain sections have been audited. Where not indicated, these sections are not audited.

1. Membership of Remuneration Committee

The Remuneration Committee comprises:

- Lindsey Hoy, Independent Non-Executive Director and Chair of the Audit and Risk Assurance Committee;
- Mark Riches, Independent Non-Executive Director;
- The Chief Executive and Accounting Officer, Finance Director, Human Resources Director.

2. Policy on Remuneration of Senior Managers

The remuneration of the Chief Executive, comprising salary and bonus, is determined by MHCLG. Salaries of all other staff, including Directors and Managers, are determined by a Performance Management Pay Scheme under which most receive a basic award. There is some scope for high performing staff to receive a higher award and any poor performers receive no increase. In addition, all eligible staff participate in an annual Corporate Performance and Reward Scheme which is linked to both the corporate performance of the Centre, as well as individual performance.

3. Methods Used to Measure Performance

Staff are appraised against a set of competencies and individually targeted objectives. The appraisals are undertaken semi-annually.

4. Relationship between Performance and Remuneration

All remuneration is based on both corporate performance and individual performance.

5. Staff Resources

The Centre maintains a significant pool of technical expertise in the areas of engineering, audio visual presentation, information technology and telecommunications. Further technical support continue to be provided by third party service providers on the Centre's behalf: Julius Rutherford & Co Ltd manages soft services facilities (i.e. cleaning and portage), BAM FM Ltd manages hard services facilities (i.e. building maintenance and engineering); and OCS Security Ltd manages the reception and security.

During the year, the average staff employed at the Centre constitutes:

	Male Count	Female Count	Total Count
Director employees	2	3	5
Other employees	30	12	42
	32	15	47

6. Notice Period on Employment Contracts

The notice period for the majority of staff, is one month. However, the Chief Executive, Finance Director, Sales and Marketing Director, Venue Operations Director have a notice period of 3 months. All new entrants joining the Centre will also have a notice period of 3 months. This will enable improved management of vacancies whilst minimising disruption to business and event delivery.

7. Staff Numbers and Related Costs (subject to audit)

See Note 3 to the financial statements.

8. Directors' Service Contracts and Notice Periods

		Years' Service at 31 March 2024	Length of Notice
Mark Taylor	Chief Executive and Accounting Officer	11.00	3 months
Raj Pragji	Human Resources Director	30.75	1 month
Simon Wilkinson	Venue Operations Director (Interim)	0.47	1 month
EeLain Ong	Finance Director	0.23	3 months
Elena Gurgul	Sales and Marketing Director	0.07	3 months

9. Table of Remuneration (subject to audit)

Remuneration costs of the Management and Advisory Board members are set out below. None of the members received any benefits in kind. There were no expense allowances, and no payments of compensation for loss of office.

		2023-24			
Director Employees and Function	Start Date	Salary £'000	Bonus £'000	Pension Benefits £'000	Total £'000
Mark Taylor <i>Chief Executive</i>	Pre 1 April 2023	120-125	15-20	46	185-190
Raj Pragji <i>Human Resources</i>	Pre 1 April 2023	75-80	10-15	17	105-110
Simon Wilkinson <i>Venue Operations (Interim)</i>	10 October 2023	60-65	0	0	60-65
EeLain Ong <i>Finance</i>	8 January 2024	15-20 [FYE 80-85]	0 [FYE 0]	3 [FYE 14]	20-25 [FYE 95-100]
Elena Gurgul <i>Sales & Marketing</i>	4 March 2024	5-10 [FYE 75-80]	0 [FYE 0]	2 [FYE 21]	5-10 [FYE 95-100]
Lindsey Hoy <i>Independent Non Executive</i>	Pre 1 April 2023	10-15	0	0	10-15
Mark Riches <i>Independent Non Executive</i>	Pre 1 April 2023	10-15	0	0	10-15
Andy Hobart <i>Non Executive</i>	Pre 1 April 2023	0	0	0	0
		Leave Date			
Neil Chandler <i>Venue Operations</i>	21 November 2023	50-55 [FYE 80-85]	10-15 [FYE 15-20]	19 [FYE 30]	80-85 [FYE 125-130]
John French <i>Finance (Interim)</i>	26 January 2024	70-75 [FYE 145-150]	10-15 [FYE 20-25]	0 [FYE 0]	80-85 [FYE 165-170]
Diane Waldron <i>Sales & Marketing</i>	31 March 2024	80-85	10-15	31	120-125

Remuneration and Staff Report continued

Where indicated, certain sections have been audited. Where not indicated, these sections are not audited.

9. Table of Remuneration (subject to audit) continued

Director Employees and Function	Start Date	2022-23			
		Salary £'000	Bonus £'000	Pension Benefits £'000	Total £'000
Mark Taylor <i>Chief Executive</i>	Pre 1 April 2022	115-120	0-5	46	170-175
Raj Pragji <i>Human Resources</i>	Pre 1 April 2022	70-75	0-5	(5)	70-75
Neil Chandler <i>Venue Operations</i>	Pre 1 April 2022	70-75	0-5	29	100-105
John French <i>Finance (Interim)</i>	Pre 1 April 2022	70-75 [FYE 110-115]	0 [FYE 0]	0 [FYE 0]	70-75 [FYE 110-115]
Diane Waldron <i>Sales & Marketing</i>	Pre 1 April 2022	75-80	0-5	30	105-110
Lindsey Hoy <i>Independent Non Executive</i>	29 November 2022	5-10	0	0	5-10
Mark Riches <i>Independent Non Executive</i>	29 November 2022	5-10	0	0	5-10
Andy Hobart <i>Non Executive</i>	Pre 1 April 2022	0	0	0	0
Leave Date					
Alison White <i>Independent Non Executive</i>	28 November 2022	0-5	0	0	0-5
Simon Hughes <i>Independent Non Executive</i>	28 November 2022	0-5	0	0	0-5

Note the following:

- John French was employed on the payroll as Interim Finance Director on a part-time 3-days a week basis.
- Simon Wilkinson was employed off-payroll as Interim Venue Operations Director on a full-time 5-days a week basis.
- Current Independent Non-Executive Directors are employed on the payroll and paid on an hourly basis for their board attendance and associated travel time.
- Previous Independent Non-Executive Directors were employed on the payroll and paid a fixed fee per annum, regardless of board attendance hours and associated travel time.
- Andy Hobart is not paid by the Centre for being a Non-Executive Director, but by the Centre's parent agency department, MHCLG.

10. Bonuses (subject to audit)

Bonuses relate to both the corporate performance (as determined by various trading outcomes achieved) and individual performance (as determined through the appraisal process) that is attained during the financial year and are accrued accordingly based on a best estimate. Such accrued bonuses are then paid in the following financial year, a practice that has been consistent for many years.

11. Fair Pay Disclosure (subject to audit)

Within salaries, allowances and bonus - salaries include severance payments, whilst allowance include overtime. These do not include employer pension costs nor employer national insurance costs.

The banded remuneration of the highest paid director in the current financial year was £165,000-170,000 (2022-23: £140,000-£145,000). The ratios between the remuneration of the highest-paid director and the remuneration of the Centre's workforce at the lower 25th percentile, median 50th percentile and upper 75th percentile are reflected in the ratio of multiples below.

	2023-24			2022-23		
	25 th Percentile Multiple	50 th Percentile Multiple	75 th Percentile Multiple	25 th Percentile Multiple	50 th Percentile Multiple	75 th Percentile Multiple
Total pay and benefits	4.77	3.63	2.92	3.99	3.21	2.69

The lower (25%), median (50%) and upper (75%) percentiles of staff salaries, allowances and bonuses are shown in monetary amounts below.

	2023-24			2022-23		
	25 th Percentile £'000	50 th Percentile £'000	75 th Percentile £'000	25 th Percentile £'000	50 th Percentile £'000	75 th Percentile £'000
Salaries	31	35	45	31	39	46
Total pay and benefits	35	46	58	36	45	54

The percentage change in salaries, allowances and bonuses for average staff and the highest paid director staff were:

	2023-24		2022-23	
	Total Salary and Allowance %	Bonus Payments %	Total Salary and Allowance %	Bonus Payments %
Average staff (excluding highest paid director)	3.9%	66.3%	5.2%	100.0%
Highest paid director staff	24.4%	13.5%	0.0%	100.0%

The highest paid director staff in 2023-24 is John French (2022-23: Mark Taylor). The year-on-year percentage change is a comparison between two different individuals.

12. Awards to Past Senior Managers (subject to audit)

There were no awards to past senior managers (2022-23: £nil).

13. Details of Non-Cash Elements of Remuneration

There were no non-cash elements of remuneration given to any employee during the year (2022-23: £nil).

14. Defined Benefit Pensions

Pension benefits for members of the Management and Advisory Boards are provided through the Civil Service pension arrangements. From 1 April 2015, a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme ("CSOPS") or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme ("PCSPS"). The PCSPS has four sections: three providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60 and one providing benefits on a whole career basis (nuvos) with a normal statutory pension age.

Remuneration and Staff Report continued

Where indicated, certain sections have been audited. Where not indicated, these sections are not audited.

14. Defined Benefit Pensions continued

Defined benefit pensions of the Management and Advisory Board are set out below. The capitalised value of accrued benefits transferable to another scheme is shown under Cash Equivalent Transfer Value, ("CETV"). Certain executive board members participate in the defined contribution pensions and accrue no defined benefit pensions. Independent non-executive board members accrue no defined benefit or defined contribution pensions. After factoring in inflation, the real increases during the year of defined benefit pensions are set out below.

Director Employees and Function		Accrued at Pension Age This Year End		Real Increase/ (Decrease) at Pension Age		CETV 31 March 2024 £'000	CETV 31 March 2023 £'000	Real Increase/ (Decrease) in CETV £'000
		Pension £'000	Lump sum £'000	Pension £'000	Lump sum £'000			
Start Date								
Mark Taylor <i>Chief Executive</i>	Pre 1 April 2023	30-35	0	2.5-5.0	0	562	460	37
Raj Pragji <i>Human Resources</i>	Pre 1 April 2023	30-35	80-85	0.0-2.5	(0.0-2.5)	664	601	7
Simon Wilkinson <i>Venue Operations (Interim)</i>	10 October 2023	0	0	0	0	0	0	0
EeLain Ong <i>Finance</i>	8 January 2024	0	0	0	0	0	0	0
Elena Gurgul <i>Sales & Marketing</i>	4 March 2024	0	0	0	0	0	0	0
Leave Date								
John French <i>Finance (Interim)</i>	26 January 2024	0	0	0	0	0	0	0
Diane Waldron <i>Sales & Marketing</i>	31 March 2024	15-20	0	0.0-2.5	0	273	220	22
Neil Chandler <i>Venue Operations</i>	21 November 2023	5-10	0	0.0-2.5	0	92	69	11

15. Defined Contribution Pensions

Employees who do not join the civil service defined benefit pension (i.e. CSOPS or PCSPS) can opt to join the defined contribution pension, known as Partnership and managed by an independent pension provider. Employer contributions are age-related and ranged from 8% to 14.75% (2022-23: unchanged). Employers also match employee contributions up to 3% (2022-23: unchanged).

Defined contribution pensions to the Partnership pension provider were:

	2023-24		2022-23	
	Pension Contribution Costs In-Year £'000	Pension Contributions Deferred/ (Accrued) at Year End £'000	Pension Contribution Costs In-Year £'000	Pension Contributions Deferred/ (Accrued) at Year End £'000
Partnership pension provider	3	0	0	0

16. Amounts Payable to Third Parties for Senior Manager Services

No payments were made during the year to third parties for senior manager services (2022-23: £nil).

17. Expenditure on Consultancy

Spend on consultancy during the year was £48,644 (2022-23: £nil).

18. Off-Payroll

Except for the engagement of the Interim Venue Operations Director (as described in section 9 above), there were no other off-payroll arrangements during the year (2022-23: £nil), for more than £245 per day and that lasted longer than 6 months.

These are the off-payroll engagements for more than £245 per day and lasts longer than 6 months.

	2023-24 Number	2022-23 Number
Existing engagements at year end		
- of which existing for less than one year at time of reporting	1	0
- of which existing for more than 1 year at time of reporting	0	0
New engagements, or those exceeding 6 months duration, during financial year		
- of which have been assessed as within IR35	1	0
- of which have been assessed as outside IR35	0	0
Engagements of board members or senior officials with significant financial responsibility during financial year		
- of which are board members and/or senior officials	1	0
- of which are 'deemed' board members and/or senior officials	0	0

19. Other Employee Matters

The Centre operates recruitment in line with the Civil Service Commission recruitment principles. All new staff receive a comprehensive induction to the Centre and have access to appropriate learning and development interventions. The Centre operates a wide range of employee engagement activities to keep staff engaged, updated, and motivated to deliver excellent customer service.

The Centre is committed to the Health and Safety of all staff and a Health and Safety Committee meets every 2 months to ensure any concerns or issues are promptly dealt with. A semi-annual performance management system assesses individual performance, identifies learning and development needs, and reviews opportunities to aid career progression. The Centre promotes its wide range of reward and recognition initiatives on a regular basis. The Centre's annual pay arrangements are progressed in line with Treasury and Cabinet Office pay policy and guidance.



Mark Taylor, Chief Executive and Accounting Officer | 1 July 2025

Centre's Statement and Chief Executive's Responsibilities

The functions of the Queen Elizabeth II Conference Centre are set out in Statutory Instrument 1997, number 933. Primarily, these are to provide conference and related services. A more detailed description of its aims, objectives, responsibilities and governance arrangements are set out in a Framework Document issued by the Secretary of State.

Under Section 4(6) of the Government Trading Funds Act 1973, as amended, HM Treasury has directed the Queen Elizabeth II Conference Centre to prepare a statement of accounts for each financial year in the form and on the basis set out in the HM Treasury Accounts Direction under Section 5(2) of the Government Resources and Accounts Act 2000. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs at the end of the financial year, and of its income and expenditure, changes in taxpayers' equity, and cash flows of the Queen Elizabeth II Conference Centre for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by HM Treasury including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts;

- prepare the accounts on a going concern basis; and
- confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

HM Treasury has appointed the Chief Executive of the Queen Elizabeth II Conference Centre as the Accounting Officer for the Trading Fund. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Queen Elizabeth II Conference Centre's assets, are set out in Managing Public Money published by the HM Treasury.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Comptroller and Auditor General is aware of that information. To the best of my knowledge, there is no relevant audit information of which the auditors are unaware

I confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable.



Mark Taylor, Chief Executive and Accounting Officer | 1 July 2025

Parliamentary Accountability and Audit Report

Overview

The Parliamentary accountability and audit report bring together the key Parliamentary accountability documents within the Annual Report and Accounts. This section is subject to audit.

Losses, special payments, and gifts

As defined in HM Treasury's "Managing Public Money" most recent guideline, costs falling into the category of losses, fruitless and special payments and gifts were, in total and separately, above the level, currently £300,000, at which they need to be reported separately for this financial year (2022-23: below

£300,000). Details of the current year loss is described and quantified as an 'exceptional event' in the governance statement, as well as in Note 7 to the financial statements.



Mark Taylor, Chief Executive and Accounting Officer | 1 July 2025

The Certificate and Report of the Comptroller and Auditor General to The Houses of Parliament

Qualified Opinion on financial statements

I certify that I have audited the financial statements of The Queen Elizabeth II Conference Centre for the year ended 31 March 2024 under the Government Trading Funds Act 1973.

The financial statements comprise The Queen Elizabeth II Conference Centre's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Income, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, except for the possible effects of the matters described in the Basis for Qualified Opinions section of my certificate, the financial statements:

- give a true and fair view of the state of The Queen Elizabeth II Conference Centre's affairs as at 31 March 2024 and its operating surplus for the year then ended; and
- have been properly prepared in accordance with the Government Trading Funds Act 1973 and HM Treasury directions issued thereunder.

Qualified Opinion on regularity

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion, in all material respects, the income and expenditure recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for Qualified Opinion on the financial statements

During the course of 2023-24 management identified £562,000 in relation to 2023-24 and £615,000 in relation to 2022-23 of expenditure transactions for which it has concluded that goods or services have not been received. This expenditure is described as "exceptional" in the Statement of Comprehensive Net Income. The circumstances surrounding the incurring of this expenditure have been investigated by management and are explained in the Governance Statement. Management have determined that there has been a manipulation of procurement and purchasing controls leading to material supplier overpayments.

Due to the nature of the issues giving rise to the supplier overpayments I have been unable to obtain sufficient, appropriate assurance as to the completeness of expenditure classified as exceptional items disclosed in 2023-24 or 2022-23. The limitation does not extend to the completeness of operating expenditure, or the surplus recorded for each year.

Basis for Qualified Opinion on regularity

During the course of 2023-24 management identified material expenditure transactions, £562,000 in relation to 2023-24 and £615,000 in relation to 2022-23, for which it has concluded that goods or services have not been received. As the payments made were for goods and services not received, I have concluded they were not in accordance with Parliamentary intention and therefore irregular. As noted in the Basis of Qualified Opinion on the financial statements, I have been unable to obtain sufficient appropriate audit evidence that the Queen Elizabeth II Conference Centre have identified all of the irregular transactions.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of my certificate.

Those standards require me and my staff to comply with the Financial Reporting Council's *Revised Ethical Standard 2019*. I am independent of The Queen Elizabeth II Conference Centre in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that The Queen Elizabeth II Conference Centre's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Queen Elizabeth II Conference Centre'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.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

The Certificate and Report of the Comptroller and Auditor General to The Houses of Parliament continued

Other information continued

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

As described in the Basis for Qualified Opinions section above, I was unable to obtain sufficient appropriate evidence over the completeness of the classification of the expenditure to exceptional items in Note 7 to the financial statements (£562,000 in 2023-24, £615,000 in 2022-23). I have concluded that where the other information refers to the exceptional expenditure or other expenditure, it may be materially misstated for the same reason.

Opinion on other matters

In my opinion the part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973.

As described in the Basis for Qualified Opinions section above, I was able to obtain sufficient appropriate evidence for all balances and transactions except for the matters described in the Basis for Qualified Opinions section above, and can therefore conclude that with the exception of those matters:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

Except for the possible effect of the matter described in the Basis of Opinion section of my certificate and in the light of the knowledge and understanding of The Queen Elizabeth II Conference Centre and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

In respect solely to the issue described in the Basis for Qualified Opinion section of my report:

- adequate accounting records have not been kept by The Queen Elizabeth II Conference Centre or returns adequate for my audit have not been received from branches not visited by my staff; or
- I have not received all of the information and explanations I require for my audit.

I have nothing to report in respect of the following additional matters which I report to you if, in my opinion:

- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within The Queen Elizabeth II Conference Centre from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973;
- preparing the Annual Report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Trading Funds Act 1973; and
- assessing The Queen Elizabeth II Conference Centre'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 Accounting Officer anticipates that the services provided by The Queen Elizabeth II Conference Centre either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Certificate and Report of the Comptroller and Auditor General to The Houses of Parliament continued

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Trading Funds Act 1973.

My 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 a certificate that includes my 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.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

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

Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of The Queen Elizabeth II Conference Centre's accounting policies.
- inquired of management, The Queen Elizabeth II Conference Centre's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to The Queen Elizabeth II Conference Centre's policies and procedures on:
 - identifying, evaluating and complying with laws and regulations;
 - detecting and responding to the risks of fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including The Queen Elizabeth II Conference Centre's controls relating to The Queen Elizabeth II Conference Centre's compliance with the Government Trading Funds Act 1973 and Managing Public Money.
- inquired of management, The Queen Elizabeth II Conference Centre's head of internal audit and those charged with governance whether:
 - they were aware of any instances of non-compliance with laws and regulations;
 - they had knowledge of any actual, suspected, or alleged fraud,

- discussed with the engagement team and the relevant internal specialists, including the NAO's data analytics team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within The Queen Elizabeth II Conference Centre for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, procurement expenditure, overtime claims, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of The Queen Elizabeth II Conference Centre's framework of authority and other legal and regulatory frameworks in which The Queen Elizabeth II Conference Centre operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of The Queen Elizabeth II Conference Centre. The key laws and regulations I considered in this context included Government Trading Funds Act 1973, Managing Public Money, employment law.

In response to the identified irregularities, which caused me to qualify my regularity opinion, and the related weaknesses in internal controls, I identified a significant risk of fraud and error (as specified in ISA (UK) 240 The auditor's responsibilities related to fraud in an audit of financial statements).

Audit response to identified risk

To respond to the identified risks resulting from the above procedures:

- I designed additional procedures to respond to the irregularities described in the Basis for Qualified Opinion above, including:
 - Analytical procedures over expenditure characteristics and categorisations;
 - Increasing sample sizes in relevant areas of sample testing;
 - Inspecting reports prepared by experts engaged by management to understand and seek to reconcile the activity identified with my own analysis and testing;
 - Considering the work of internal audit in relevant areas; and
 - Considering managements' disclosures in the Annual Report and financial statements.
- I reviewed the financial statement disclosures and performed testing to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;

The Certificate and Report of the Comptroller and Auditor General to The Houses of Parliament continued

Audit response to identified risk continued

- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports;
- I addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements on estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; and
- other audit procedures responsive to the risk of fraud, non-compliance with laws and regulation, or irregularity as described in the Basis for Qualified Opinion.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members including internal specialists and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

Other auditor's responsibilities

I am required to obtain sufficient appropriate audit evidence to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

I 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 I identify during my audit.

Report

I have no observations to make on these financial statements.

Gareth Davies, Comptroller and Audit General | 7 July 2025
National Audit Office 157-197 Buckingham Palace Road
Victoria, London SW1W 9SP

Statement of Comprehensive Net Income

for the Year Ended 31 March 2024

		2023-24	2022-23
		£'000	£'000
	NOTES		(as restated)
Revenue	2	17,627	14,955
Depreciation	8	(1,623)	(1,697)
Staff costs	3	(3,531)	(3,369)
Other expenditure	6	(10,956)	(8,662)
Other expenditure - exceptional	7	(562)	(615)
Operating surplus for the year before interest		955	612
Interest receivable		87	49
Interest payable		0	(44)
Operating surplus for the year		1,042	617
Payment to parent agency		0	0
Retained surplus		1,042	617

There were no other recognised gains or losses during the year.

The prior year restatement relates to amounts that were reclassified from "other expenditure" (within maintenance and cleaning) to "other expenditure – exceptional". Further details are in Note 7. The prior year retained surplus remains unchanged.

The notes on pages 28-32 form an integral part of these financial statements.

Statement of Financial Position

as at 31 March 2024

		2024	2023
		£'000	£'000
	NOTES		
Non-current assets			
Property, plant and equipment	8	6,502	6,563
Total non-current assets		6,502	6,563
Current assets			
Trade and other current receivables	9	4,110	4,280
Cash and cash equivalents	10	3,864	5,653
Total current assets		7,974	9,933
Total assets		14,476	16,496
Current liabilities			
Trade and other current payables	11	(5,382)	(5,856)
Loan from parent agency	11	0	(2,600)
Total current liabilities		(5,382)	(8,456)
Non-current liabilities			
Trade and other non-current payables	12	(266)	(254)
Total non-current liabilities		(266)	(254)
Total liabilities		(5,648)	(8,710)
Assets less liabilities		8,828	7,786
Taxpayers' equity			
Public capital		821	821
General reserve		8,007	6,965
Equity		8,828	7,786

The Queen Elizabeth II Conference Centre Trading Fund Order from 1997 included details of Public Capital, which is a form of long-term government funding representing MHCLG's equity interest in the Queen Elizabeth II Conference Centre.

The notes on pages 28-32 form an integral part of these financial statements.



Mark Taylor, Chief Executive and Accounting Officer | 1 July 2025

Statement of Cash Flows

for the Year Ended 31 March 2024

	NOTES	2023-24 £'000	2022-23 £'000
Cash flows from operating activities			
Operating surplus for the year		1,042	617
Depreciation and amortisation	8	1,623	1,697
Interest received		(87)	(49)
Interest paid		0	44
Non-current asset disposal (gain)/loss		0	2
Trade and other receivables (increase)/decrease	9	170	(919)
Trade and other payables increase/(decrease) under 1 year	11	(474)	887
Trade and other payables increase/(decrease) over 1 year	12	12	(203)
		2,286	2,076
Cash flows from investing activities			
Property, plant and equipment purchases	8	(1,562)	(626)
Interest received		87	49
		(1,475)	(577)
Cash flows from financing activities			
Loan received from/(repaid to) parent agency	16	(2,600)	(1,979)
Interest paid		0	(44)
		(2,600)	(2,023)
Net increase/(decrease) in cash and cash equivalents		(1,789)	(524)
Cash and cash equivalents at beginning of year	10	5,653	6,177
Cash and cash equivalents at end of year	10	3,864	5,653

The notes on pages 28-32 form an integral part of these financial statements.

Statement of Changes in Taxpayers' Equity

for the Year Ended 31 March 2024

	Public Capital £'000	General Reserve £'000
Balances at 1 April 2022	821	6,348
Comprehensive net income for the year	0	617
Balances at 1 April 2023	821	6,965
Comprehensive net income for the year	0	1,042
Balances at 31 March 2024	821	8,007

The notes on pages 28-32 form an integral part of these financial statements.

Notes to the Financial Statements

for the Year Ended 31 March 2024

Note 1

Accounting Policies

These accounts have been prepared in accordance with the Government Trading Act 1973 and the 2022-23 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FRoM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Queen Elizabeth II Conference Centre for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Queen Elizabeth II Conference Centre ("the Centre") are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Accounting convention

These accounts have been prepared on a going concern basis under the historical cost convention.

1.1.1 Going concern assessment

As earlier reported, the Centre was previously earmarked as a temporary decant location for the House of Lords as part of the Restoration and Renewal ("R&R") of Parliament. However this restriction was removed in May 2022 by the Secretary of State for the Ministry of Housing, Community and Local Government ("MHCLG") allowing the Centre to trade unencumbered and it has now been able to contract several multi-year contracts for future bookings up to 2029.

The Minister has approved the 2024-25 and 2025-26 business plans. Within this are plans to continue investing in the Centre's event related equipment and infrastructure; commence replacement of its 9 passenger lifts; implement a long-term maintenance programme of its building plant and fabric based on a building condition survey; re-mobilise the Centre's Building Masterplan Phase 5 to enclose the levels 4 and 5 courtyard and refurbish both floors (subject to MHCLG approval), which was paused in 2018 due to the R&R project uncertainty.

The Centre maintains the security of being able to borrow up to £12m via its Statutory Instrument. In addition the Centre's parent department MHCLG has provided a letter of support advising that should any issues arise now or in the future that affects the Centre's ability to meet its contractual commitments, MHCLG will provide the Centre with sufficient financial resources to cover the costs incurred. Accordingly, management considers it appropriate to continue to adopt the going concern basis.

1.2 Property, plant and equipment

The freehold title in the land and buildings is held by MHCLG. This is revalued on an existing use basis each year and disclosed in the accounts of MHCLG, net of the Centre's interest in the property. The Centre does invest in structural enhancements to the property which are capitalised as building improvements and valued at depreciated historical cost. Management considers that, in the absence of a readily obtainable market for such items, this provides a suitable approximation for fair value.

Non-property assets held by the Centre at 31 March 2024 are carried in the Statement of Financial Position at depreciated historical cost. The depreciated historical cost is used as a proxy for fair value, since the useful life over which the asset class is depreciated is considered to be a realistic reflection of the consumption of that asset class. Items of furniture, information technology and operational equipment valued under £1,000 are expensed in the year of purchase. The cost of a tangible asset is depreciated on a straight-line basis over its expected useful life from the month of acquisition.

Expected useful lives of tangible fixed assets are as follows:

	Useful life in years
Building improvements	4-15
Information technology and telecommunications equipment	2-10
Operational equipment	3-15
Furniture, fixtures and fittings	3-10

1.3 Value added tax

In the financial statements, all figures are shown net of Value Added Tax.

1.4 Income recognition

The main source of funding for the Centre is income from hiring out of event space which includes room hire, audio visual (QEII Live), catering (QEII Taste) and other ancillary activities (such as security, portage, hostess and stationery). Under IFRS 15 and the 5-step model, there is a contractual arrangement between the Centre and the organisations that hire QEII event space. Revenue is recognised in the month when events occur and obligations in the Room Hire Agreement have been met. Where an event straddles the year end, an accrual is made in the accounts to recognise the relevant income in the correct period. The recognition of this income is the point in time at which the performance obligation is deemed to be satisfied.

The Centre also receives other income comprising rental of roof spaces, car park spaces and other building spaces. This is invoiced in advance as per agreed contracts and recognised in the month of occurrence with the performance obligations deemed to be recognised over time.

1.5 Production costs

Production costs (refer Note 6) represent the direct cost of staging events excluding staff costs and equipment hire.

1.6 Cash

Cash and cash equivalents comprise cash at bank and in hand.

1.7 Trade receivables

Trade receivables represent amounts invoiced but not received at the balance sheet date for contracted events and other services for which there is a performance obligation. Initially, trade and other receivables are recognised at fair value plus associated transaction costs that are directly attributable to their acquisition or issue. Under IFRS 9, these are held at and are subsequently carried at invoiced value, less provision for impairment.

1.8 Deposits in advance and other deferred income

Deposits in advance represents room hire income on events occurring after the balance sheet date for which amounts have been received. Other deferred income represents amounts received for non-event related items for which the point of income recognition is after the balance sheet date.

1.9 Trade and other payables

Trade and other payables are recognised at invoiced value and arise principally from the receipt of goods and services.

1.10 Accrued expenses

Accrued expenses represent amounts relating to goods or services received but not invoiced at the balance sheet date.

1.11 Loans

Loans are recognised at the issue value from the date of receipt and are recorded in the Statement of Financial Position according to their date of scheduled repayment, either as current liabilities for amounts repayable within 12 months or as non-current liabilities for amounts repayable more than 12 months after the balance sheet date.

1.12 Financial instruments

Financial assets and financial liabilities arise from the Centre's normal operational activities and are recognised in accordance with standard accruals accounting principles. Financial assets comprise cash at bank and in hand, deferred expenses and also other assets such as receivables. Financial liabilities comprise deferred income, loans and other liabilities such as payables. The fair values of financial assets and financial liabilities are deemed to be their book values, unless there is appropriate cause to apply an alternative basis of valuation.

1.13 Operating and finance leases

Lease payments for leasing contracts of 12 months term or under are classified as operating lease expenses; leases exceeding 12 month terms are classified as finance leases. All lease receipts are recognized as income on a straight-line basis over the lease term.

1.14 Foreign currency transactions

Amounts paid or received in foreign currency are converted to sterling at the rate ruling on the day of the transaction. Differences on exchange are immediately recognised in the Statement of Comprehensive Net Income.

Notes to the Financial Statements continued

for the Year Ended 31 March 2024

1.15 Insurance

In accordance with government policy, the Centre is self-insured. Payments in respect of insurable losses are charged to the Statement of Comprehensive Net Income as these occur.

1.16 Pensions

Pension costs are the monthly contributions to various Civil Service defined benefit schemes and other defined contribution schemes.

1.17 Accounting estimates and judgements

The Centre makes certain estimates and assumptions regarding the future, particularly with respect to expenses accrued. Estimates and judgements are continually evaluated based on historical experience and other relevant factors. In the future, actual experience may differ from these estimates and assumptions.

1.18 Provisions for future payment

The Centre recognises a provision for future payment where there is a present obligation from a past event, a transfer of economic benefits is probable, and the amount of the transfer can be estimated reliably. In instances where these criteria are not met, a contingent liability may be disclosed in the financial statements.

1.19 New accounting standards in issue but not yet effective or adopted

There are a number of IFRSs, amendments and interpretations issued by the International Accounting Standards Board that are effective for financial statements after this accounts period. The following have not been adopted early:

- IFRS 18 Presentation and Disclosure in financial statements – effective from 1 January 2027.

Note 2

Income Analysis

Whilst its principal source of income arises from event space hires (comprising room hire, audio visual, catering, other ancillary) the Centre also receives income from renting space within and on its roof. None of the Centre's costs or net assets is identified specifically with the rental activities.

	2023-24 £'000	2022-23 £'000
Income from event space		
Income from room hire	7,691	6,573
Income from audio visual, catering	9,561	8,161
	17,252	14,734
Income from non-event space		
Income from rentals	375	213
Income from staff redeployment	0	8
	375	221
Income from operating activities	17,627	14,955

Note 3

Staff Numbers and Related Costs

	Permanent £'000	Temporary £'000	2023-24 Total £'000	2022-23 Total £'000
Employee benefit expense				
Wages and salaries	(2,354)	(31)	(2,385)	(2,395)
Social security costs	(267)	(3)	(270)	(259)
Pension costs	(501)	(7)	(508)	(476)
Holiday pay accrual (increase)/decrease	(38)	0	(38)	50
Temporary agency staff	0	(330)	(330)	(289)
	(3,160)	(371)	(3,531)	(3,369)
			2023-24 Total Headcount	2022-23 Total Headcount
Average staff numbers				
Administration	9	0	9	8
Infrastructure				
Operations	5	0	5	5
Event Operations	23	1	24	20
Sales and Marketing	9	0	9	10
	46	1	47	43

Staff turnover for the period to 31 March 2024, based on the headcount at the beginning of the period was 15.2% (2022-23: 21.4%).

Note 4

Pension Costs

The Centre contributes to various Civil Services defined benefit schemes – namely the Principal Civil Service Pension Scheme ("PCSPS") and the Civil Servant and Other Pension Scheme ("CSOPS"), the latter also known as 'alpha'. Both are unfunded multi-employer defined benefit pension schemes and it is not possible for the Centre to identify its share of the underlying assets and liabilities. A full actuarial valuation was last carried out at 31 March 2016. Details can be found in the resource accounts of the Scheme at (www.civilservicepensionscheme.org.uk)

The defined benefit contribution rates reflect benefits as they are accrued, not when costs are actually incurred, and reflect past experience of the scheme. Employers' contributions of £504,386 (2022-23: £436,210) were payable to the Civil Service defined benefit schemes at one of four rates in the range based on salary bands of 26.6% to 30.3% of pensionable pay. Rates for 2024-25 are fixed at 29% of pensionable pay.

The Centre also contributes to other defined contribution schemes and made employer contributions of £3,283 (2022-23: £nil)

Note 5

Remuneration of the Management Board

Details of the remuneration and pension benefits of the Management and Advisory Board members are disclosed in the Remuneration and Staff Report.

Note 6

Other Expenditure

	2023-24 £'000	2022-23 £'000
Advertising and Marketing	(223)	(197)
Auditor's Remuneration	(190)	(60)
Entertaining	(23)	(11)
Equipment Hire	(163)	(288)
Maintenance and Cleaning	(4,473)	(2,584)
Other Costs	(237)	(183)
Production Costs	(1,689)	(1,750)
Provision For Doubtful Debts	(159)	(92)
Rates	(518)	(641)
Self Insurance Losses	(55)	(28)
Sub-contracted Services	(1,490)	(1,530)
Travel and Subsistence	(163)	(138)
Utilities	(1,573)	(1,160)
	(10,956)	(8,662)

Note 7

Exceptional Items

	2023-24 £'000	2022-23 £'000
Non-existent goods or services	(562)	(615)

During the course of the year, the Centre discovered that there had been a manipulation of procurement and purchasing controls from 2020 through 2023, which led to material supplier overpayments over that period. The Directors have worked proactively with external consultants and the ARAC Chair in enhancing the robustness of end-to-end procurement and purchasing controls, as well financial performance monitoring - whilst embedding these operationally to mitigate this risk going forward.

The aggregate of supplier overpayments totalled £1.3m on the Profit and Loss, split into financial years as follows: £8k in 2020-21, £103k in 2021-22, £614k in 2022-23, £562k in 2023-24. These amounts have been disclosed in the Statement of Comprehensive Net Income as 'Other Expenditure – Exceptional'. The Centre is pursuing various avenues of recovery.

Notes to the Financial Statements continued

for the Year Ended 31 March 2024

Note 8

Property, Plant and Equipment

	Building Improvements £'000	IT & Telecoms Equipment £'000	Operational Equipment £'000	Furniture, Fixtures, Fittings £'000	Capital Under Construction £'000	Total 31 March 2024 £'000
Cost or Valuation						
At beginning of year	11,852	354	3,774	1,145	279	17,404
Additions	780	21	761	0	(0)	1,562
Reclassifications	279	0	0	0	(279)	0
Disposals	0	0	0	0	0	0
At end of year	12,911	375	4,535	1,145	(0)	18,966
Accumulated Depreciation						
At beginning of year	(6,528)	(246)	(3,143)	(924)	0	(10,841)
Additions	(1,154)	(49)	(327)	(93)	0	(1,623)
Disposals	0	0	0	0	0	0
At end of year	(7,682)	(295)	(3,470)	(1,017)	0	(12,464)
Net Book Value						
At beginning of year	5,324	108	631	221	279	6,563
At end of year	5,229	80	1,065	128	(0)	6,502

	Building Improvements £'000	IT & Telecoms Equipment £'000	Operational Equipment £'000	Furniture, Fixtures, Fittings £'000	Capital Under Construction £'000	Total 31 March 2023 £'000
Cost or Valuation						
At beginning of year	13,971	826	4,652	1,187	0	20,636
Additions	51	60	236	0	279	626
Disposals	(2,170)	(532)	(1,114)	(42)	0	(3,858)
At end of year	11,852	354	3,774	1,145	279	17,404
Accumulated Depreciation						
At beginning of year	(7,529)	(735)	(3,865)	(871)	0	(13,000)
Additions	(1,169)	(43)	(390)	(95)	0	(1,697)
Disposals	2,170	532	1,114	42	0	3,858
At end of year	(6,528)	(246)	(3,141)	(924)	0	(10,839)
Net Book Value						
At beginning of year	6,442	91	787	316	0	7,636
At end of year	5,324	108	633	221	279	6,565

Included within the cost of property, plant and equipment are fully depreciated assets with a cost of £3.2m (2022-23: £2.7m). The majority of these assets are still in active use, with the rest kept as back-ups when equipment in use malfunctions.

Note 9

Trade and Other Current Receivables

	31 March 2024 £'000	31 March 2023 £'000
Amounts due within one year		
Trade receivables	3,881	4,005
Deferred expenses	227	293
Other receivables	2	(18)
	4,110	4,280

Note 10

Cash and Cash Equivalents

	31 March 2024 £'000	31 March 2023 £'000
Government banking services	355	2,262
Commercial banks	3,509	3,391
	3,864	5,653

Note 11

Trade and Other Current Payables

	31 March 2024 £'000	31 March 2023 £'000
Amounts due within one year		
Trade payables	(323)	(635)
Value added tax	(441)	(354)
Other taxes and national insurances	(111)	(107)
Accrued expenses	(1,563)	(1,456)
Loan from parent agency	(0)	(2,600)
Other payables	(0)	(48)
Deferred income - catering	(113)	(150)
Deferred income - room hire	(2,831)	(3,106)
	(5,382)	(8,456)

The remaining £2.6m loan from MHCLG was fully repaid by 31 March 2024.

Deferred income on room hire deposits at 31 March 2024 includes £1.3m (2023: £1.8m) that remain unpaid and are included within trade receivables.

Notes to the Financial Statements continued

for the Year Ended 31 March 2024

Note 12

Trade and Other Non-Current Payables

	31 March 2024 £'000	31 March 2023 £'000
Amounts due after one year		
Deferred income - catering	(0)	(113)
Deferred income - room hire	(266)	(141)
	<u>(266)</u>	<u>(254)</u>

Note 13

Operating Leases

The Centre leases out certain facilities under operating leases. Car park spaces are let on annual leases and roof spaces to house telecommunications equipment are let on monthly rolling leases.

	2024-25 £'000	2023-24 £'000
Future minimum lease receipts		
Within 1 year	50	27
Between 1 and 5 years	0	0
Exceeding 5 years	0	0
	<u>50</u>	<u>27</u>

Note 14

Financial Instruments

The fair values of the Centre's financial assets and financial liabilities at year end are as follows:

	Book Value 31 March 2024 £'000	Fair Value 31 March 2024 £'000
Financial assets		
Trade and other current receivables	4,110	4,110
Cash and cash equivalents	3,864	3,864
	<u>7,974</u>	<u>7,974</u>
Financial liabilities		
Trade and other current payables	(5,382)	(5,382)
Trade and other non-current payables	(266)	(266)
	<u>(5,648)</u>	<u>(5,648)</u>

Note 15

Financial Risks

Liquidity risk

The level of capital expenditure is managed to be met from available cash balances. The Centre is reliant on the liquidity of MHCLG to meet a major insurable loss.

Credit risk

The level of credit risk is managed by a credit vetting process which is undertaken for all clients hiring rooms at the Centre. In general, the terms and conditions of the room hire contract requires full payment of room hire prior to the date that the event takes place. Accordingly, credit risk is considered to be low.

Interest rate risk

Cash on deposit earns interest at a rate that varies broadly in line with the Bank of England base rate.

Foreign currency risk

The Centre has no significant exposure to assets, liabilities, income or expenditure denominated in foreign currencies.

Note 16

Related Party Transactions

With Government Bodies

The Queen Elizabeth II Conference Centre is an Executive Agency of MHCLG, which is regarded as a related party. During the year, the Centre repaid £2.6m of loans advanced by MHCLG (2022-23: £1.979m). At 31 March 2024 there was a £4k trade debtor outstanding from MHCLG (31 March 2023: £7k).

There were many normal trading transactions with other Government Bodies, amounting to significant value in the cases of the UK Atomic Energy Authority and the Parliamentary Estates Directorate (concerning the Parliamentary Library).

With Directors and Staff

The Chief Executive Officer, Mark Taylor, was a board member of two counterparties who were both clients and suppliers of the Centre. In-year transactions and year end balances are disclosed below.

	2023-24			
	Income £'000	Expense £'000	Debtor £'000	Creditor £'000
London & Partners Ltd	12	(44)	2	(21)
The Meetings Industry Association	0	(2)	0	0

	2022-23 (as restated)			
	Income £'000	Expense £'000	Debtor £'000	Creditor £'000
London & Partners Ltd	0	(20)	0	0
The Meetings Industry Association	0	(2)	0	0

The Independent Non-Executive Director, Mark Riches, remains a shareholder of this counterparty who was both a client and supplier of the Centre. In-year transactions and year end balances are disclosed below.

	2023-24			
	Income £'000	Expense £'000	Debtor £'000	Creditor £'000
Hire Space Website Ltd	52	(3)	7	0

	2022-23 (as restated)			
	Income £'000	Expense £'000	Debtor £'000	Creditor £'000
Hire Space Website Ltd	0	0	0	0

Prior year disclosures of related party transactions and balances were omitted in the prior year financial statements. These are now restated as prior year comparatives.

No Director, key manager or other related party has undertaken any material transaction with the Centre during the year (2022-23: £nil). Compensation for key management personnel is disclosed in the Remuneration Report.

Notes to the Financial Statements continued

for the Year Ended 31 March 2024

Note 17

Financial Commitments

The Centre operates its business in accordance with its Trading Fund agreement. The QEII Centre building is not owned by the Centre and it does not have a formal lease with the landlord, MHCLG, and accordingly does not pay rent. However, under the terms of the Framework Document published in September 2022, the minimum dividend payable by the Centre is determined by the capital charge that applies to the building of 3.5%, plus the average capital employed of 6%. Payment of a dividend has been suspended due to the capital works required to replace all 9 passenger lifts and other major remediation works that would ordinarily form part of the building's landlord obligations, which would be funded out of the current year's surplus.

Estimates of annual current commitments are as follows:

	2024-25 £'000	2023-24 £'000
Amounts due within one year		
Contribution to parent agency	0	0
Amounts due between one and five years		
Contribution to parent agency	0	0

As there is no formal lease, there is no term to the commitment.

Note 18

Capital Commitments

There were no capital commitments at 31 March 2024 (31 March 2023: £nil).

Note 19

Contingent Liabilities

There were no contingent liabilities at the date of signing the Annual Report (2022-23: £nil).

Note 20

Events After the Reporting Period.

Under IAS 10, the Centre is required to disclose the date on which the accounts are authorised for issue. The authorised date for issue is the date that the Comptroller and Auditor General certified the accounts. There have been no material events requiring disclosure between the end of the financial year and the authorised date of issue of these accounts.

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