

ANNUAL REPORT AND ACCOUNTS 2024–25

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





The Queen Elizabeth II Conference Centre
Annual Report and Accounts 2024–25

For the period 1 April 2024 to 31 March 2025

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

Ordered by the House of Commons to be printed on 2 June 2026



© **Crown copyright 2026**

This publication is licensed under the terms of the Open Government Licence v3.0 except where otherwise stated. To view this licence, visit nationalarchives.gov.uk/doc/open-government-licence/version/3

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

This publication is available at www.qeiicentre.london and at www.gov.uk/official-documents

Any enquiries regarding this publication should be sent to us at Queen Elizabeth II Centre, Broad Sanctuary, Westminster, London SW1P 3EE, United Kingdom

Printed on paper containing 40% recycled fibre content minimum. Printed in the UK by HH Associates Ltd on behalf of the Controller of His Majesty's Stationery Office.

ISBN 978-1-5286-5504-0

E03309329 06/26

Index

PERFORMANCE REPORT - OVERVIEW	3
A. Chief Executive's Statement	3
B. 10-Year Record of Revenue and Operating Surplus/(Deficit)	5
C. 10-Year Record of UK Economic Contributions	6
PERFORMANCE REPORT - ANALYSIS	10
ACCOUNTABILITY REPORT – CORPORATE GOVERNANCE	15
A. DIRECTORS' REPORT	15
B. STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES	17
C. GOVERNANCE STATEMENT	17
ACCOUNTABILITY REPORT - REMUNERATION AND STAFF REPORT	20
ACCOUNTABILITY REPORT - PARLIAMENTARY ACCOUNTABILITY AND AUDIT REPORT	23
THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT	24
STATEMENT OF COMPREHENSIVE NET INCOME	27
STATEMENT OF FINANCIAL POSITION	27
STATEMENT OF CASH FLOWS	28
STATEMENT OF CHANGES IN TAXPAYERS' EQUITY	28
NOTES TO THE FINANCIAL STATEMENTS	29

Performance Report - Overview

A. CHIEF EXECUTIVE'S STATEMENT

1. 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.

2. Trading Performance

I am delighted to report that The Queen Elizabeth II Conference Centre (known as "the Centre") has generated its best ever income since opening in 1986. Total income topped £18.8m, a 7% improvement from £17.6m in the previous year.

Room hire was £7.9m versus £7.7m in the previous year. Secondary income was even more phenomenal at £10.5m versus £9.6m in the previous year. The secondary income ratio to room hire was a much improved 134% versus 124% in the previous year. As a result, the Centre has delivered a surplus of £2.9m versus £1.0m in the previous year.

3. Future Bookings and Industry Awards

Despite the Centre being earmarked as a possible temporary decant location for the House of Lords as part of Parliament's Restoration and Renewal ("R&R"), there remains no restrictions on future trading and the Centre has contracted numerous multi-year contracts for future bookings to 2029.

The Centre has continued its successive run of winning industry awards following its impressive track record over the years. These included 2 Eventex Awards for Large Venue (Gold) and Sustainable Venue (Gold). An miaList Award for Campaign of the Year in the Distracted Economy (Third Place). And finally, a London Venue and Catering Award for Best London Venue Catering (Silver).

4. Economic Contribution

With 2024-25's income having outperformed 2023-24's by 7%, the Centre contributed a Gross Value Added ("GVA") to UK GDP of £170.6m in 2024-25, which generated UK expenditure of £346.7m, with the Centre supporting 3,437 FTE jobs.

5. 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 People Strategy for the forthcoming year will focus on developing and retaining employees to build a high performing and engaged workforce. Amid the uncertainty resulting from Parliament's Reconstruction & Recovery (R&R), maintaining stability and motivation will be essential to steering a steady course.

Focused initiatives to enhance learning and development will help upskill employees and strengthen organisational capability. Through visible leadership and open, ongoing communication, teams will be empowered to navigate change with confidence and resilience. This approach will help future-proof both employees and the organisation whether R&R goes ahead or not.

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.

6. 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. Ongoing activities include: replacing its 9 passenger lifts; upgrading its building management system; improving fire compliance; implementing a long-term forward maintenance programme of its building plant and fabric based on a building condition survey; re-mobilising 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.

7. Market Headwinds

The core risk to profitability continues to be stagflation, which is characterised by sluggish economic growth and persistent inflation. It is anticipated that it will take time to return to pre-pandemic levels.

On the supply side, persistent levels of inflation have led to increased costs across employee resourcing, equipment, consumables, services, and food and beverage which continue to significantly impact profitability levels and margins. This is compounded by labour shortages across the hospitality and events sector.

On the demand side, clients are facing tightening budgets as a result of wider economic pressures, and consequently have become more considered in their spend, particularly across audio visual and catering.

However, performance remains strong across key segments. The association market continues to show resilience and growth, supported by long lead times and international demand. In addition, the Centre is seeing a continued uplift in international corporate business, which is currently performing as one of the strongest segments within the portfolio.

Despite these macroeconomic headwinds, 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, client delivery and experience, and facilities.

Performance Report - Overview continued

A. CHIEF EXECUTIVE'S STATEMENT CONTINUED

8. Service Providers

The Centre's Catering concession was re-tendered, resulting in a 10 year term with the existing caterer from January 2025. Other services were also renewed with existing service providers for a further fixed-term period - namely Soft Services Facilities Management (i.e. cleaning and portering) from April 2025 for 2.5 years; Reception and Security from June 2025 for 3 years; Hard Services Facilities Management (i.e. building maintenance and engineering) from January 2026 for 3 years.

Well-deserving tributes go to the Centre's team, in particular our service providers, who have collectively continued to provide high quality services to our clients, and to operate and maintain our facilities with dedication, perseverance and resilience.

9. 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 in the large event spaces.

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.

10. Recycling

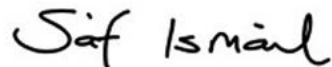
The recycling rate across the Centre during the year was 100% (2023-24: 100%) with 301 tonnes of waste (2023-24: 297 tonnes) either recycled or recovered as waste-to-energy and 0% to landfills (2023-24: 0%). This is in line with the Greening Government Initiative on waste management (2021-2025) where a key target of waste to landfill is less than 5%. The volume of waste generated was an increase of 1% (2023-24: 33%) on the previous year, however no waste was sent to landfill.

11. 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.

This approach is further strengthened by our "Dare to be Bold" philosophy, which underpins our ambition to stand out in the market by pushing creative boundaries and delivering distinctive, memorable experiences that differentiate the Centre from its competitors.

Our aim is to continue to be London's finest specialist events venue with a global reputation for excellence, having won over 50 industry awards over the past decade, including 28 golds, across categories such as "Best Venue", "Best Customer Service", "Best Catering", "Best Sustainability", "Best Event" and more.

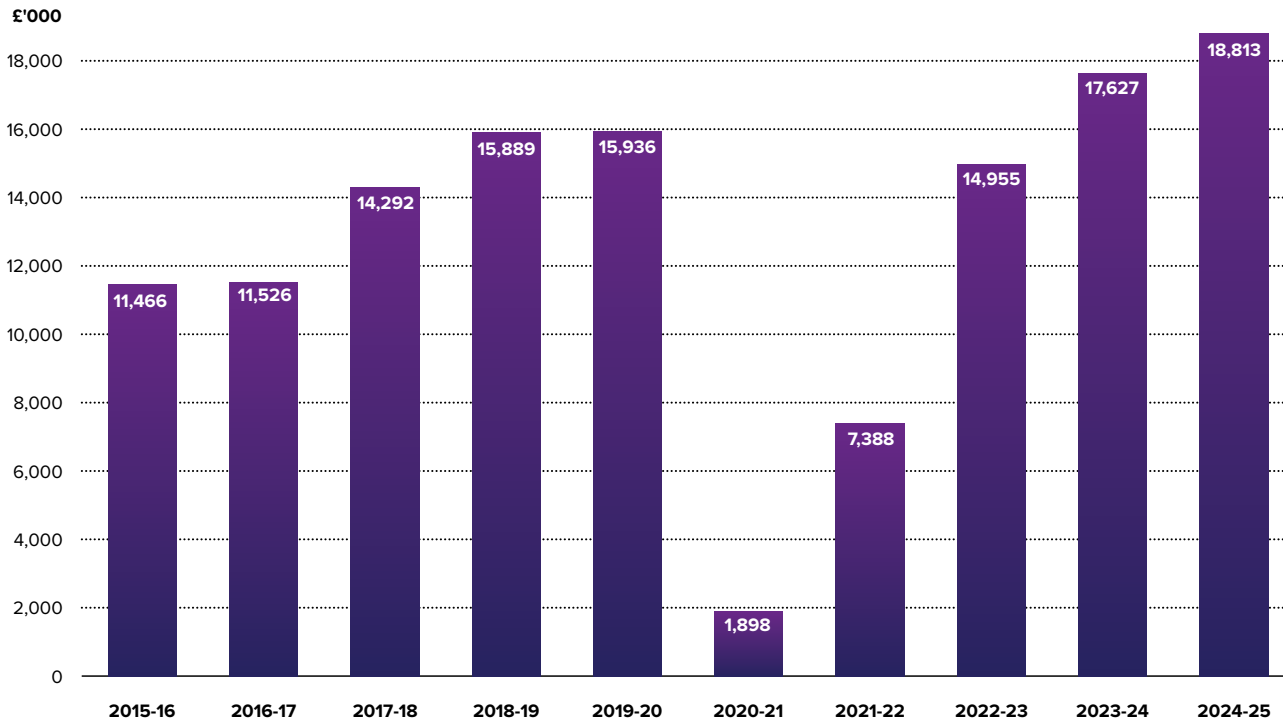


Saf Ismail, Chief Executive and Accounting Officer | 1 June 2026

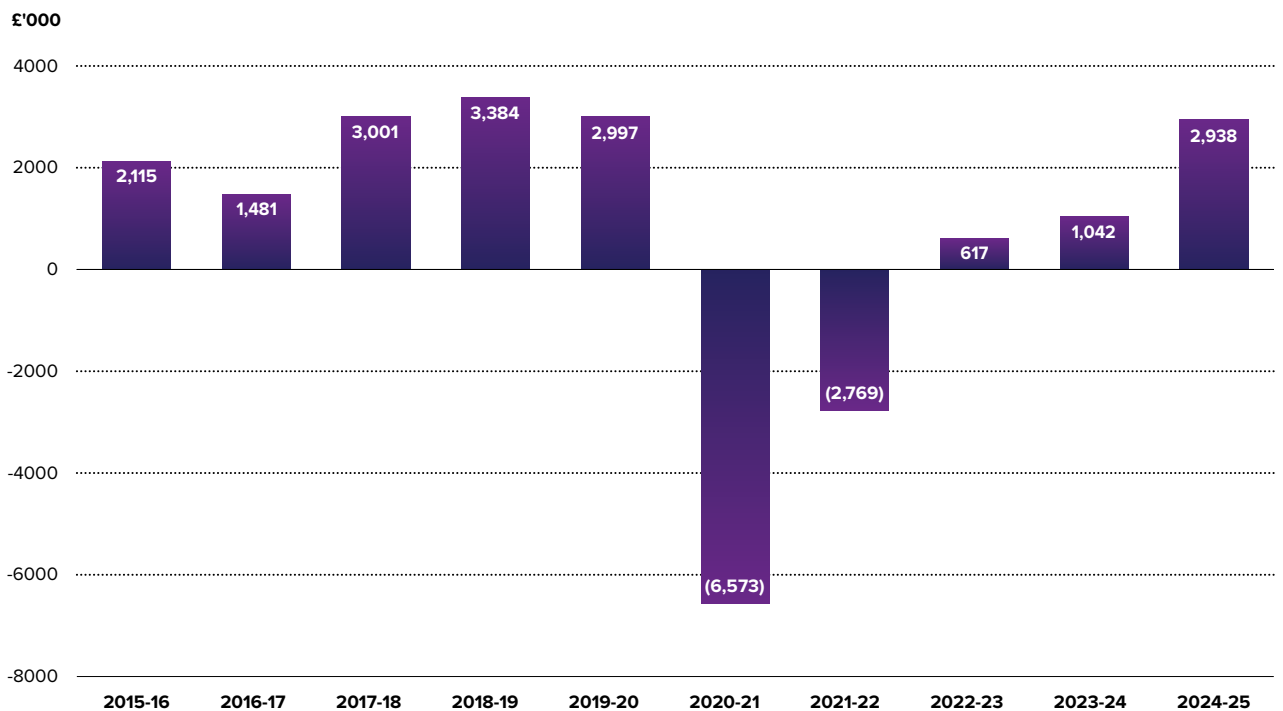
Performance Report - Overview continued

B. 10-YEAR RECORD OF INCOME AND OPERATING SURPLUS/(DEFICIT)

INCOME (£'THOUSAND)



OPERATING SURPLUS/(DEFICIT) (£'THOUSAND)



Performance Report - Overview continued

C. 10-YEAR RECORD OF UK ECONOMIC CONTRIBUTION

The following graphs showcase the Centre’s ongoing contributions to the UK economy over a decade.

During 2024/25, the economic impacts generated by the Centre’s activities included:

- **Visitor counts at Centre events** were 243,133 (2023/24: 271,421). 48% (2023/24: 44%) were from London, 27% (2023/24: 25%) elsewhere in the UK, 25% (2023/24: 31%) from overseas.
- **UK economic contribution** was £170.6m (2023/24: £221.3m) of Gross Value Added (GVA). The Centre’s contribution to UK GVA is 9 times (2023/24: 12 times) its annual income. This has dropped in tandem with the fall in overseas visitors.
- **Gross UK expenditure** generated by the Centre’s activities was £346.7m (2023/24: £446.7m). Visitor and exhibitor expenditure covers a range of areas including - accommodation, subsistence, transport, shopping, cultural and tourism activities.
- **Supported employment** of 3,437 (2023/24: 5,014) of full time equivalent (FTE) jobs with 2,970 (2023/24: 3,985) in London, 467 (2023/24: 1,029) spread across the UK. The Centre’s activities supported additional jobs 66 times (2023/24: 100 times) its own FTE headcount.

VISITOR NUMBERS (HEADCOUNT)

Headcount of delegates attending events at the Centre.



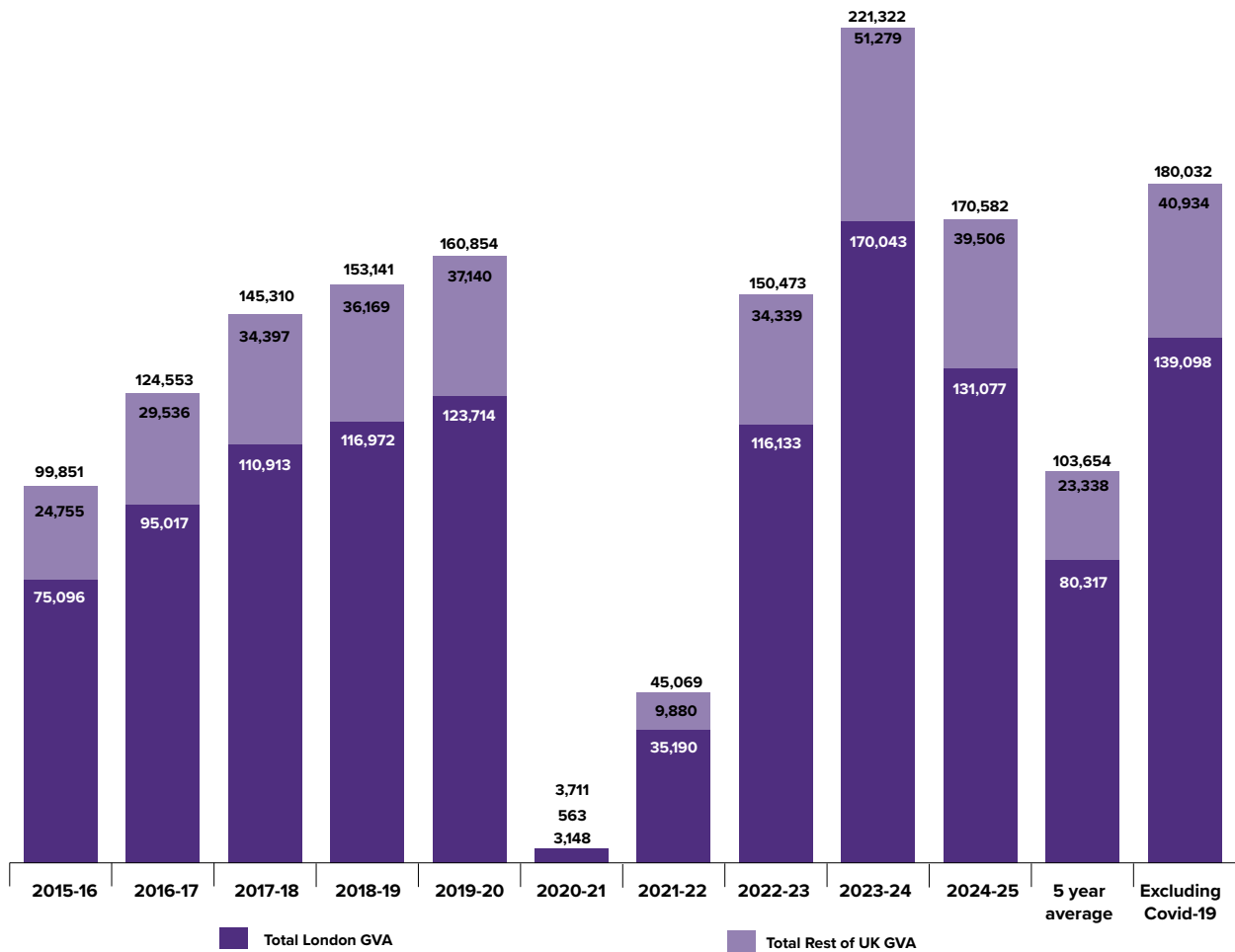
Source: Grant Thornton UK LLP analysis of Office for National Statistics data

Performance Report - Overview continued

C. 10-YEAR RECORD OF UK ECONOMIC CONTRIBUTION CONTINUED

GROSS VALUE ADDED (“GVA”) (£000s)

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



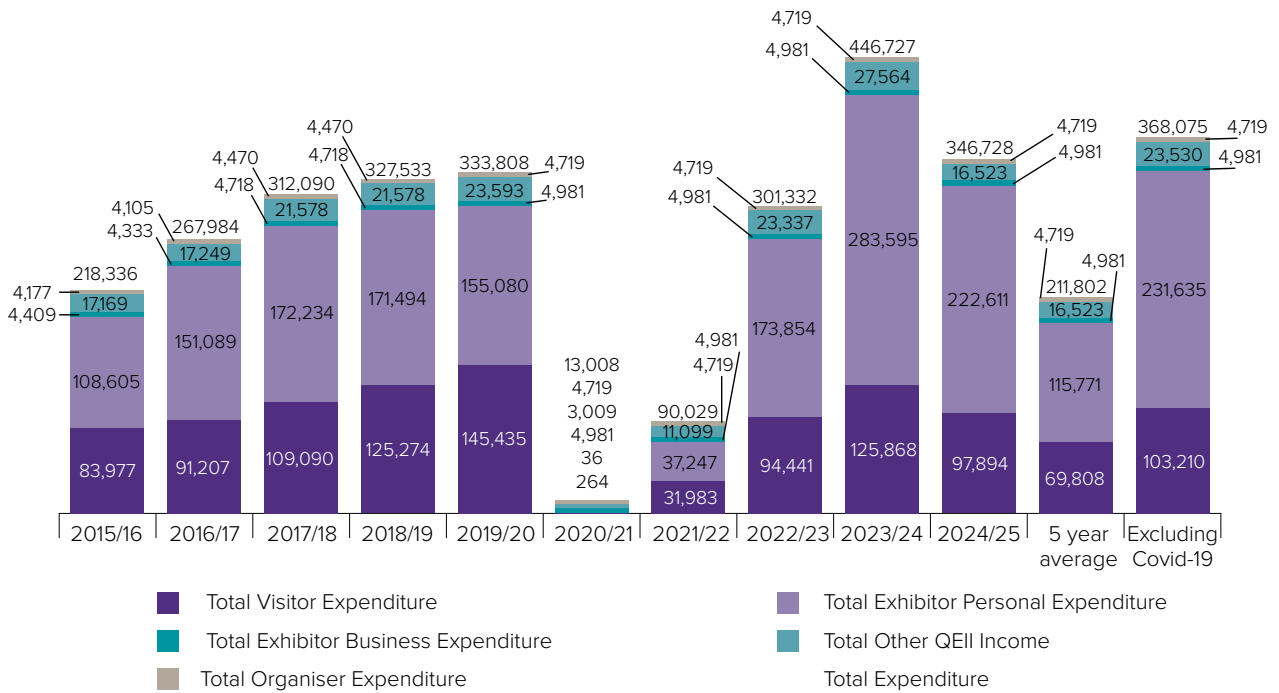
Source: Grant Thornton UK LLP analysis of Office for National Statistics data

Performance Report - Overview continued

C. 10-YEAR RECORD OF UK ECONOMIC CONTRIBUTION CONTINUED

UK GROSS EXPENDITURE (£000s)

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



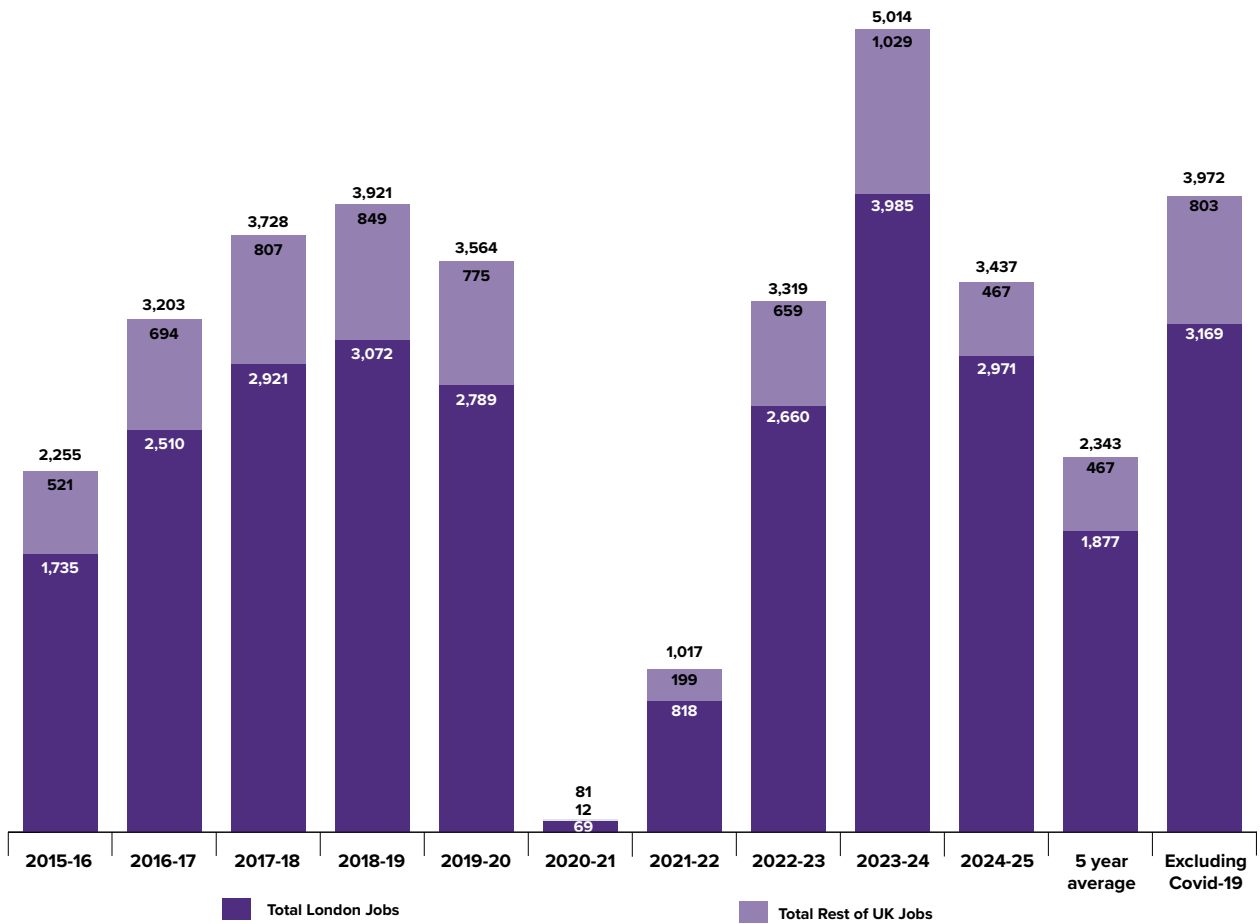
Source: Grant Thornton UK LLP analysis of Office for National Statistics data

Performance Report - Overview continued

C. 10-YEAR RECORD OF UK ECONOMIC CONTRIBUTION 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 - Analysis

1. Overview

This section contains an analysis of performance outcomes, descriptions of enterprise risks, and disclosures of non-financial information on Environmental, Social and Governance aspects.

2. Methods of Measurement

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

Client, delegate and exhibitor satisfaction score 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.

3. Comparison Against Targets Set

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

		2020-21	2021-22	2022-23	2023-24	2024-25
Contribution to MHCLG	Target	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
	Outturn	£0.0m	£0.0m	£0.0m	£0.0m	£0.0m
Capacity Utilisation of the Centre	Target	N/A	N/A	45.7%	57.0%	57.0%
	Outturn	6.3%	29.0%	51.0%	57.0%	55.0%
Overall Score for Client, Delegate and Exhibitor Satisfaction	Target	N/A	N/A	90.0%	90.0%	80.0%
	Outturn	N/A	N/A	95.0%	98.0%	93.0%
Number of Complaints per 100 Events	Target	N/A	N/A	2.00	2.00	2.00
	Outturn	0.00	0.00	1.08	2.25	1.33
Ratio of Secondary Revenue to Room Hire Revenue	Target	N/A	N/A	85.0%	95.0%	121.0%
	Outturn	4.3%	72.3%	124.0%	124.0%	134.0%

Historically, the Centre's annual net surplus would ordinarily be paid to MHCLG as dividends. However, these have recently been re-purposed as capital expenditure, with MHCLG fulfilling its landlord's building obligations. Therefore resulting in nil dividends to MHCLG.

4. Financial Year Performance

4.1 Trading performance

Income continued its rapid post-pandemic recovery with significant increases across all income streams. Room hire has improved to £7.9m (2023-24: £7.7m), whilst other income streams for QEII Live (audio visual) and QEII Taste (catering) have risen to £10.5m (2023-24: £9.6m). The ratio of secondary income to room hire has improved to 134% (2023-24: 124%).

Total costs have been stringently controlled at £16.0m (2023-24: £16.7m) with measures taken to control utility and maintenance costs which are higher owing to continued upkeep of the building. The buoyant income generated, together with a tight control over costs have resulted in an improved surplus of £2.9m (2023-24: £1.0m).

4.2 Economic contribution

The most recent assessment of the Centre's economic contribution related to trading in 2024-25, where the Centre's business contributing a Gross Value Added ("GVA") to UK GDP of £171m (2023-24: £221m), with the Centre supporting 3,437 FTE jobs (2023-24: 5,014 FTE jobs), and generating gross UK expenditure of £347m (2023-24: £447m). The main driver causing falls in GVA, FTE and gross UK expenditure is the drop in foreign visitor numbers to 59,518 (2023-24: 82,805).

4.3 Capital and reserves

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

There are various critical and statutory maintenance works that form part of the building's landlord obligations and these 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 £2.9m being added to the General Reserve which has increased to £10.9m (2023-24: £8.0m).

Performance Report - Analysis continued

4. Financial Year Performance continued

4.4 Cash management

Cash balances have improved to pre-pandemic levels following the normalisation of trading activities. On cash outflows, supplier invoices were paid in accordance with the Confederation of British Industry (CBI) guidelines - which is within 30 days from receipt of goods or services, or within 30 days from receipt of an agreed invoice - whichever is later. On cash inflows, credit control measures on client receivables also improved, thus reducing exposure to risks of defaulting client debtors.

4.5 Non-current asset management

Consistent with prior years, an annual fixed asset verification was carried out in March 2025.

5. Trends and Factors Affecting Financial Year Performance

5.1 The market in which we operate

The conference and meetings market is both local and international, and remains highly competitive and dynamic. 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. In particular, London continues to see increased competition from both established venues and new market entrants, placing greater emphasis on differentiation, service excellence and value creation.

Market conditions over the period have remained mixed. While demand continues across key segments, clients are becoming more selective, with longer lead times in decision-making and increased focus on return on investment, particularly across corporate events. At the same time, international association demand remains strong, supported by long-term planning cycles and London's continued global appeal.

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. This unique positioning, combined with strong transport links and proximity to key institutions, continues to be a significant competitive advantage.

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. The Centre continues to perform strongly within the association segment, which provides long-term, high-value business and supports forward pipeline stability. 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. In addition, international corporate business has shown continued growth and remains one of the strongest performing segments for the Centre, supporting overall revenue performance.

The products and services offered by the Centre target sections of the market that value quality, reliability, security and the latest technology. This positioning enables the Centre to attract high-profile, complex and high-value events where delivery standards and reputation are critical to client decision-making. 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. This partnership allows the Centre to deliver innovative and high-end food experiences that form a key part of the overall client offering and revenue generation.

Another core competitive advantage of the Centre is its own highly experienced audio visual team (branded as QEII Live) that is able to deliver highly sophisticated and technically complex event production, supporting a wide range of event formats from large-scale conferences to bespoke productions. This in-house capability provides greater flexibility, consistency of delivery and commercial opportunity compared to outsourced models. This is complemented by a highly experienced and client-focused event management team, ensuring seamless delivery from enquiry through to execution. Together, these capabilities position the Centre strongly within the market as a venue able to deliver complex, high-impact events at the highest standard.

5.2 Market conditions

On the demand side, the Centre is seeing a strong return of events, with high levels of international and large-scale activity. Some of these events had been disrupted from their traditional meeting cycles during the pandemic, and international congress rotations are now returning to pre-pandemic patterns, with clients globally reinstating its annual meeting cycles and booking further in advance into future years. However, shorter booking lead times remain evident across certain segments of the market. Nonetheless, the Centre's forecast income for the next few years remain positive and achievable, supported by a strong forward pipeline.

On the supply side, persistent levels of inflation have led to increased costs across employee resourcing, equipment, consumables, services, and food and beverage, which continue to significantly impact profitability levels and margins. This is compounded by labour shortages across the hospitality and events sector. It is anticipated that it will take time to return to profitability levels consistent with those achieved pre-pandemic.

Market headwinds continue to affect the Centre, including sluggish economic growth, higher taxation, persistent inflation, and ongoing geopolitical tensions, including conflicts in Europe and the Middle East. In addition, external factors such as industrial action, including rail strikes across the UK have at times disrupted client activity and impacted business confidence, leading in some cases to event cancellations or rescheduling.

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.

Performance Report - Analysis continued

5. Trends and Factors Affecting Financial Year Performance continued

The effectiveness of the Centre's risk management process is reviewed by the Audit and Risk Assurance Committee. An online Health & 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 employees 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. Together, these capabilities enable the Centre to consistently deliver high-quality, complex events and maintain strong client satisfaction and retention.

6. Trends and Factors Affecting Future Performance

6.1 Strategy and Objectives

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. The Centre has won over 50 industry awards over the past decade, including 28 golds, across categories such as "Best Venue", "Best Customer Service", "Best Catering", "Best Sustainability", "Best Event" and more.

Its corporate priorities anticipate a growth in clients' expectations of the quality and range of available services, and the use of leading-edge technology. There is also a continued focus on enhancing the overall client experience through innovation, differentiation and the delivery of high-impact events. Integrated commercial, operational, financial and human resource strategies are updated annually in the light of past performance and perceived changes in market conditions.

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 income from room hire and maximise secondary income 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 employees are properly trained, well-motivated and have opportunities to develop to their full potential. In addition, the Centre is focused on driving long-term value through a more strategic approach to business mix, prioritising high-quality, high-value events that support sustainable income growth.

6.2 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 in tandem with pre-existing knowledge of each room's demand price elasticity in order to maintain its profitability levels, whilst remaining competitive without compromising standards and its position in the marketplace.

The implementation of a revised pricing strategy has also supported the repositioning of the Centre within the market, enabling a stronger focus on yield management and the selection of the optimal business mix. This approach allows the Centre to prioritise higher-value opportunities, optimise long-term income performance, and build a more sustainable and forward-looking pipeline.

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. 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 its event related equipment and infrastructure. Ongoing activities include: replacing its 9 passenger lifts; upgrading its building management system; strengthening fire compliance; implementing a long-term forward maintenance programme of its building plant and fabric based on a building condition survey; re-mobilising 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.

6.4 Audio visual capabilities

QEII Live (Audio Visual and Event IT) have continued to invest in the Centre's ability to plan, produce and deliver excellent events. Further investment has been made in upskilling our Project Management and with the new 4K data projection, high specification presentation laptops. With the installation of a complete new wireless access point system and IT infrastructure over the summer of 2025, the futuristic infrastructure will provide clients with far superior services. More investment continues over the months and years ahead that will dovetail with plans for the refurbishment of the Centre's auditoriums.

6.5 Service providers

The Centre's Catering concession was re-tendered under the Public Sector Procurement regulations, resulting in a 10 year term with the existing caterer, Compass Group Ltd, from January 2025.

Performance Report - Analysis continued

6. Trends and Factors Affecting Future Performance continued

6.5 Service providers continued

Other services were also renewed with existing service providers for a further fixed-term period – namely:

- Soft Services Facilities Management (i.e. cleaning and portage) with Julius Rutherford & Co Ltd from April 2025 for 2.5 years;
- Reception and Security with OCS Security Ltd from June 2025 for 3 years;
- Hard Services Facilities Management (i.e. building maintenance and engineering) with CBRE Managed Services Ltd from January 2026 for 3 years.

6.6 Trading outlook

6.6.1 Trading overview

Trading for 2025-26 remains on a strong trajectory with signed contracts for room hire at £9.2m as at March 2026 versus the full year plan of £8.2m. Whilst room hire for subsequent years 2026-27 and beyond are progressing to plan. The Centre continues to increase its focus on competing for larger association and international events which generally have a much longer lead time and has to date secured numerous contracts for multi-year deals for future bookings through to 2029.

6.6.2 Going concern assessment

Despite the Centre being earmarked as a possible temporary decant location for the House of Lords as part of Parliament's Restoration and Renewal ("R&R"), there remains no restriction on future trading and the Centre has been able to contract numerous multi-year contracts for future bookings to 2029.

The MHCLG Minister of State has approved the 2025-26 business plan, whilst the Centre's Board has approved the 2026-27 business plan. Within these 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 forward 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 uncertainty over Parliament's Restoration & Renewal programme.

The Centre maintains the financial security of being able to borrow up to £12m via its Statutory Instrument from its parent department, MHCLG. This borrowing facility enables the Centre to meet its financial commitments. Accordingly, management considers it appropriate to continue to adopt the going concern basis.

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

7.1 Mitigating climate change towards net zero by 2050

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. Together with measures taken to mitigate the impact of climate change.

7.2 Minimising waste

All waste generated by the Centre were either recycled or incinerated to heat energy, with none being landfilled (2023-24: none). 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 1% (2023-24: 33%) on the previous year due to a relatively unchanged number of events.

		2024-25			2023-24		
Emissions		£'000	Tonnes	CO2e Kg	£'000	Tonnes	CO2e Kg
Food and Non-ICT Waste Generated							
Recycled	Scope 3		205	0	204	0	
Composted	Scope 3		0	0	0	0	
Incinerated with heat energy recovery	Scope 3		96	615	93	1,979	
Incinerated without energy recovery	Scope 3		0	0	0	0	
Landfilled	Scope 3		0	0	0	0	
ICT Waste Generated							
Recycled, reused, recovered	Scope 3		0	0	0	0	
Landfilled	Scope 3		0	0	0	0	
		73	301	615	72	297	1,979

7.3 Reducing water and energy usage

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

		2024-25			2023-24			
Sources Emissions		£'000	m3	CO2e Kg	£'000	m3	CO2e Kg	
Water Consumed								
Water	Recyclable	Scope 2	46	22,600	3,460	87	24,612	4,349
Energy Consumed								
Sources Emissions		£'000	kWh	CO2e Kg	£'000	kWh	CO2e Kg	
Electricity	Renewable	Scope 2	1,262	5,381,062	1,102,741	1,280	6,020,645	1,246,721
Gas	Non-renewable	Scope 1	218	3,817,154	696,745	207	4,759,738	870,694
		1,480	9,198,216	1,799,486	1,487	10,780,383	2,117,415	

In respect of sustainability and efficiency, the Centre has undertaken numerous initiatives and continues to look for further efficiency savings to reduce water consumption. 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 over the next 3-4 years.

The Operations team have continued to look for energy savings across the Centre. It has commenced a long-term forward 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 sustainable light-emitting diode (LED), 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 at its main entrance to retain heat and cool environments, and replacement of all window seals to name just a few of the opportunities being considered.

Performance Report - Analysis continued

7. Environmental, Social and Governance (“ESG”) continued

7.4 Promoting resource efficiency

The Centre generates carbon emissions during business travel, hotel nights stayed, and paper usage.

Sources	Emissions	Scope 3	2024-25			2023-24		
			£'000	km	CO2e Kg	£'000	km	CO2e Kg
Business Travel								
Domestic	Non-renewable	Scope 3	48	26,184	4,612	42	23,752	4,581
Abroad	Non-renewable	Scope 3	16	153,483	42,033	11	75,173	20,576
			£'000	Count	CO2e Kg	£'000	Count	CO2e Kg
Hotel Nights								
Domestic	Non-renewable	Scope 3	17	111	1,256	33	226	2,386
Abroad	Non-renewable	Scope 3	10	82	1,069	12	50	300
			£'000	Metric Tonnes	CO2e Kg	£'000	Metric Tonnes	CO2e Kg
Other Activities								
Paper Weight	Non-renewable	Scope 3	0.2	0.3	418	1.1	0.7	660

In terms of base lining, the aim is to reduce paper usage year-on-year.

Where the airline allows, the Centre’s business travellers offset their carbon emissions during international air travel by purchasing carbon removal credits. For local travel, the preference is to use the railway rather than aeroplanes.

7.5 Procuring sustainable products and services

Food can be an incredibly impactful area when it comes to sustainability, and the Centre works with a caterer who pride themselves on delivering exceptional quality food which not only tastes great but is good for the planet too. The Centre’s in-house caterer has implemented a wide range of climate initiatives to achieve by 2027, with over half of its goals already accomplished. It has a 50 per cent plant-based food and beverage menu, beef has been removed from menus, all desserts are plant-based and taste delicious. All produce is as local and seasonal as possible to reduce food miles, and food waste is minimised by using offcuts in the employee restaurant and allowing their employees to take home excess food.

7.6 nature recovery and biodiversity action planning

In 2022, the Centre partnered with BeesMax (a not-for-profit organisation dedicated to reversing the decline of the UK bee population), to install a hive of 10,000 bees on Level 4’s courtyard garden. The hive enables the Centre to help conserve the honeybee population, support rewilding and raise awareness among visitors. As a result of the hive’s success, an additional colony of 10,000 bees were rewilded to Buckland Lakes in Surrey (from the original colony of 10,000). An added perk of keeping bees is that the Centre now produces its very own honey – 200 jars of QEI honey were produced in 2023, which tastes incredible.

7.7 Adapting to climate change

Eliminating plastics is one area where the Centre can really make a difference in preserving the planet towards minimising climate change. On a typical day, the Centre may have several thousand people in the venue, all of whom need to eat and drink. The

Centre made the decision several years ago to eliminate single use plastic, including straws, cups and bottles, which saves a huge amount of non-biodegradable waste from landfill. Instead of plastic, the Centre uses reusable and recyclable aluminium cans, glass or ceramic jugs for milk and all our food is served in sustainable food boxes.

7.8 Reducing environmental impacts from ICT and Digital

With the Centre having over 7,000 square metres of event space to light and heat, energy efficiency is incredibly important both from a cost and environmental point of view. The Centre monitors its energy usage on a monthly basis and have installed measures throughout the building to reduce energy use, including motion sensitive LED lighting.

In addition, the Centre also reduces paper printing by making menus and allergens available through QR codes, providing a paperless and contact-free option.

7.9 Sustainability accreditation and corporate social responsibility

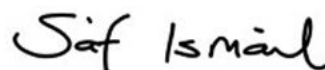
The Centre is a member of the Green Tourism Accreditation programme and has been awarded Silver status. The Centre is also a member of the Greengage accreditation programme and has been awarded Gold status, recognising its eco approach to Food and Beverage, Energy and Water Conservation, Waste Management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

The Centre’s Energy Performance Certificate (EPC) 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 previous 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. The Centre continues to work closely in support of this, as well as introducing its own initiatives.

8. HM Treasury Accounts Directions

This statement of accounts has been prepared in accordance with HM Treasury’s Accounts Directions dated 19 December 2024, given in pursuance of section 4(6)(a) of the Government Trading Funds Act 1973.



Saf Ismail, Chief Executive and Accounting Officer | 1 June 2026

Accountability Report - Corporate Governance

A. DIRECTORS' REPORT

1. Management Board (renamed the Executive Committee from June 2025)

The following served as members of the Management Board during the financial year and to the date of this report. Following the renaming of the Management Board to the Executive Committee from June 2025, the Independent Non-Executive Directors ceased to be members since then.

Name	Role(s)	Start Date
Executive Directors		
Saf Ismail	Chief Executive Officer, Accounting Officer	27 October 2025
Raj Pragji	Human Resource Director	Pre 1 April 2024
EeLain Ong	Finance Director	Pre 1 April 2024
Elena Gurgul	Sales and Marketing Director	Pre 1 April 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 2024
Mark Riches	Independent Non Executive Director Chair of Nomination and Remuneration Committee	Pre 1 April 2024

Name	Role(s)	Leave Date
Executive Directors		
Mark Taylor	Chief Executive Officer, Accounting Officer	10 October 2025
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 (2023-24: none).

2. Advisory Board (renamed the Board from June 2025)

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 Directors		
Andy Hobart	MHCLG Commercial Director as Senior Sponsor for the Centre Chair, Non-Executive Director of Advisory Board	Pre 1 April 2024
Ben Cook	MHCLG Commercial Director as Senior Sponsor for the Centre Chair, Non-Executive Director of Advisory Board	27 February 2026

Name	Role(s)	Leave Date
Non-Executive Directors		
Andy Hobart	MHCLG Commercial Director as Senior Sponsor for the Centre Chair, Non-Executive Director of Advisory Board	27 February 2026

3. Employee Engagement

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

The Centre operates a variety of reward and recognition schemes, for example, employees 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 Senior Leadership Team (SLT) team charter for all leaders and line managers that builds on the recently refreshed QEII values and behavioural expectations.

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

The Centre operates a fair and open recruitment process 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

Employees 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 revalues the leasehold building annually using the value in use method and the valuation at 31 March 2025 was £30.5m (2023-24: £32.75m). The accounting policy on recognising the building usage rights is set out in Note 21 to the financial statements.

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 £120,000 (2023-24: £190,000). No other assurance or non-assurance services were provided (2023-24: £nil).

Accountability Report - Corporate Governance continued

A. DIRECTORS' REPORT CONTINUED

8. Operational Performance

The average absence from work during the year due to sickness was 8.0 days per employee, which is reduced to 3.4 days if five long term sick cases are excluded (2023-24: 11.5 days, reducing to 3.9 days by excluding one long term sick case).

9. Personal Data Incidents

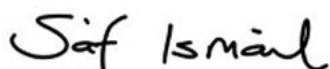
There have been no personal data related incidents during the year (2023-24: none).

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.



Saf Ismail, Chief Executive and Accounting Officer | 1 June 2026

Accountability Report - Corporate Governance continued

B. STATEMENT OF ACCOUNTING OFFICER'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.

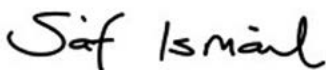
In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- 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 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.



Saf Ismail, Chief Executive and Accounting Officer | 1 June 2026

C. GOVERNANCE STATEMENT

1. Corporate Governance

As the incoming Accounting Officer, I have been onboarded with a handover from the then MHCLG Commercial Director (also Advisory Board Chair), and other members of the Centre's Advisory and Management Boards. Through these arrangements, I have assured myself of the Centre's governance structures and how these effectively drive the Centre's objectives.

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 income 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).

The Centre has complied with HM Treasury's Corporate Governance in Central Government Department's code of good practice code for the period covered by this report. 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 **Advisory Board** (renamed the Board from June 2025), 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 two Independent Non-Executive Director, the Management Board members, and the MHCLG Commercial Director. The Advisory Board met on three occasions during 2024-25 (2023-24: four).
- The **Management Board** (renamed the Executive Committee from June 2025), 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 the CEO, Finance Director, Human Resources Director, Sales and Marketing Director, Venue Operations Director, and two Independent Non-Executive Directors until June 2025 when both ceased being members when it was renamed the Executive Committee. The Management Board met on three occasions during 2024-25 (2023-24: six).
- 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, Finance Director, Human Resources Director, Sales and Marketing Director, Venue Operations Director, National Audit Office ("NAO"), 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 2024-25 (2023-24: four).

Accountability Report - Corporate Governance continued

C. GOVERNANCE STATEMENT CONTINUED

1. Corporate Governance continued

- The **Nomination and Remuneration Committee**, chaired by the Chief Executive Officer, 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 that awards annual inflationary increases.

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, chaired by the Chief Executive Officer, 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.
- The **Business Performance Management** meeting, chaired by the Chief Executive Officer, brings directors and managers together quarterly to review business performance and strategy.
- The **Catering Contract** meetings, chaired by the Chief Executive Officer, are held quarterly 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, Finance Director, Sales and Marketing Director, and Venue Operations Director are present at meetings with the caterers, who are represented via their onsite General Manager as well as Compass Group's divisional Managing and Operations Director.
- The **Facilities Management Contract** meetings, chaired by the Chief Executive Officer, are held quarterly between the Centre's management and its 3 service providers: Julius Rutherford & Co Ltd who provide soft services facilities (i.e. cleaning and portage); BAM FM Ltd (replaced by CBRE Managed Services Ltd since January 2026) who provide hard services facilities (i.e. building maintenance and engineering); and OCS Security Ltd who provide reception and security services. Attendees are the CEO, Finance Director, Venue Operations Director, the onsite contractors' management and regional management.
- The **Risk Management Working Group ("RMWG")** meeting, chaired by the Finance Director and meets quarterly to oversee 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 **Health and Safety Committee** meeting, chaired by the Venue Operations Director, meets quarterly 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 employee 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. Employee training is undertaken on the Safesmart online platform to ensure employee compliance. The Centre continues to rely on internal expertise within the business to manage Health and Safety by ensuring greater accountability across the site.

- The **Sustainability Committee**, chaired by the Head of Marketing, meets every 2 months and maps the QEII journey towards a net zero carbon neutral strategy. It reports on, and reviews, core initiatives and developments with sustainability and environmental matters.

2. Conflicts of Interest

Members of the Management and Advisory Boards are obliged to report all potential conflicts of interest. Except as reported in the 'related party transactions' (refer Note 16 in the financial statements), there are no relevant interests and potential conflicts to report during the financial year (2023-24: none).

3. 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.

2024/25 financial year

- Key Financial Controls – "moderate" rating.
- Fraud Response Plan and Overtime – "moderate" rating.
- Whistleblowing – "moderate" rating.
- Income Recognition – "substantial" rating.
- Cyber Security – "moderate" rating.
- Building Maintenance Contract Management – "moderate" rating.

2025/26 financial year

- Large Procurement and Payments – "limited" rating.

The overall 2024/25 rating provided by GIAA was "limited" as it was significantly influenced by the 2025/26 audit on Large Procurement and Payments which yielded a "limited" rating as there were significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective.

4. Effectiveness of Internal Control System

The internal control system is designed, inter alia, to mitigate risks to a tolerable risk 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. The internal control system accords with HM Treasury guidance and has been in place throughout the financial year (2023-24: in place throughout).

The exceptional event over the manipulation of procurement and purchasing controls which occurred during 2020/21, 2021/22, 2022/23 and 2023/24 led to the conclusion that the Centre's internal control environment was ineffective. This triggered an action plan to improve processes and controls, most of which have been embedded into business as usual. The Audit and Risk Assurance Committee ("ARAC") has reviewed the mobilisation of this action plan in conjunction with the internal auditors who have provided assurance of this embedding.

Accountability Report - Corporate Governance continued

C. GOVERNANCE STATEMENT CONTINUED

4. Effectiveness of Internal Control System continued

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 and Advisory Boards, including the ARAC.

5. Quality of Data Utilised

The data utilised by the Centre to inform its future business decisions and report on its historic performance is based off one enterprise resource planning ("ERP") system. This ERP system captures the data set by front office employees, processes the same data set by middle office employees who enriches the data further, with the same data set being utilised by back office for reporting historic performance, then extrapolating into the future for planning purposes. This avoids the need for extensive reconciliations with data sets flowing seamlessly from upstream to downstream.

Utilising a single ERP system also ensures that the data set remains complete and is processed in a controlled environment with no opportunity for manual interference (be it accidentally or deliberately) by employees without generating an auditable trail.

6. Application of UK Government Functional Standards

The suite of Government Functional Standards sets out to:

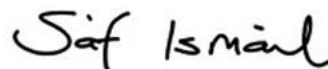
- Support the governance, planning, delivery and assurance of functional work.
- Support continuous improvement and professional development.
- Provide a reference point that other requirements and guidance need to meet, to support coherent and joined up working
- Align the definitions and language used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

7. 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 GIAA, NAO and ARAC. I have concluded that the Centre's internal control environment was effective in the year.

In line with continuous improvements, the Centre continues to enhance its risk management and internal control systems with robust plans being delivered to this effect. These rigorous measures follow on from the exceptional event over the manipulation of procurement and purchasing controls during the previous financial years spanning 2020/21, 2021/22, 2022/23 and 2023/24 when controls were ineffective, leading to a qualification in the 2023/24 audit opinion.



Saf Ismail, Chief Executive and Accounting Officer | 1 June 2026

Accountability Report - Remuneration and Staff Report

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

1. Membership of Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises:

- Mark Riches, Independent Non-Executive Director, Chair of the Nomination and Remuneration Committee from October 2025;
- Lindsey Hoy, Independent Non-Executive Director, Chair of the Audit and Risk Assurance Committee;
- Chief Executive Officer, Finance Director, Human Resources Director.

2. Policy on Remuneration of Senior Managers

The remuneration of the Chief Executive Officer, comprising salary and bonus, is determined by MHCLG. Salaries of all other employees, including Directors and Managers, are determined by a Performance Management Pay Scheme under which most receive a pay award based on their performance. Pay awards are in line with the Annual Pay remit guidance. There is some scope for high performing employees to receive a higher inflationary award, whilst poor performers may receive no inflationary award. In addition, all eligible employees 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

Employees are appraised against individually targeted objectives (the “what”) and behaviours (the “how”). The appraisals are undertaken half yearly.

4. 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.

5. Relationship between Performance and Remuneration

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

6. Employee 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 portering), BAM FM Ltd (CBRE Managed Services Ltd from January 2026) manages hard services facilities (i.e. building maintenance and engineering); and OCS Security Ltd manages the reception and security.

During the year, the gender split of average employees employed at the Centre constitutes:

	Male Count	Female Count	Total Count
Director employees	2	3	5
Other employees	30	15	45
	32	18	50

7. Notice Period on Employment Contracts

The notice period for the majority of employees is 1 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 2 or 3 months dependent on the role. This will enable improved management of vacancies whilst minimising disruption to business and event delivery.

8. Directors’ Service Contracts and Notice Periods

	Years’ Service at 31 March 2025	Length of Notice
Raj Pragji, Human Resources Director	31.72	1 month
Mark Taylor, Chief Executive and Accounting Officer	12.00	3 months
EeLain Ong, Finance Director	1.23	3 months
Elena Gurgul, Sales and Marketing Director	1.08	3 months
Peter Ochser, Venue Operations Director	0.83	3 months

9. Directors’ Remuneration (subject to audit)

Remuneration costs of the Management and Advisory Board members are set out below. There were no expense allowances, and no payments of compensation for loss of office.

						2024-25					
Director Employees and Function	Start Date	Salary £’000	Bonus £’000	Pension Benefits £’000	Benefits in Kind £’000	Total £’000					
Mark Taylor, Chief Executive, SCS 1	Pre 1 April 2024	115–120	0	46	0	160–165					
Raj Pragji, Human Resources	Pre 1 April 2024	75–80	0	47	0	125–130					
EeLain Ong, Finance	Pre 1 April 2024	80–85	0–5	14	0	95–100					
Elena Gurgul, Sales & Marketing	Pre 1 April 2024	80–85	0	31	0	110–115					
Peter Ochser, Venue Operations	3 June 2024	65–70	0	26	0	90–95	[FYE 80–85]	[FYE 0]	[FYE 31]	[FYE 0]	[FYE 110–115]
Lindsey Hoy, Independent Non Executive	Pre 1 April 2024	5–10	0	0	1	5–10					
Mark Riches, Independent Non Executive	Pre 1 April 2024	5–10	0	0	0	5–10					
Andy Hobart, Non Executive	Pre 1 April 2024	0	0	0	0	0					
						Leave Date					
Simon Wilkinson, Venue Operations (Interim)	3 June 2024	15–20	0	0	0	15–20	[FYE 105–110]	[FYE 0]	[FYE 0]	[FYE 0]	[FYE 105–110]

Note the following:

- Simon Wilkinson was employed off-payroll as Interim Venue Operations Director on a full-time 5-days a week basis.
- Independent Non-Executive Directors are employed on the payroll and paid on an hourly basis for their board attendance 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, that does not cross-charge the Centre.

Accountability Report - Remuneration and Staff Report

continued

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

9. Directors' Remuneration (subject to audit) continued

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

Note the following:

- John French was employed on the payroll as Interim Finance Director on a part-time 3-days a week basis.

10. Employee Numbers and Related Costs (subject to audit)

See Note 3 to the financial statements.

11. Fair Pay Disclosure (subject to audit)

Pay and benefits encompasses 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 pay and benefits of the highest paid director in the current financial year was £115,000-120,000 (2023/24: £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.

	2024-25			2023-24		
	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	3.44	2.69	2.02	4.77	3.63	2.92

The lower (25%), median (50%) and upper (75%) percentiles of employee salaries, allowances and bonuses are shown in monetary amounts below. The amounts are relatively stable year-on-year.

	2024-25			2023-24		
	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	29	36	47	31	35	45
Total pay and benefits	34	44	58	35	46	58

The percentage change in salaries, allowances and bonuses for average employees and the highest paid director employee are shown below. Both average salaries and bonuses fell year-on-year as the highest paid director in 2023-24 left, which caused the 2024-25 averages to fall, compounded by a headcount increase.

	2024-25		2023-24	
	Total Salary and Allowance %	Bonus Payments %	Total Salary and Allowance %	Bonus Payments %
Average employee (excluding highest paid director)	(5.6%)	(32.2%)	1.4%	100.0%
Highest paid director employee	(5.2%)	(100.0%)	24.4%	13.5%

The highest paid director employee in 2024-25 was Mark Taylor (2023-24: John French).

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

There were no awards to past senior managers (2023-24: £nil).

13. Non-Cash Elements of Remuneration

There were no non-cash elements of remuneration given to any employee during the year (2023-24: £nil).

14. Directors' Defined Benefit Pensions (subject to audit)

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.

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.

Accountability Report - Remuneration and Staff Report

continued

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

14. Directors' Defined Benefit Pensions (subject to audit) continued

Director Employees and Function	Start Date	Accrued at Pension Age This Year End		Real Increase/ (Decrease) at Pension Age		CETV 31 March 2025 £'000	CETV 31 March 2024 £'000	Real Increase/ (Decrease) in CETV £'000
		Pension £'000	Lump sum £'000	Pension £'000	Lump sum £'000			
Mark Taylor, Chief Executive, SCS 1	Pre 1 April 2024	35-40	0	2.5-5.0	0	652	562	37
Raj Pragji, Human Resources	Pre 1 April 2024	30-35	80-85	2.5-5.0	0.0-2.5	732	664	37
EeLain Ong, Finance	Pre 1 April 2024	0	0	0	0	0	0	0
Elena Gurgul, Sales & Marketing	Pre 1 April 2024	0-5	0	0.0-2.5	0	23	2	16
Peter Ochser, Venue Operations	3 June 2024	0-5	0	0.0-2.5	0	25	0	20
	Leave Date							
Simon Wilkinson, Venue Operations	3 June 2024	0	0	0	0	0	0	0

Individuals affected by the Public Service Pensions Remedy. Accrued pension benefits included in the tables above for individuals affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

15. Directors' Defined Contribution Pensions (subject to audit)

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 17.75% (2023-24: unchanged). Employers also match employee contributions up to 3% (2023-24: unchanged).

Defined contribution pensions to the Partnership pension provider were:

Director Employees and Function	Start Date	2024-25		2023-24	
		Pension Contribution Costs In-Year £'000	Pension Contribution Costs Deferred/ (Accrued) at Year End £'000	Pension Contribution Costs In-Year £'000	Pension Contribution Costs Deferred/ (Accrued) at Year End £'000
EeLain Ong, Finance	Pre 1 April 2024	10-15	0	0-5	0

16. Payments to Third Parties for Senior Manager Services

No payments were made during the year to third parties for senior manager services (2023-24: £nil).

17. Expenditure on Consultancy

Spend on consultancy during the year was £4,551 (2023-24: £48,644). Consultancy spend fell year-on-year as projects were managed by internal employees.

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 (2023-24: £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.

	2024-25 Number	2023-24 Number
Existing engagements at year end		
- of which existing for less than one year at time of reporting	1	1
- 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	1
- 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	1
- 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 employees 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 employees engaged, updated, and motivated to deliver excellent client service.

The Centre is committed to the Health and Safety of all employees and the Health and Safety Committee meets every 2 months to ensure any concerns or issues are promptly dealt with. A half-yearly 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.

Saf Ismail

Saf Ismail, Chief Executive and Accounting Officer | 1 June 2026

Accountability Report - Parliamentary Accountability and Audit Report

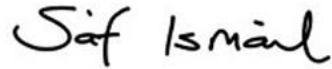
Overview

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, below

the level, currently £300,000, at which they need to be reported separately for this financial year (2023/24: above £300,000).



Saf Ismail, Chief Executive and Accounting Officer | 1 June 2026

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 2025 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 2025;
- 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 on the corresponding figures of the matter described in the *Basis for the qualified opinion* 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 2025 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.

Opinion on regularity

In my 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

During the course of 2023-24 management identified £562,000 in relation to 2023-24 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 note 7 to the financial statements. Management have determined that there was 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.

My audit opinion on the financial statements for the period ended 31 March 2024 was modified accordingly. My opinion on the current period's financial statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures. It has not been possible to perform audit procedures to resolve the basis for qualification as part of the 2024-25 audit as no new evidence is available.

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 (2024)*. 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 2024*. 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 opinion.

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.

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.

I have nothing to report in this regard.

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

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.

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

- 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

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 Report.

In respect solely to the issue described in the Basis for the 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 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

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 Report.

In respect solely to the issue described in the Basis for the 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 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.

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, key performance indicators and performance incentives.
- 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 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 continued

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

- 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 and external specialists, including property experts and internal fraud specialists 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, posting of unusual journals, complex transactions, bias in management estimates, occurrence of expenditure and the completeness of related parties. 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 and pensions legislation and tax legislation.

Audit response to identified risk

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

- I reviewed the financial statement disclosures and testing to supporting documentation 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 and legal counsel concerning actual and potential litigation and claims;
- 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
- I addressed the risk of fraud in revenue recognition by assessing the recognition of room hire and audio-visual income around the year end;
- I addressed the risk of fraud in the occurrence of expenditure by enhanced procedures to evidence that the goods were received; and
- I addressed the risk of completeness of related parties by additional related party checks within expenditure testing, enhanced checking of potential related parties and testing of higher risk expenditure areas such as commission for related parties.

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 Auditor General | 2 June 2026
National Audit Office 157-197 Buckingham Palace Road Victoria,
London SW1W 9SP

Statement of Comprehensive Net Income

for the Year Ended 31 March 2025

	NOTES	2024-25 £'000	2023-24 £'000 Restated
Revenue	2	18,813	17,627
Depreciation	8	(1,750)	(1,623)
Staff costs	3	(4,127)	(3,531)
Other expenditure	6	(10,133)	(10,956)
Other expenditure - exceptional	7	0	(562)
Operating surplus for the year before interest		2,803	955
Interest receivable		135	87
Operating surplus for the year		2,938	1,042
Payment to parent agency		0	0
Retained surplus		2,938	1,042
Revaluation reserve movements	8	(1,624)	345
Total comprehensive surplus		1,314	1,387

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

Prior year restatements are detailed in Note 21 to the financial statements.

The notes on pages 29-34 form an integral part of these financial statements.

Statement of Financial Position

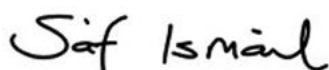
as at 31 March 2025

	NOTES	2025 £'000	2024 £'000 Restated	2023 £'000 Restated
Non-current assets				
Property, plant and equipment	8	32,451	34,023	33,739
Total non-current assets		32,451	34,023	33,739
Current assets				
Trade and other current receivables	9	6,264	4,110	4,280
Cash and cash equivalents	10	8,129	3,864	5,653
Total current assets		14,393	7,974	9,933
Total assets		46,844	41,997	43,672
Current liabilities				
Trade and other current payables	11	(7,640)	(5,382)	(5,856)
Loan from parent agency	11	0	(0)	(2,600)
Total current liabilities		(7,640)	(5,382)	(8,456)
Non-current liabilities				
Trade and other non-current payables	12	(1,541)	(266)	(254)
Total non-current liabilities		(1,541)	(266)	(254)
Total liabilities		(9,181)	(5,648)	(8,710)
Assets less liabilities		37,663	36,349	34,962
Taxpayers' equity				
Public capital		821	821	821
General reserve		10,945	8,007	6,965
Revaluation reserve		25,897	27,521	27,176
Equity		37,663	36,349	34,962

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.

Prior year restatements are detailed in Note 21 to the financial statements.

The notes on pages 29 to 34 form an integral part of these financial statements.



Saf Ismail, Chief Executive and Accounting Officer 1 June 2026

Statement of Cash Flows

for the Year Ended 31 March 2025

	NOTES	2024-25 £'000	2023-24 £'000
Cash flows from operating activities			
Operating surplus for the year		2,938	1,042
Depreciation and amortisation	8	1,750	1,623
Interest received		(50)	(87)
Trade and other receivables (increase)/decrease	9	(2,154)	170
Trade and other payables increase/(decrease) under 1 year	11	2,258	(474)
Trade and other payables increase/(decrease) over 1 year	12	1,275	12
Trade payables on property plant equipment increase/(decrease)		(210)	0
		<u>5,807</u>	<u>2,286</u>
Cash flows from investing activities			
Property, plant and equipment purchases, net of sales	8	(1,592)	(1,562)
Interest received		50	87
		<u>(1,542)</u>	<u>(1,475)</u>
Cash flows from financing activities			
Loan received from / (repaid to) parent agency	16	(0)	(2,600)
		<u>(0)</u>	<u>(2,600)</u>
Net increase/(decrease) in cash and cash equivalents			
		4,265	(1,789)
Cash and cash equivalents at beginning of year			
	10	3,864	5,653
Cash and cash equivalents at end of year			
	10	<u>8,129</u>	<u>3,864</u>

Prior year restatements are detailed in Note 21 to the financial statements.

The notes on pages 29 to 34 form an integral part of these financial statements.

Statement of Changes in Taxpayers' Equity

for the Year Ended 31 March 2025

	Public Capital £'000	General Reserve £'000 Restated	Revaluation Reserve £'000 Restated
Balances at 1 April 2022	821	6,348	0
Retained surplus for the year	0	617	0
Other comprehensive income for the year	0	0	27,176
Balances at 1 April 2023	821	6,965	27,176
Retained surplus for the year	0	1,042	0
Other comprehensive income for the year	0	0	345
Balances at 1 April 2024	821	8,007	27,521
Retained surplus for the year	0	2,938	0
Other comprehensive income for the year	0	0	(1,624)
Balances at 31 March 2025	<u>821</u>	<u>10,945</u>	<u>25,897</u>

Prior year restatements are detailed in Note 21 to the financial statements.

The notes on pages 29 to 34 form an integral part of these financial statements.

Notes to the Financial Statements

for the Year Ended 31 March 2025

Note 1

Accounting Policies

These accounts have been prepared in accordance with the Government Trading Act 1973 and the 2024/25 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM 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 ("the Centre") for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Centre are described below. These 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.

1.2 Going concern assessment

Despite the Centre being earmarked as a possible temporary decant location for the House of Lords as part of Parliament's Restoration and Renewal ("R&R"), there remains no restriction on future trading and the Centre has been able to contract numerous multi-year contracts for future bookings to 2029.

The MHCLG Minister of State has approved the 2025-26 business plans, whilst the Centre's Board has approved the 2026-27 business plan. Within these 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 forward 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 uncertainty over Parliament's Restoration & Renewal programme.

The Centre maintains the financial security of being able to borrow up to £12m via its Statutory Instrument from its parent department, MHCLG. This borrowing facility enables the Centre to meet its financial commitments. Accordingly, management considers it appropriate to continue to adopt the going concern basis.

1.3 Property, plant and equipment

1.3.1 Building usage rights

The freehold title in the land and buildings is held by MHCLG. This is revalued each year by applying the value in use method and disclosed in the accounts of MHCLG as lessor.

As the Centre is granted property occupational rights under the Framework Agreement, its leasehold interest in the building is recognised in the accounts as a usage right asset, in line with IFRS 16 Leases. This reflects a departure from previous years' treatment following a re-assessment of the Centre's property occupational rights. As a peppercorn lease, the FReM requires the building to be revalued regularly. Having considered five valuation methods prescribed by the Royal Institute of Chartered Surveyors (RICS), the valuation method selected accords with FReM, which is the value in use method.

The valuation exercise was independently performed by BNP Paribas for 31 March 2025 and 2024, and Avison Young for 31 March 2023.

1.3.2 Building improvements

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. However, the gross values of building improvements are impaired to nil each year end to avoid a double count with the building usage rights being recognised.

1.3.3 Other fixed assets

Non-property assets held by the Centre at year end 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 information technology and telecommunications equipment, operational equipment, furniture, fixtures and fittings 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.

1.3.4 Expected useful lives

Expected useful lives of tangible fixed assets are as follows:

Asset categories	Useful life in years
Building usage rights	24 residual useful life, and subject to revaluation
Building improvements	4-20 from acquisition, and subject to impairment
Information technology and telecommunications equipment	2-10 from acquisition
Operational equipment	3-15 from acquisition
Furniture, fixtures and fittings	3-10 from acquisition
Assets under construction	Not depreciated

Building usage rights

The building was constructed in 1986 and the building usage rights' residual useful life from year end is derived as follows:

Component	%	Residual Life	Blended Life
Building Structure	60%	30	18
Fit Out	15%	10	1
Plant and Equipment	25%	20	5
Weighted Average	100%		24

1.4 Value added tax

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

1.5 Income recognition

1.5.1 Event space income

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, cleaning, printing and stationery). Under IFRS 15 and the 5-step model, there is a contractual arrangement between the Centre and the organisations that hire the Centre's event space.

Income 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, either an accrual or deferral 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.

Where a client cancels an event space, the room hire agreement is not voided ab initio, therefore the terms stipulate that a cancellation fee remains payable and this fee is recognised in the month when the event would have occurred. If the cancellation fee is unpaid and/or waived, then this is recognised as a bad debt.

1.5.2 Catering additional income

The Centre receives additional income from its service provider caterer at various points during the contract term. Under the terms of the concession contract, where the income is received in the first year, it is recognized in the Statement of Comprehensive Net Income on a straight-line basis over the entire contract term from inception to expiry. Where the income is received in subsequent years, it is recognised in the Statement of Comprehensive Net Income on a straight-line basis from the relevant anniversary of the inception date through to expiry.

1.5.3 Rental income

The Centre also receives other rental income from 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 the contract duration.

1.6 Production costs

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

1.7 Cash

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

1.8 Trade and other receivables

Trade and other 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.

Notes to the Financial Statements continued

for the Year Ended 31 March 2025

Under IFRS 9, these are held at invoiced value, less provision for impairment, which reflects receivables that are not expected to be recovered. This provision is estimated based on historic data, trend analysis and future cash receipt forecasts, as well as in consideration of the ageing of debtors.

1.9 Deposits in advance and other deferred income

1.9.1 Room hire deposit income received in advance

Deposits in advance represent room hire income on events occurring after the balance sheet date for which amounts are received or receivable. It is the Centre's position that its IFRS 15 income performance obligations arises when the client contract is signed and all parties bound by its contractual terms - as that is the point when no one party can breach contract terms without contractual repercussions. However, the amounts recognised as deferred income do not necessarily represent the entire contractual sum, but reflect specific contractual tranches invoiced at or before the year end.

1.9.2 Other income received in advance

Other deferred income represents amounts received for non-event related goods or services sold in the future, for which the point of income recognition is after the balance sheet date.

1.10 Trade and other payables

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

1.11 Accrued expenses

Accrued expenses represent amounts relating to purchased goods or services that have been received, but not invoiced at the balance sheet date.

1.12 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 year end.

1.13 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 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.

1.14 Operating and finance leases

1.14.1 Lease payments

Lease payments for leasing contracts of 12 month term or under are classified as operating lease expenses; leases exceeding 12 month terms are classified as finance leases.

1.14.2 Lease receipts

Lease receipts are recognized as income on a straight-line basis over the lease term.

1.15 Foreign currency transactions

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

1.16 Insurance

In accordance with HM Treasury's Managing Public Money, the Centre is self-insured. Compensation payments in respect of uninsured losses are charged to the Statement of Comprehensive Net Income as these occur.

1.17 Pensions

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

1.18 Accounting estimates and judgements

These are the Centre's key estimates and judgements.

1.18.1 Expense accruals

Estimates with respect to expenses accrued are continually evaluated based on historical experience and other relevant factors. In the future, actual experience may differ from these estimates.

1.18.2 Building usage rights

As the Centre is granted property occupational rights by its parent agency MHCLG under the Framework Agreement, its leasehold interest in the building is recognised as a usage right asset. It is the Centre's judgement that it has been granted a peppercorn lease and is therefore adhering to FReM in revaluing its building usage right asset regularly by applying the value in use method.

1.19 Provisions for future payment

The Centre recognises a provision for future payment where there is a present obligation from a past event, the 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.

1.20 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 in future accounting periods. The following have not been adopted early:

- IFRS 17 Insurance Contracts – effective from 1 April 2025. This does not apply as the Centre has not issued insurance contracts to third parties by assuming risks transferred from the ceding parties, nor is the Centre exposed to uncertain future adverse events from such ceding parties.
- 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 on its roof and basement. None of the Centre's costs or net assets are identified specifically with the rental activities.

	2024-25	2023-24
	£'000	£'000
Income from event space		
Income from room hire	7,885	7,691
Income from audio visual and other	7,870	6,829
Income from catering	2,668	2,732
	<u>18,423</u>	<u>17,252</u>
Income from non-event space		
Income from rentals	390	375
	<u>390</u>	<u>375</u>
Income from operating activities	<u>18,813</u>	<u>17,627</u>

Note 3

Employee Numbers and Related Costs

	Permanent	Temporary	2024-25	2023-24
	£'000	£'000	Total	Total
	£'000	£'000	£'000	£'000
Employee benefit expense				
Wages and salaries	(2,647)	(53)	(2,700)	(2,385)
Social security costs	(296)	(5)	(301)	(270)
Pension costs	(588)	(14)	(602)	(508)
Untaken holiday pay accrual (increase)/ decrease	1	0	1	(38)
Temporary agency resource	0	(525)	(525)	(330)
	<u>(3,530)</u>	<u>(597)</u>	<u>(4,127)</u>	<u>(3,531)</u>
			2024-25	2023-24
	Permanent	Temporary	Total	Total
	Headcount	Headcount	Headcount	Headcount
Average employee numbers				
Administration	10	1	11	9
Infrastructure				
Operations	5	0	5	5
Event Operations	23	1	24	24
Sales and Marketing	9	1	10	9
	<u>47</u>	<u>3</u>	<u>50</u>	<u>47</u>
Gender split				
Male			32	32
Female			18	15
			<u>50</u>	<u>47</u>

Employee turnover for the year to 31 March 2025, based on the headcount at the beginning of the year was 6.0% (2023-24: 15.2%).

Notes to the Financial Statements continued

for the Year Ended 31 March 2025

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 2020 and is usually undertaken every 4 years. Details can be found in the resource accounts of the Scheme at (www.civilservicepensionscheme.org.uk)

The Centre's defined benefit scheme rates reflect benefits as they are accrued, not when costs are actually incurred, and reflect past experience of the scheme. The Centre paid £587,630 (2023-24: £504,386) to the Civil Service defined benefit schemes at 29% of pensionable pay (2023-24: 29%).

The Centre's defined contribution scheme rates are dependent on the employees' ages and range from 8% to 17.75% of pensionable pay (2023-24: 8% to 17.75%). The Centre paid £14,408 to the defined contribution scheme (2023-24: £3,283).

Note 5

Remuneration of the Management and Advisory Boards

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

	2024-25 £'000	2023-24 £'000
Advertising and Marketing	(246)	(223)
Auditor's Remuneration	(120)	(190)
Bad and Doubtful Debts	(21)	(159)
Entertaining	(11)	(23)

Note 8

Property, Plant and Equipment

	Building Usage Rights £'000	IT & Telecoms Equipment £'000	Operational Equipment £'000	Furniture, Fixtures, Fittings £'000	Assets Under Construction £'000	Total 31 March 2025 £'000 Restated
Cost or Valuation						
At beginning of year	32,750	375	4,535	1,145	0	38,805
Reclassifications	0	0	0	0	0	0
Additions in year	648	134	700	66	254	1,802
Disposals in year	(370)	(192)	(594)	(29)	(0)	(1,185)
Revalue/(impair) in year	(2,528)	0	0	0	0	(2,528)
At end of year	30,500	317	4,641	1,182	254	36,894
Accumulated Depreciation						
At beginning of year	0	(295)	(3,470)	(1,017)	0	(4,782)
Charged in year	(1,274)	(52)	(337)	(87)	0	(1,750)
Disposed in year	370	192	594	29	0	1,185
Unwound in year	904	0	0	0	0	904
At end of year	0	(155)	(3,213)	(1,075)	0	(4,443)
Net Book Value						
At beginning of year	32,750	80	1,065	128	0	34,023
At end of year	30,500	162	1,428	107	254	32,451

	2024-25 £'000	2023-24 £'000
Equipment Hire	(203)	(163)
Maintenance and Cleaning	(3,424)	(4,473)
Other Costs	(265)	(237)
Production Costs	(1,814)	(1,689)
Rates	(554)	(518)
Self Insurance Losses	(23)	(55)
Sub-contracted Services	(1,730)	(1,490)
Travel and Subsistence	(186)	(163)
Utilities	(1,536)	(1,573)
	(10,133)	(10,956)

Note 7

Exceptional Items

	2024-25 £'000	2023-24 £'000
Non-existent goods or services	0	(562)

During the course of the previous financial year, the Centre discovered that there had been a manipulation of procurement and purchasing controls from 2020/21 through 2023/24, 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 Statement of Comprehensive Net Income, 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 2025

	Building Usage Rights £'000	IT & Telecoms Equipment £'000	Operational Equipment £'000	Furniture, Fixtures, Fittings £'000	Assets Under Construction £'000	Total 31 March 2024 £'000 Restated
Cost or Valuation						
At beginning of year	32,500	354	3,774	1,145	279	38,052
Reclassifications	279	0	0	0	(279)	0
Additions in year	780	21	761	0	(0)	1,562
Disposals in year	0	0	0	0	0	0
Revalue/(impair) in year	(809)	0	0	0	0	(809)
At end of year	<u>32,750</u>	<u>375</u>	<u>4,535</u>	<u>1,145</u>	<u>(0)</u>	<u>38,805</u>
Accumulated Depreciation						
At beginning of year	0	(246)	(3,143)	(924)	0	(4,313)
Charged in year	(1,154)	(49)	(327)	(93)	0	(1,623)
Disposed in year	0	0	0	0	0	0
Unwound in year	1,154	0	0	0	0	1,154
At end of year	<u>0</u>	<u>(295)</u>	<u>(3,470)</u>	<u>(1,017)</u>	<u>0</u>	<u>(4,782)</u>
Net Book Value						
At beginning of year	32,500	108	631	221	279	33,739
At end of year	<u>32,750</u>	<u>80</u>	<u>1,065</u>	<u>128</u>	<u>(0)</u>	<u>34,023</u>

Included within the cost of property, plant and equipment are fully depreciated assets with a cost of £3.0m (2023-24: £3.2m). The majority of these assets are still in active use, with the rest kept as back-ups when equipment in use malfunctions. Refer Note 21 for details of prior year restatements.

Note 9

Trade and Other Current Receivables

	31 March 2025 £'000	31 March 2024 £'000
Amounts due within one year		
Trade receivables - gross	6,290	4,221
Trade receivables - impairment provision	(252)	(340)
Other receivables	8	2
Deferred expenses	206	227
Accrued income	12	0
	<u>6,264</u>	<u>4,110</u>

Note 10

Cash and Cash Equivalents

	31 March 2025 £'000	31 March 2024 £'000
Government banking services	1,084	355
Commercial banks	7,045	3,509
	<u>8,129</u>	<u>3,864</u>

Note 11

Trade and Other Current Payables

	31 March 2025 £'000	31 March 2024 £'000
Amounts due within one year		
Trade payables	(1,184)	(323)
Value added tax	(874)	(441)
Other taxes and social security	(159)	(111)
Accrued expenses	(1,709)	(1,563)
Deferred income - room hire	(3,099)	(2,831)
Deferred income - catering	(600)	(113)
Deferred income - rental	(15)	0
	<u>(7,640)</u>	<u>(5,382)</u>

Deferred income on room hire deposits at 31 March 2025 includes £728k (2023: £1.3m) that remain unpaid and are included within trade receivables.

Note 12

Trade and Other Non-Current Payables

	31 March 2025 £'000	31 March 2024 £'000
Amounts due after one year		
Deferred income - room hire	(291)	(266)
Deferred income - catering	(1,250)	0
	<u>(1,541)</u>	<u>(266)</u>

Note 13

Operating Lease Income

The Centre lets out certain facilities under operating leases. Roof spaces to house telecommunications equipment are let out on monthly rolling leases.

	2024-25 £'000	2023-24 £'000
Future minimum lease receipts		
Within 1 year	50	50
Between 1 and 5 years	0	0
Exceeding 5 years	0	0
	<u>50</u>	<u>50</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 2025 £'000	Fair Value 31 March 2025 £'000
Financial assets		
Trade receivables	6,290	6,290
Other receivables	8	8
Cash and cash equivalents	8,129	8,129
	<u>14,427</u>	<u>14,427</u>
Financial liabilities		
Trade payables	(1,184)	(1,184)
Other payables	(0)	(0)
Value added tax	(874)	(874)
Other taxes and national insurances	(159)	(159)
	<u>(2,217)</u>	<u>(2,217)</u>

Notes to the Financial Statements continued

for the Year Ended 31 March 2025

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 and audio visual 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, a related party. During the year, the Centre received £11k of event space income from MHCLG (2023-24: £7k). At 31 March 2025 there was a £nil trade debtor outstanding from MHCLG (31 March 2023: £7k).

There were numerous event space income received from other Government Bodies, amounting to significant value in the cases of The Association of Police and Crime Commissioners, and the Parliamentary Estates Directorate (concerning the Parliamentary Library).

With Directors and Employees

The former Chief Executive Officer, Mark Taylor, was a board member of 3 counterparties who were both clients and suppliers of the Centre. In-year transactions and year end balances are disclosed below.

	2024-25			
	Income £'000	Expense £'000	Debtor £'000	Creditor £'000
London & Partners Ltd	0	(23)	2	(21)
The Meetings Industry Association	0	(1)	0	0
Victoria Westminster Business Improvement District	0	(11)	0	0
	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
Victoria Westminster Business Improvement District	0	(11)	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.

	2024-25			
	Income £'000	Expense £'000	Debtor £'000	Creditor £'000
Hire Space Website Ltd	0	(8)	3	0
	2023-24			
	Income £'000	Expense £'000	Debtor £'000	Creditor £'000
Hire Space Website Ltd	52	(3)	7	0

Except as disclosed above, no other Director, key manager or other related party has undertaken any material transactions with the Centre during the year (2023-24: £nil). Compensation for key management personnel is disclosed in the Remuneration Report.

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 pays a peppercorn rent to its landlord, MHCLG. 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 valuation of 3.5%, plus the average capital employed of 6% of the Centre's net assets. 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

Note 18

Capital Commitments

There were no capital commitments at 31 March 2025 (31 March 2024: £nil).

Note 19

Contingent Liabilities

There were no contingent liabilities at the date of signing the Annual Report (2023-24: £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.

Notes to the Financial Statements continued

for the Year Ended 31 March 2025

Note 21

Prior Year Restatements

The Centre re-evaluated the arrangements over its property occupancy rights and the attendant application of IFRS 16 which came into effect 1 April 2022. Consequently the Centre had to retrospectively recognise its 'Building Usage Rights', a new category of property, plant and equipment. This reflects a departure from previous years' treatment where no leasehold building was recognised.

As a peppercorn lease, the FReM requires the 'Building Usage Rights' to be revalued using the value in use method. Consequently, this has led to the existing category of 'Building Improvements' to be impaired. Prior year balances which are affected by this are restated as follows.

	Year Ended 31 March 2023		
	Original £'000	Adjustment £'000	Restated £'000
Statement of Financial Position			
Property, Plant and Equipment - Cost or Valuation			
Building Usage Rights - Valuation	0	32,500	32,500
Building Improvements - Cost Impaired	11,852	(11,852)	0
Property, Plant and Equipment - Accumulated Depreciation			
Building Usage Rights - In Year Depreciation Created	0	1,743	1,743
Building Usage Rights - In Year Depreciation Unwound	0	(1,743)	(1,743)
Building Improvements - In Year Depreciation Unwound	1,000	(1,000)	0
Building Improvements - Accumulated Depreciation Unwound	(7,528)	7,528	(0)
Revaluation Reserve	0	27,176	27,176
Year Ended 31 March 2024			
	Original £'000	Adjustment £'000	Restated £'000
Statement of Financial Position			
Property, Plant and Equipment - Cost or Valuation			
Building Usage Rights - Valuation	0	32,750	32,750
Building Improvements - Cost Impaired	12,911	(12,911)	0
Property, Plant and Equipment - Accumulated Depreciation			
Building Usage Rights - In Year Depreciation Created	0	(657)	(657)
Building Usage Rights - In Year Depreciation Unwound	0	657	657
Building Improvements - In Year Depreciation Unwound	(1,154)	1,154	0
Building Improvements - Accumulated Depreciation Unwound	(6,528)	6,528	0
Revaluation Reserve	0	27,521	27,521

Designed and
printed by:

perivan

perivan.com



The Queen Elizabeth II Conference Centre
Broad Sanctuary, Westminster, London SW1P 3EE, United Kingdom
Telephone +44 20 7798 4000
Website: www.qeicentre.london
E03309329 | ISBN 978-1-5286-5504-0