

**QUEEN ALEXANDRA'S HOUSE ASSOCIATION**  
**(A Registered Charity and a**  
**Company Limited by Guarantee)**

**REPORT OF THE COUNCIL**  
**AND**  
**FINANCIAL STATEMENTS**

**YEAR ENDED 31 DECEMBER 2020**

Company Registered No: 00042575  
Charity Registered No: 312824

# QUEEN ALEXANDRA'S HOUSE ASSOCIATION

## REPORT OF THE COUNCIL

YEAR ENDED 31 DECEMBER 2020

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The Council present their annual report and financial statements for the year ended 31 December 2020 which are also prepared to meet the requirements for a directors' reports and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019).

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Principal Address and Registered Office

Bremner Road  
Kensington Gore  
London SW7 2QT

#### President

H.R.H. PRINCESS ALEXANDRA, THE HON. LADY OGILVY, K.G., G.C.V.O.

#### Members of the Council

The members of the Council are the Charity Trustees of the Association and are listed below. The numbers after each Member signify their representative bodies as shown on page 2. Members of the Finance & Management Committee during the year are indicated with 'F' after their names:

A Harvey Esq (Chairman) – (1) F	Mrs N Martyn – (1)
A Rose Esq – (4) F	Ms P Lisboa – (2)
Mrs A M Gillon OBE – (4) F	J Blake Esq – (2)
Mrs H M Hart – (4)	Ms A Berhamovic – (3)
S Corbyn Esq – (2)	The Hon. R C Lyttelton – (3)
Mrs Z Serageldin – (1) (appointed 17 March 2020)	

Members of the Council are appointed every fifth year on behalf of representative bodies.

#### House Committee, Principal and Professional Advisers

##### House Committee

Mrs H M Hart (Chairman)  
Ms Z Serageldin  
Mrs J Strangeways  
Mrs P McConnell

##### Architects

Messrs Ansell & Bailey  
London

##### Principal and Company Secretary

Ms S Brown

##### Auditors

Haysmacintyre LLP  
10 Queen Street Place  
London EC4R 1AG

##### Bankers

NatWest plc  
55 Kensington High Street  
London W8 5EQ

Company Registration Number: 00042575

Charity Registration Number: 312824

# QUEEN ALEXANDRA'S HOUSE ASSOCIATION

## REPORT OF THE COUNCIL (Continued)

YEAR ENDED 31 DECEMBER 2020

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Status and administration

The organisation is a charitable company limited by guarantee, number 00042575. The charitable company is governed by its Memorandum and Articles of Association, dated 26 November 1894.

#### Recruitment, induction and training of Members of the Council

The directors of the company are also the charity trustees for the purposes of charity law, and under the company's articles are known as Members of the Council. In accordance with the Memorandum and Articles of Association the members of Council are appointed by HRH Princess Alexandra (1), the Commissioners for the Exhibition of 1851 (2), the Royal College of Music (3) and the Department for Education (4) and serve for five years and may be re-appointed every fifth year. All members give their time voluntarily and receive no benefits from the charity. They make the major decisions affecting the affairs of the charity. All new members are provided with information on the responsibility of being a Trustee and, from time to time, are sent details of courses and seminars which may be relevant to their responsibilities. The charity does not use volunteers. Members of the Council themselves are appointed with wide experience elsewhere which they bring to the benefit of the charity on a voluntary basis.

#### Organisational structure

Council meetings are held three times a year and are preceded by Finance and Management Committee meetings. The House Committee meets three times a year to discuss with the Principal matters relating to the running of the House, improvements, catering and residents' welfare. An invitation is sent to all residents to speak to the House Committee Chairman and the Principal before the meetings. Implementation of Council decisions is the responsibility of the Principal and her management team. The Principal reports at Council Meetings on operational matters. The Council sets the remuneration of key management personnel (KMP, comprising the Principal, the Head of Maintenance, and the Housekeeper) annually having regard to local and national pay levels and relevant pay indices.

### OBJECTIVES AND ACTIVITIES

The principal activity of the Association is the provision of accommodation for women students engaged in full time education. As a result of the expansion of women's training in the 1870s there was a pressing need for more facilities for the accommodation of girls. The House was built in 1884 as a custom-built hostel from money provided by several benefactors, including Sir Francis Cook, Chairman of Cook's of St Paul's Churchyard, and Henry Doulton of Doulton & Co, the pottery and tilemaker. The beneficiaries of their largesse were from the very beginning girls in statu pupillari, priority being given to students of music. The aims were to provide reasonably priced and secure hostel places with full board for girls and young women coming to London from the provinces or from overseas. If this was a practical and necessary aim in the 1880s, it is even more important today, when the cost of accommodation limits severely the availability of safe and suitable places where students may lodge in central London. An added feature of the House is its design to give students of the arts a centre where they can practice, rehearse, and perform. This is a much needed benefit as there is very little practice and performance space available in central London. The President at the foundation was Princess Alexandra of Denmark, the Princess of Wales and later Queen Alexandra. Queen Mary and the Duchess of Kent succeeded to the presidency followed by the present president H.R.H Princess Alexandra. As the charity operates in the central London market for student accommodation, it continuously monitors developments in that sector and the potential effects of competition on its stated occupancy levels. Deposits are taken in advance for future letting periods, a waiting list is maintained, and fees are reviewed annually with reference to similar providers. Sound budgeting and financial plans are in place and are updated at least three times a year to further enable its aims to be achieved. The charity's principal short-term objectives are to provide a safe and happy environment for over 100 resident female students, and to optimise occupancy levels. The longer-term aim is to improve the quality of accommodation by up-grading the property both internally and externally within the parameters of a 5 year plan and as funds permit.

#### Public Benefit

We have paid due regard to the guidance on public benefit contained in the Charity Commission's literature when reviewing our aims and objectives, and in planning our future activities. We have set aside a bursary fund for residents who are in financial difficulty and need assistance with accommodation fees.

## QUEEN ALEXANDRA'S HOUSE ASSOCIATION

### REPORT OF THE COUNCIL (Continued)

YEAR ENDED 31 DECEMBER 2020

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#### OBJECTIVES AND ACTIVITIES (Continued)

##### What is the accommodation in Queen Alexandra's House?

When the house was built in 1884 there were rooms for 130 girls; in 1976 a large part of the building including most of the public rooms was leased to the English National Ballet in order to fund extensive upgrading requirements. As a result of careful adaptation over a number of years, there are 109 rooms with good internet facilities available which frequently attain maximum levels of occupancy. From the very foundation of the House there have been many overseas students who have come to London to study and have discovered in QAH a safe place to reside and to attend their courses. In the 1960s there were students from many Commonwealth countries including Canada, Kenya and India; to these and to many students from all parts of the United Kingdom there have been added students from the Far East including China and Japan. It has always been the policy of the House to make no race, colour or religious distinction. All are welcome and this is very much to the public benefit.

The Charity's constitution makes provision to "assist female students with grants of money and other aid and to found scholarships, exhibitions and prizes for female students."

#### ACHIEVEMENTS AND PERFORMANCE

During the 2019/20 semesters 110 female students stayed at QAH. They were studying at the following institutions, numbering 27 from the Royal College of Music, 12 from the English National Ballet School, 40 from Imperial College, 10 from the Royal College of Art. An additional 13 institutions were also represented including the Royal Academy of Music, the Royal Academy of Dance, the Guildhall School of Music, King's College, LSE, UCL and Queen Mary's. The Reception is operational 24 hours and pastoral care provided throughout the residents' stay at QAH, which is welcomed by the residents' parents and guardians alike. Residents have access to many forms of communication with the Principal and the senior management team. A suggestion box is provided and an open-door policy adopted. During the year, like many organisations, the House was seriously impacted by the Covid-19 pandemic on both financial and social fronts and these were properly and adequately addressed.

##### Maintenance of the House

Queen Alexandra's House is a Grade II listed building in free Jacobean/Queen Anne revival style prominently located next to the Royal Albert Hall. Much effort and activity is directed towards its maintenance as a purpose-built hostel and part of London's heritage. The House has no endowment to fund short or long-term maintenance. A sum of £346,284 was expended on building works during the year to include significant improvements to the boiler control systems, the replacement and the upgrade to students' kitchens, decoration of the Ring and music practice rooms and TV Room and major repairs to the Bremner Road facade. The charity has not encountered any significant factors in 2020 that have affected the achievement of its objective. The major ongoing factor that will affect future plans is the financial effect of diminishing revenue resulting from the Covid-19 pandemic.

#### FINANCIAL REVIEW

The main source of income is the fees received for student accommodation. Expenditure consists principally of the costs of maintaining the property and catering for the students. The Statement of Financial Activities discloses net expenditure of £314,895 (2019: £114,848 net income). The onset of Covid-19 had a significant financial impact on the income of the charity as occupancy levels fell in the Summer and Autumn terms. The charity had also committed itself to substantial refurbishment works on the façade of the building as well as the replacement of the main boiler during the year.

The charity does not fundraise direct from members of the public.

##### Reserves Policy

The Council's current policy is to maintain 'free reserves' (Unrestricted general funds less net book value of fixed assets) at approximately the level of six months' recurring expenditure which amounted to £400,000; free reserves were £528,820. The target is marginally exceeded at approximately 8 months (2019 – 8 months with a 12 month target). At 31 December 2020 general funds amounted to £602,477 (2019: £589,169). Designated funds, being amounts set aside to replace major plant and equipment (The Building Capital fund) and to assist residents in financial difficulty with accommodation fees (Bursary Fund) amounted to £523,340 (2019: £851,543), making total funds of £1,125,817 (2019 - £1,440,712).

The Building Capital fund will ultimately be used to replace major plant such as the lift and boilers, at the end of their useful lives. The timing is estimated to be beyond 15 years (i.e. after 2030). Under the 5-year plan, the fund is anticipated to reach £393,500 by the end of 2021.

The trustees have considered the impact of the Covid-19 pandemic in formulating the charity's Reserves Policy and in assessing the charity's ability to continue as a going concern. Whilst occupancy levels fell in the year, the charity has sufficient reserves to ensure it can meet its financial obligations for the foreseeable future.

# QUEEN ALEXANDRA'S HOUSE ASSOCIATION

## REPORT OF THE COUNCIL (Continued)

YEAR ENDED 31 DECEMBER 2020

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### **Risk Management**

The Council has reviewed the major risks to which the Association is exposed, in particular those related to the operation and finances, and are satisfied that systems are in place to mitigate exposure to these risks. A compliance register is kept. The three principal risks identified as uncertainties that might confront the charity are i) a loss of income through a sudden fall in demand; ii) the need for any major unplanned capital spending; and iii) any medium-term social changes affecting the central London accommodation market.

These main risks are managed and for the most part mitigated by i) short-term ongoing income review and maintenance of a waiting list; ii) the regular monitoring of a 5 year rolling capital plan; and iii) regular liaison with other major providers of London student accommodation.

Due to the COVID-19 Pandemic and new COVID-19 Risk Assessment, Policies and Procedures has been put into place at Queen Alexandra's House to ensure that we are following government guidelines to mitigate / minimise the risk of an COVID-19 outbreak. There will be a consequential reduction in occupancy levels and fee income in the first half of 2021 but it is anticipated income will grow steadily into 2022.

### **Investments Policy**

The Council have the power to invest in such assets as they see fit. No investments were held.

### **FUTURE PLANS**

The Association plans to attain maximum levels of occupancy in future years. This it intends to achieve by maintaining its premises in a good state of repair and providing excellent catering and other facilities to ensure the House continues to meet the expectations of its present and future residents. In order to achieve the flexibility to make progress possible it is the Council's intention to keep reserves at the target level. In support of these policies, the Council has prepared a "Five year capital improvement plan" which is reviewed at each meeting. The Members of the Council' stated aim now and for the foreseeable future is to continue the provision of female student accommodation on its original site and to oversee necessary improvement, as it has done since opening in 1884. At present they believe that that perspective will remain a constant in its future direction.

### **STATEMENT OF MEMBERS OF COUNCIL RESPONSIBILITIES**

The Council of Management (who are also the trustees of the charity for the purposes of charity law and also directors for the purposes of company law) are responsible for preparing the Report of the Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the members of the Council to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of its income and expenditure for that period. In preparing these financial statements, the members of the Council are required to:

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

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

So far as each of the members of the Council are aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Council of Management members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**QUEEN ALEXANDRA'S HOUSE ASSOCIATION**

**REPORT OF THE COUNCIL (Continued)**

**YEAR ENDED 31 DECEMBER 2020**

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**AUDITORS**


A resolution proposing the re-appointment of Haysmacintyre LLP as auditors to the company will be put to the annual general meeting.

In preparing this report the Trustees have taken advantage of the small companies exemptions provided by Part 15 of the Companies Act 2006.

23 March 2021

Kensington Gore  
London SW7

On behalf of the Board

  
A Harvey Esq (Chairman)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
QUEEN ALEXANDRA'S HOUSE ASSOCIATION**

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**Opinion**

We have audited the financial statements of Queen Alexandra's House Association for the year ended 31 December 2020 which comprise the Statement of Financial Activities, Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 December 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

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

**Other information**

The Members of the Council are responsible for the other information. The other information comprises the information included in the Report of the Council. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Report of the Council (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Report of the Council has been prepared in accordance with applicable legal requirements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEEN ALEXANDRA'S HOUSE ASSOCIATION**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Council (which incorporates the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Members of the Council's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

### **Responsibilities of Members of the Council for the financial statements**

As explained more fully in the Statement of Members of the Council Responsibilities set out on page 4, the Members of the Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members of the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and the Charities Act 2011.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to recognition of income and management bias in certain accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting minutes of Council meetings;
- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
QUEEN ALEXANDRA'S HOUSE ASSOCIATION**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors

Date: 13 September 2021

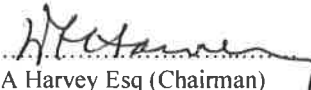
10 Queen Street Place  
London  
EC4R 1AG

## BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	2		73,657		3
<b>CURRENT ASSETS</b>					
Debtors	3	75,054		20,115	
Cash at bank and in hand		1,421,835		1,774,851	
		<u>1,496,889</u>		<u>1,794,966</u>	
<b>CREDITORS - due within one year</b>					
Other creditors	4	171,576		69,177	
Fees billed in advance		228,594		239,499	
Fee deposits		44,559		45,581	
		<u>444,729</u>		<u>354,257</u>	
<b>NET CURRENT ASSETS</b>			<u>1,052,160</u>		<u>1,440,709</u>
<b>NET ASSETS</b>			<u>1,125,817</u>		<u>1,440,712</u>
Represented by:					
<b>UNRESTRICTED FUNDS</b>					
General			602,477		589,169
Designated Funds	7		523,340		851,543
<b>TOTAL CHARITY FUNDS</b>			<u>1,125,817</u>		<u>1,440,712</u>

Approved and authorised for issue by the Council of Management on 23 March 2021 and signed on its behalf by:

  
A Harvey Esq (Chairman)

The accompanying notes form part of these accounts.

QUEEN ALEXANDRA'S HOUSE ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE)

YEAR ENDED 31 DECEMBER 2020

	Note	Unrestricted Funds General £	Unrestricted Funds Designated £	Total 2020 £	Unrestricted Funds Total 2019 £
<b>INCOME FROM:</b>					
Charitable activities - accommodation		731,076	-	731,076	975,000
Donations and legacies		215	-	215	2,078
Investments		4,129	-	4,129	6,982
Other Income		28,224	-	28,224	11,412
<b>Total</b>		<u>763,644</u>	<u>-</u>	<u>763,644</u>	<u>995,472</u>
<b>EXPENDITURE ON:</b>					
Charitable activities - provision of accommodation	5	811,936	266,603	1,078,539	880,624
<b>Net (expenditure)/income before transfers</b>		<u>(48,292)</u>	<u>(266,603)</u>	<u>(314,895)</u>	<u>114,848</u>
Transfers between funds	7	61,600	(61,600)	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>13,308</u>	<u>(328,203)</u>	<u>(314,895)</u>	<u>114,848</u>
<b>RECONCILIATION OF FUNDS:</b>					
TOTAL FUNDS BROUGHT FORWARD		589,169	851,543	1,440,712	1,325,864
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>602,477</u>	<u>523,340</u>	<u>1,125,817</u>	<u>1,440,712</u>

Income and expenditure account information is clearly identified above.

All income and expenditure derive from continuing activities.

The accompanying notes form part of these accounts.

The comparative Statement of Financial Activities for 2019 can be found in note 11 to these accounts.

QUEEN ALEXANDRA'S HOUSE ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £		
<b>Cash flows from operating activities:</b>				
Net (expenditure)/income for the reporting period	(314,895)	114,848		
Depreciation charges	6,027	-		
Dividends and interest	(4,129)	(6,982)		
(Increase)/decrease in debtors	(54,939)	1,898		
Increase in creditors	90,472	43,699		
<b>Net cash (used)/provided by operating activities</b>	<u>(277,464)</u>	<u>153,463</u>		
<b>Cash flows from investing activities:</b>				
Dividends and interest	4,129	6,982		
Purchase of tangible fixed assets	(79,681)	-		
<b>Net cash (used)/provided by investing activities</b>	<u>(75,552)</u>	<u>6,982</u>		
<b>Change in cash and cash equivalents in the year</b>	(353,016)	160,445		
<b>Cash and cash equivalents at the beginning of the year</b>	1,774,851	1,614,406		
<b>Cash and cash equivalents at the end of the year</b>	<u>1,421,835</u>	<u>1,774,851</u>		
<b>Analysis of cash and cash equivalents</b>	<b>2020 £</b>	<b>2019 £</b>		
Cash at bank and in hand	904,815	1,260,349		
Notice deposits	517,020	514,502		
<b>Total cash and cash equivalents</b>	<u>1,421,835</u>	<u>1,774,851</u>		
<b>Analysis of changes in net funds</b>				
	<b>At 1 January 2020 £</b>	<b>Cash flows £</b>	<b>Other non-cash changes £</b>	<b>At 31 December 2020 £</b>
Cash and bank/deposits	<u>1,774,851</u>	<u>(353,016)</u>	<u>-</u>	<u>1,421,835</u>

## 1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of financial statements is as follows:

### a. Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition, effective 1 January 2019) and the Companies Act 2006.

Queen Alexandra's House Association meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

### b. Preparation of the accounts on a going concern basis

Having considered future budgets and cash flows, the Members of the Council confirm that they have no material uncertainties about the entity's ability to continue as a going concern for the foreseeable future. In reaching this conclusion, the Members of Council have also given due consideration the impact of the Covid-19 pandemic on the activities of the charity where there have been significant reductions in occupancy levels.

### c. Estimation uncertainty

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

### d. Fixed assets

Expenditure on fixed assets is capitalised where the cost (or the value if donated) is in excess of £5,000; otherwise it is written off through the Statement of Financial Activities. Costs of replacements of major equipment and pianos are charged to designated funds set aside for that purpose by appropriations from Revenue.

Tangible fixed assets are depreciated at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected life, as follows:-

Long leasehold improvements	- 2% per annum
Furniture, fittings and equipment	- 33 1/3% per annum
Plant	- 10% per annum

### e. Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### f. Cash at bank and in hand

Cash at bank and in hand includes bank accounts, cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

### g. Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### h. VAT

The charity is registered for VAT but is unable to reclaim all of the input tax incurred. Irrecoverable VAT is charged to the expenditure heading for which it was incurred.

**1 ACCOUNTING POLICIES (Continued)**

**i. Operating leases**

Rental charges are charged on a straight line basis over the life of the lease.

**j. Funds**

The different funds are defined as follows:

Restricted funds are those funds which are to be used in accordance with specific instructions imposed by the donor or trust deed.

Unrestricted funds are those funds available to the charity for its general purposes. They include funds designated (Note 7) by the members of the Council for particular purposes where their use remains at the discretion of the members of the Council. Amounts may be set aside each year on the basis of expected requirements for major repairs to premises, replacement of major equipment and pianos for use by resident students. A transfer is made from General to Designated Funds and the cost of the repairs or replacements are charged against the fund as they arise.

It is the policy of the members of the Council to retain in unrestricted funds, amounts which in their judgement, can help to mitigate the short term effects of income volatility and retain funds to generate sufficient income to meet current and future operational activities of the charity.

**k. Income**

This comprises fees receivable from the various House activities and investment income. All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income can be measured reliably.

Income from charitable activities is recognised as earned as the related services are provided.

Donations are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amounts can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

**l. Expenditure**

Liabilities are recognised as expenditure as soon as there is legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of obligation can be measured reliably.

Expenditure is recognised on an accruals basis as a liability is incurred, inclusive of VAT, which cannot be recovered.

Charitable activities comprise mainly of the provision of accommodation including welfare and catering, premises and administrative costs.

Support costs have been allocated to charitable activities. Governance costs comprise those costs related to organisation and compliance with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice.

**m. Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**n. Pensions**

The charity operates a defined contribution pension plan. Contributions are charged to the Statement of Financial Activities as they become payable. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

QUEEN ALEXANDRA'S HOUSE ASSOCIATION  
 NOTES TO FINANCIAL STATEMENTS (Continued)  
 YEAR ENDED 31 DECEMBER 2020

2. FIXED ASSETS	Improvements to Long Leasehold Property £	Furniture And Fittings £	Plant And Equipment £	Total £
<b>Cost</b>				
At 1 January 2020	22,355	8,817	157,094	188,266
Additions	-	18,081	61,600	79,681
At 31 December 2020	<u>22,355</u>	<u>26,898</u>	<u>218,694</u>	<u>267,947</u>
<b>Depreciation</b>				
At 1 January 2020	22,354	8,816	157,093	188,263
Charge for the year	-	6,027	-	6,027
At 31 December 2020	<u>22,354</u>	<u>14,843</u>	<u>157,093</u>	<u>194,290</u>
<b>Net Book Value</b>				
At 31 December 2020	<u>1</u>	<u>12,055</u>	<u>61,601</u>	<u>73,657</u>
At 31 December 2019	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
<b>3. DEBTORS</b>				
			<b>2020</b>	<b>2019</b>
			£	£
Trade debtors			3,226	6,762
VAT recoverable			32,509	4,819
Prepayments			11,214	7,693
Other debtors			28,105	841
			<u>75,054</u>	<u>20,115</u>
<b>4. OTHER CREDITORS</b>				
			<b>2020</b>	<b>2019</b>
			£	£
Trade creditors			76,002	49,193
Accruals			95,574	18,780
Other creditors			-	1,204
			<u>171,576</u>	<u>69,177</u>

QUEEN ALEXANDRA'S HOUSE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2020

5. ANALYSIS OF EXPENDITURE

	Staff Costs £	Other Costs £	Depreciation £	Total 2020 £	Total 2019 £
<b>Charitable Activity:</b>					
Provision of accommodation:					
Welfare and catering	160,845	225,882	-	386,727	403,923
Premises costs	48,254	396,629	6,027	450,910	248,243
Support costs	112,592	107,754	-	220,346	208,166
Governance costs	-	20,556	-	20,556	20,292
	<u>321,691</u>	<u>750,821</u>	<u>6,027</u>	<u>1,078,539</u>	<u>880,624</u>

2019 COMPARATIVE

	Staff Costs £	Other Costs £	Depreciation £	Total 2019 £
<b>Charitable Activity:</b>				
Provision of accommodation:				
Welfare and catering	166,557	237,366	-	403,923
Premises costs	49,967	198,276	-	248,243
Support costs	116,590	91,576	-	208,166
Governance costs	-	20,292	-	20,292
	<u>333,114</u>	<u>547,510</u>	<u>-</u>	<u>880,624</u>

	2020 £	2019 £
Governance costs include:		
Audit fees	11,000	10,400
Other fees payable to the auditors	1,963	2,263
	<u>12,963</u>	<u>12,663</u>

6. STAFF AND TRUSTEE REMUNERATION AND BENEFITS

	2020 £	2019 £
Staff costs include:		
Wages and salaries	258,910	205,160
National Insurance	21,165	14,595
Pension	4,420	3,026
Agency staff	37,196	110,333
	<u>321,691</u>	<u>333,114</u>

The average number of employees during the year was 13 11

No employee earned over £60,000 in the year (2019 – none).

Total employee benefits paid to key management personnel post holders amounted to £113,238 (2019 - £104,963).

The Members of Council received no emoluments nor reimbursed expenses during the year (2019: Nil).

QUEEN ALEXANDRA'S HOUSE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2020

7. DESIGNATED FUNDS

	Balance 1 January 2020 £	Income £	Expenditure £	Transfer from/(to) General Fund £	Balance 31 December 2020 £
Building Capital Fund	831,543	-	(266,603)	(61,600)	503,340
Bursary Fund	20,000	-	-	-	20,000
	<u>851,543</u>	<u>-</u>	<u>(266,603)</u>	<u>(61,600)</u>	<u>523,340</u>

2019 COMPARATIVE

	Balance 1 January 2019 £	Income £	Expenditure £	Transfer from/(to) General Fund £	Balance 31 December 2019 £
Building Capital Fund	324,000	-	(34,457)	542,000	831,543
Bursary Fund	-	-	-	20,000	20,000
	<u>324,000</u>	<u>-</u>	<u>(34,457)</u>	<u>562,000</u>	<u>851,543</u>

The purpose of the Building Capital Fund (BCF), is to build up a reserve for the ultimate replacement of major plant and equipment (lift, boilers, and roof coverings). It was established during 2013. Expenditure on major repair works in the year have been charged to this fund and the purchase of a new boiler which was capitalised has been charged as a transfer between funds.

The Bursary Fund (BF) is for residents who are in financial difficulty and need assistance with accommodation fees. It was established during 2019.

8. ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020	General Funds £	Designated Funds £	Total Funds £
Fixed assets	73,657	-	73,657
Current assets	973,549	523,340	1,496,889
Current liabilities	(444,729)	-	(444,729)
	<u>602,477</u>	<u>523,340</u>	<u>1,125,817</u>
<b>2019 COMPARATIVES</b>			
Fixed assets	3	-	3
Current assets	943,423	851,543	1,794,966
Current liabilities	(354,257)	-	(354,257)
	<u>589,169</u>	<u>851,543</u>	<u>1,440,712</u>

QUEEN ALEXANDRA'S HOUSE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2020

9. OPERATING LEASES

At the year end, the charity had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Within one year	12,117	21,257
Within two to five years	2,510	14,627
	<u>14,627</u>	<u>35,884</u>

10. TAXATION

The Association is a registered charity and no taxation is payable on its income.

11. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES (2019)

	Unrestricted Funds General £	Designated £	Total 2019 £
<b>INCOME FROM:</b>			
Charitable activities - accommodation	975,000	-	975,000
Donations and legacies	2,078	-	2,078
Investments	6,982	-	6,982
Other Income	11,412	-	11,412
<b>Total</b>	<u>995,472</u>	<u>-</u>	<u>995,472</u>
<b>EXPENDITURE ON:</b>			
Charitable activities - provision of accommodation	846,167	34,457	880,624
<b>Net income/(expenditure) before transfers</b>	<u>149,305</u>	<u>(34,457)</u>	<u>114,848</u>
Transfers between funds	(562,000)	562,000	-
<b>NET MOVEMENT IN FUNDS</b>	<u>(412,695)</u>	<u>527,543</u>	<u>114,848</u>
<b>RECONCILIATION OF FUNDS:</b>			
TOTAL FUNDS BROUGHT FORWARD	1,001,864	324,000	1,325,864
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u>589,169</u>	<u>851,543</u>	<u>1,440,712</u>

