

**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 2017**

Company Registered No: 42575  
Charity Registered No: 312824



# **QUEEN ALEXANDRA'S HOUSE ASSOCIATION**

## **REPORT OF THE COUNCIL**

**YEAR ENDED 31 DECEMBER 2017**

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The Council present their annual report and financial statements for the year ended 31 December 2017 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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) effective 1 January 2015.

### **REFERENCE AND ADMINISTRATIVE DETAILS**

#### **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. Members of the Finance & Management Committee during the year are indicated with "F" after their names:

A Harvey Esq (Chairman) – F	Mrs P McConnell
Mrs J D H Slater (to 21st March 2017)	Mrs H M Hart
Mrs M Villiers – F	J Offen Esq
Ms A Vincent – F	Mrs N Martyn
A Rose Esq - F	S Corbyn Esq
Mrs A M Gillon OBE - F	M McDonald Esq (from 21 <sup>st</sup> November 2017)

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

#### **House Committee, Principal and Professional Advisers**

##### **House Committee**

Mrs H M Hart Chairman  
Mrs L Lazarus  
Mrs E Weld  
Mrs J Strangeways  
Ms Z Serageldin

##### **Principal and Company Secretary**

Mrs A Brown

##### **Architects**

Messrs Ansell & Bailey  
London

##### **Auditors**

haysmacintyre  
London

# QUEEN ALEXANDRA'S HOUSE ASSOCIATION

## REPORT OF THE COUNCIL (Continued)

YEAR ENDED 31 DECEMBER 2017

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Status and administration

The organisation is a charitable company limited by guarantee, number 42575. 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, the Commissioners for the exhibition of 1851, the Royal College of Music and the Department for Education and serve for five years and may be re-appointed every fifth year from January 1899. 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 the running of the House. An invitation is sent to all residents to speak to the House Committee Chairman and the Principal before the meeting. 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) annually having regard to local and national pay levels and relevant pay indices; and includes, where appropriate, a discretionary performance element.

### 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 now, when the cost of accommodation limits severely the availability of safe and suitable places where students may lodge so near central London. An added feature of the House was its design to give students of the arts a centre where they could practice, rehearse, and perform. This is much to the public benefit, as there is very little practice and performance space available in central London. The President at the foundation was Princess Alexandra of Denmark, 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.

# QUEEN ALEXANDRA'S HOUSE ASSOCIATION

## REPORT OF THE COUNCIL (Continued)

YEAR ENDED 31 DECEMBER 2017

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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. This is very much to the public benefit as there is very little practice and performance space available in central London. 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

There are girls from the student bodies of many institutions. In 2017 there were 21 students from the Royal College of Music, 22 from the English National Ballet School, 26 from Imperial College, and 4 from the Royal college of Art. Another nine institutions were represented including: the Royal Academy of Dance, Kings College London, SOAS, LAMDA, University of the Arts London, Sothebys Institute of Art, University of Leeds, Wimbledon College of Art and University College Birmingham. The reception desk is operational 24 hours, and pastoral care is provided throughout the whole of every term and available should a student fall ill. This is welcomed by the residents' parents and guardians. 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. The Principal seeks to work in partnership with other hostels in order to provide where possible, the widest range of services to residents. The charity secured almost maximum occupancy during the year with only two rooms being vacant on average.

#### The Friends' Organisation

The Friends of Queen Alexandra's House was founded in 1973 and continued to fundraise for the House until it was disbanded in 2016. The House intends to continue fundraising through student concerts.

#### 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 £81,000 was expended on building works during the year, (over £150,000 in 2016) to include the refurbishment of the stairwell, the Dining Room floor, and the cyclical refurbishment of 10 rooms. The charity has not encountered any significant factors in 2017 that have affected the achievement of its objectives; and there are as yet no such major factors that will affect future plans.

### FINANCIAL REVIEW

The Statement of Financial Activities discloses net income of £124,180 (2016: £96,010). There have not been any events with a significant financial impact other than the write-off of a bad debt of £95,000.

#### Reserves policy

The Council's policy is to maintain the general fund at approximately the level of twelve months' expenditure which amounted to £837,213. At 31 December 2017 general reserves amounted to £903,038 (2016: £820,858). The target has thus been achieved at 13 months (2016 - 11.5 months). Designated reserves, being an amount set aside to replace major plant and equipment, amounted to £282,000, making total reserves of £1,185,038. The charity's designated 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 £408,000 by 2020.

#### 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.

## QUEEN ALEXANDRA'S HOUSE ASSOCIATION

### REPORT OF THE COUNCIL (Continued)

YEAR ENDED 31 DECEMBER 2017

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#### Risk Management (continued)

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.

#### 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.

#### AUDITORS

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

10<sup>th</sup> April 2018

Kensington Gore  
London SW7

On behalf of the Board

  
A Harvey Esq (Chairman)

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

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We have audited the financial statements of Queen Alexandra's House Association for the year ended 31 December 2017 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).

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.

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 2017 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.

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

As explained more fully in the Statement of Members of Council Responsibilities set out on page 4, the members of the Council (who are also the trustees for the purposes of charity law and 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.

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.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members of the Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members of the Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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**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:

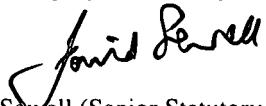
- the information given in the Report of the Council (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Council (which incorporates the directors' report) has been prepared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

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

In the light of the knowledge and understanding of the 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the members of the Council were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.



David Sewell (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre, Statutory Auditors

10 Queen Street Place  
London  
EC4R 1AG

/0 April 2018

BALANCE SHEET

31 DECEMBER 2017

	Notes	£	2017	£	£	2016	£
<b>FIXED ASSETS</b>							
Tangible Assets	2			3			3
<b>CURRENT ASSETS</b>							
Debtors and prepayments	3	23,117			11,548		
Cash at bank and in hand		1,510,308			1,424,479		
		<u>1,533,425</u>			<u>1,436,027</u>		
<b>CREDITORS - due within one year</b>							
Sundry creditors	4	90,073			110,695		
Fees billed in advance		219,006			222,288		
Fee deposits		39,311			42,189		
		<u>348,390</u>			<u>375,172</u>		
<b>NET CURRENT ASSETS</b>				1,185,035			1,060,855
<b>NET ASSETS</b>				<u>£1,185,038</u>			<u>£1,060,858</u>
Represented by:							
<b>UNRESTRICTED FUNDS</b>							
General				903,038			820,858
Designated Funds	6			282,000			240,000
<b>TOTAL CHARITY FUNDS</b>				<u>£1,185,038</u>			<u>£1,060,858</u>

Approved and authorised for issue by the Council of Management on 10 April 2018 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

YEAR ENDED 31 DECEMBER 2017

	Note	Unrestricted Funds General £	Designated £	Total 2017 £	Total 2016 (unrestricted funds) £
<b>INCOME FROM:</b>					
Charitable activities		960,302	-	960,302	949,984
Donations and legacies		170	-	170	390
Investments		921	-	921	2,552
<b>Total</b>		<u>961,393</u>	<u>-</u>	<u>961,393</u>	<u>952,296</u>
<b>EXPENDITURE ON:</b>					
Charitable activities - provision of accommodation	5	837,213	-	837,213	856,916
<b>Net income before transfers</b>		<u>124,180</u>	<u>-</u>	<u>124,180</u>	<u>96,010</u>
Transfers between funds	6	(42,000)	42,000	-	-
<b>NET MOVEMENT IN FUNDS</b>		<u>82,180</u>	<u>42,000</u>	<u>124,180</u>	<u>96,010</u>
<b>RECONCILIATION OF FUNDS:</b>					
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<u>820,858</u>	<u>240,000</u>	<u>1,060,858</u>	<u>964,848</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>£903,038</u>	<u>£282,000</u>	<u>£1,185,038</u>	<u>£1,060,858</u>

Income and expenditure account information is clearly identified above.

All incoming resources and resources expended derive from continuing activities.

The accompanying notes form part of these accounts.

**QUEEN ALEXANDRA'S HOUSE ASSOCIATION**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net income for the reporting period	124,180	96,010
Depreciation charges	-	-
Dividends and interest	(921)	(2,552)
(Increase)/decrease in debtors	(11,569)	19,747
(Decrease)/increase in creditors	(26,782)	147,699
	<u>84,908</u>	<u>260,904</u>
<b>Net cash provided by operating activities</b>	<b>84,908</b>	<b>260,904</b>
<b>Cash flows from investing activities:</b>		
Dividends and interest	921	2,552
Purchase of tangible fixed assets	-	-
	<u>85,829</u>	<u>263,456</u>
<b>Net cash provided by investing activities</b>	<b>85,829</b>	<b>263,456</b>
<b>Cash flows from financing activities</b>	<b>-</b>	<b>-</b>
	<u>85,829</u>	<u>263,456</u>
<b>Change in cash and cash equivalents in the year</b>	<b>85,829</b>	<b>263,456</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,424,479</b>	<b>1,161,023</b>
	<u>£1,510,308</u>	<u>£1,424,479</u>
<b>Cash and cash equivalents at the end of the year</b>	<b>£1,510,308</b>	<b>£1,424,479</b>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

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**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 Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) 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.

**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. 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 6) 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.

# QUEEN ALEXANDRA'S HOUSE ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

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### 1 ACCOUNTING POLICIES (Continued)

**f. Income recognition**

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.

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.

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

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.

**g. 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 activities comprise organisational administration and compliance with constitutional and statutory requirements. Costs include direct costs of external audit, legal fees and other professional advice.

**h. 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.

**i. 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.

**j. 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.

**k. 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.

**l. 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.

QUEEN ALEXANDRA'S HOUSE ASSOCIATION

NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2017

2.	FIXED ASSETS	Improvements to Long Leasehold Property £	Furniture And Fittings £	Plant And Equipment £	Total £
	Cost				
	At 1 January 2017 and 31 December 2017	22,355	8,817	157,094	188,266
	Depreciation				
	At 1 January 2017	22,354	8,816	157,093	188,263
	Charge for the year	-	-	-	-
	At 31 December 2017	22,354	8,816	157,093	188,263
	Net Book Value				
	At 31 December 2017	£1	£1	£1	£3
	At 31 December 2016	£1	£1	£1	£3
3.	Debtors			2017 £	2016 £
	Trade debtors			9,795	3,938
	VAT recoverable			6,260	
	Prepayments			7,062	7,610
				£23,117	£11,548
4.	CREDITORS - due within one year			2017 £	2016 £
	Sundry creditors:				
	Taxation and social security costs			3,882	8,096
	Other creditors and accruals			86,191	102,599
				£90,073	£110,695
5.	ANALYSIS OF EXPENDITURE				
		Staff Costs	Other Costs	Total 2017	Total 2016
		£	£	£	£
	Charitable Activity:				
	Provision of accommodation:				
	Welfare and catering	137,970	343,796	481,766	353,129
	Premises costs	41,391	123,713	165,104	289,179
	Other costs	96,578	81,702	178,280	204,308
	Governance costs	-	12,063	12,063	10,300
		£275,939	£561,274	£837,213	£856,916

# QUEEN ALEXANDRA'S HOUSE ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS (Continued)

YEAR ENDED 31 DECEMBER 2017

### 5. ANALYSIS OF EXPENDITURE (continued)

	2017 £	2016 £
Governance costs include:		
Audit fees	8,800	8,500
Other fees payable to the auditors	1,850	1,800
	<u>          </u>	<u>          </u>
Staff costs include:		
Wages and salaries	193,294	188,005
National Insurance	13,203	5,088
Pension	1,314	203
Agency staff	68,128	85,967
	<u>£275,939</u>	<u>£279,263</u>
The average number of employees during the year was	11	11

No employee earned over £60,000 in the year (2016 – none).

Total employee benefits paid to key management personnel post holders amounted to £87,650 (2016 - £86,370)

The Members of Council received no emoluments nor reimbursed expenses during the year (2016: Nil).

### 6. DESIGNATED FUND

	Balance 1 January £	Income £	Expenditure £	Transfer from/(to) General Fund £	Balance 31 December £
Building Capital Fund - 2017	£240,000	-	-	£42,000	£282,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Building Capital Fund - 2016	£188,000	-	-	£52,000	£240,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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.

### 7. TAXATION

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

### 8. FINANCIAL INSTRUMENTS

	Total 2017 £	Total 2016 £
Financial assets (trade and other debtors) measured by amortised cost	9,795	3,938
	<u>          </u>	<u>          </u>
Financial liabilities (sundry creditors) measured by amortised cost	52,278	56,692
	<u>          </u>	<u>          </u>