

QUEEN ALEXANDRA COLLEGE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

Registered Numbers:

Company: 03387540
Charity: 1065794

QUEEN ALEXANDRA COLLEGE
REPORT AND FINANCIAL STATEMENTS
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QUEEN ALEXANDRA COLLEGE CHAIR'S INTRODUCTORY STATEMENT

Adaptation and Innovation

The 2019/20 academic year has been a year of adaptation and innovation. The strategy to ensure that the College continues to flourish in an environment of continued funding pressures, whilst remaining essential, had to take second place for a while as we very quickly adapted to allow students to learn from home during the lockdown. I could not be prouder of the way that staff, students and carers rose to the considerable challenges involved.

Teaching continued for all students either online, via paper based information or a mixture of both and staff recorded numerous hours of virtual lessons and activities. Given that our cohort of students have such a wide variety of needs and a wide spectrum of situations at home, staff adapted their approach to ensure that work was available and that the college stayed in touch with all learners. The team were well aware of the challenges of home studying, enabling support staff and the behaviour team to work with carers to ensure that students remained safe and engaged during this time.

During lockdown we also worked with Natpsec and other Natspec member colleges to capture and share effective learning at home for young people with special educational needs and disabilities (SEND). Seven QAC staff members were noted as supporting the research into best practice of remote learning. Natspec's newly developed Home Learning website provided advice, guidance, tools and resources on learning materials, monitoring progress, support for families and wellbeing, therapy provision and transition in and out of college.

Not business as usual

As well as the effect on students, the pandemic and lockdown had a huge impact on our subsidiary company, QAC Enterprises, with exhibitions such as Sight Village and Autism Central having to be postponed. As well as leaving a hole in the income of the organisation, delaying these events was a real blow to disabled members of the public, their carers and professional staff as the exhibitions are a key source of information about products and services available. As a direct consequence, we hosted our first virtual Sight Village event in July featuring pre-recorded promotional videos from 23 exhibitors. The event was extremely popular and the Facebook posts on the QAC page across both days reached 24,333 people, with 2,039 responding positively. We also saw a 168% increase in "page likes" for the Sight Village Facebook page and a 202% increase in page views compared to the previous month. The videos uploaded to YouTube cumulatively achieved 5,816 views, and those uploaded to Facebook achieved 8,758 views.

AllFormats, our transcription service, saw a temporary cessation of work whilst safe working practices to allow for social distancing were implemented and then work resumed using shift working and bubbles as well as other measures to safeguard staff. These measures enabled us quickly to return to normal levels of activity.

Natspec Awards 2020

We were delighted to be shortlisted in the inaugural 2020 Natspec Awards, under the category of 'Wellbeing and Mental Health'. These awards aim to recognise and celebrate innovation and excellent practice in the specialist further education sector. Sadly, QAC didn't win but it was a great achievement to be shortlisted and recognised in such a way.

Governance

The College continues to be overseen by the Board of Governors, supported by our Governance Director, and reinforced by key sub-committees covering Curriculum & Quality, Finance & General Purposes, Student Services and Search & Governance. Our Audit Committee includes two independent members, one of whom is its chair, which provides additional scrutiny. I should like to thank all of the board and committee members for their constructive support and dedication throughout this year.

The Board of Governors continues to evolve as people reach the end of their terms of office. Bill Houle, a long serving member, left at the end of the year and I would like to thank Bill for his contribution to the Board, and particularly for his enthusiasm and his willingness to share his knowledge on property matters. During the year we saw the resignation of our academic Staff Governor Ben Turner and I should like to express our thanks to him for the work he put in. Further, work has been taking place on our succession plan, which will help to improve the diversity of the Board and better to reflect the local community.

Our internal and external auditors have given appropriate assurance as to the effectiveness of our systems of internal control.

QUEEN ALEXANDRA COLLEGE
CHAIR'S INTRODUCTORY STATEMENT (continued)

Our wonderful students

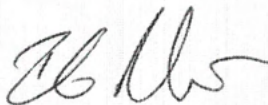
In early March, as an alternative to the college's Annual General Meeting, QAC hosted a Student Showcase event to celebrate the richness and diversity of our students' talents. Attended by staff, parents/carers, Governors and other QAC stakeholders, the showcase was filled with performances, both dance and musical, from a variety of different student groups. Principal and Chief Executive Bev Jessop, also gave guests an update on the College's current status and the progress of the 5-year plan. The "business" parts of the AGM were addressed separately and documents made available for all stakeholders so that any questions could still be raised. This is a much more appropriate way to celebrate all that QAC stands for, with students at its heart.

Student Council Reps Adam and Connor, as well as Deputy Principal Jan Gornley and Curriculum Area Manager Andy Ainsworth, were invited to attend and represent QAC at the annual "Celebrating Midlands Colleges" Parliamentary reception in London. Organised by the Association of Colleges, the event provided a great opportunity to celebrate the significant contribution colleges make to communities and local economies in the East and West Midlands.

Students, staff and friends of QAC were invited to a special online event on the last day of the summer term in July to recognise the achievements and successes of students and celebrate our leavers. To acknowledge and make the day memorable for students, a special video featuring a short recording from each student group delivered by their tutor was created and uploaded to the College Facebook page for everyone to join and enjoy remotely.

We had continued to increase the number of students at the college as part of our sustainability plan but as I write this we have had a small reduction in student numbers in September, due to delays in obtaining funding approvals as a result of the pandemic. We still have students starting in October and others will join as the term progresses. This is despite welcoming 189 prospective students to QAC via our open day events (delivered online and face to face at different times of the year). The period September 2019 to February 2020 saw a 12% increase in the number of potential students visiting compared with the previous academic year. By the beginning of March 2020, we had also seen 125 young people attend QAC through a bespoke group visit with their school - 23 separate bookings were made by 16 different schools. This further reinforced the positive work undertaken in terms of developing strong external relationships.

202/21 will no doubt be a challenging year as students adjust to college life after 6 months at home and ongoing restrictions make social interaction and "normal" student activities more of a challenge. I am confident that our outstanding staff, who embody the values that define QAC, will ensure that all of our students are able to make a success of the year ahead.



Ian Richards
Chair of Governors
29 January 2021

QUEEN ALEXANDRA COLLEGE REPORT OF THE GOVERNORS

The Governors, who are also the Trustees, present their report and the audited financial statements of Queen Alexandra College (the 'College' or the 'Company') for the year ended 31 July 2020.

CONSTITUTION AND PRINCIPAL ACTIVITIES

Queen Alexandra College (QAC) is a Specialist College for young people and adults with disabilities.

The company is limited by guarantee and has no share capital. The liability of each member shall not exceed £1. The company was incorporated on 17 June 1997 (Company No: 03387540) and is governed by its Memorandum and Articles of Association, as amended by special resolutions dated 29 September 1997, 13 July 1998 and 6 December 1999. The Company is a registered charity, number 1065794.

The College was part of Birmingham Royal Institution for the Blind (BRIB) until 31 December 1997 when its operations were transferred to a separate company.

Principal connected organisations are as follows:

Birmingham Royal Institution for the Blind (BRIB)

Birmingham Royal Institution for the Blind owns the main campus premises occupied by the College. They charge rent for the use of the premises and make grants to support the work of the College. The main grant to the College of £584,320 (2019; £535,627) is given to cover the rent charged in respect of the College main premises in accordance with an agreement dated 31 December 1997. In addition BRIB gave a grant of £15,380 (2019; £14,098) to cover an element of the rent charged in respect of Oakwood House and a further grant of £67,667 to support with QAC's development of the Pinewood site (2019; £1,519 grants for smaller initiatives). The College provides accounting services to BRIB under a service level agreement. The BRIB Board is made up of nine Governors, three of whom are appointed by Focus Birmingham, three by Queen Alexandra College and three by the members of BRIB. The College is very grateful to BRIB for its continued support and help, especially over the last year.

Focus Birmingham

Focus Birmingham was also part of BRIB until 31 December 1997 when it became a separate charity to provide and promote services to blind and partially sighted people in the community. It too has been granted a long lease by BRIB on part of its Harborne site, benefits from funding commitments made by BRIB and, together with QAC, appoints three Governors to the BRIB Board (see above). The College provides a contracted maintenance service to Focus Birmingham.

RESERVES

The College has unrestricted funds and a number of restricted funds. The unrestricted funds include accumulated surpluses and the restricted funds consist of monies received for specific purposes, less expenditure to date.

GOVERNORS

The administration of the College is effected by a Board of Governors (who are Trustees of the charity and directors of the Company) and those who held office during the year, and to the date of this report, were:

* Ian Richards (Chair)	Amanda McGeever (Vice Chair)
Rosemary Adams	Paula Moran (Resigned 20.01.20)
Andrew Billingham	Jane Morel (resigned 08.07.19)
*Chris Bradshaw	Andrew Morris
Dr Anne Green	Lorraine Moses-Copeman
Dr Ewan Hamnett	Professor John Penny
William Houle (Resigned 06.07.20)	Dr A Julie Reed
Samantha Jackson (wef 06.07.20)	Gareth Robinson
Khalid Javaid (wef 12.09.19)	Kimberly Tierney (wef 06.07.20)
Beverley Jessop	Ben Turner (Resigned 03.02.20)
Janet McCall	Patrick Wing
Dr Steve McCall	

None of the Governors has any beneficial interest in the College and all served without remuneration.

Two of the Governors (* above) are currently nominated by the College to the BRIB Board, which comprises nine Governors in total.

**QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)**

GOVERNORS (continued)

Insurance is purchased to protect the College from losses arising from neglect or default of its Governors, officers and employees, and to indemnify the Governors, officers and employees against the consequences of neglect or default on their part. The amount paid for the year was included within the College's overall Combined Commercial Policy and the cost cannot be separately identified. The limit of indemnity is £5,000,000 (2019; £5,000,000).

Governors have set terms of office and a maximum total term.

Governors sit on sub-committees which advise the full Board on matters of policy and management. Each committee meets at regular intervals throughout the year. The following served on these committees at the date of this report.

Finance and General Purposes Committee

Andrew Morris (Chair)
William Houle (Resigned 06.07.20)
Khalid Javaid (wef 12.09.19)
Beverley Jessop
Professor John Penny
Ian Richards
Julie Reed (wef 01.09.20)
Gareth Robinson

Student Services Forum

Amanda McGeever (Chair)
Ewan Hamnett
Lorraine Moses-Copeman
Dr A Julie Reed (until 08.20)
Patrick Wing
Kimberly Tierney (wef 06.07.20)

Curriculum & Quality Committee

Dr Anne Green (Chair)
Rosemary Adams
Chris Bradshaw
Janet McCall
Dr Steve McCall
Ian Richards
Elly Tobin (Independent)
Beverley Jessop
Samantha Jackson (wef 06.07.20)
Ben Turner (until 03.02.20)

Audit Committee

Richard Percival (Chair) (Independent)
Helen Edmonds (Independent)
Rosemary Adams (wef 01.09.20)
Amanda McGeever
Paula Moran (Resigned 20.01.20)
Professor John Penny

Search & Governance Committee

Ian Richards (Chair)
Dr Anne Green
William Houle (Resigned 06.07.20)
Amanda McGeever
Andrew Morris

Remuneration Committee

Amanda McGeever (Chair)
Khalid Javaid
Andrew Morris
John Penny
Dr A Julie Reed
Ian Richards
Gareth Robinson

**QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)**

OFFICERS AND ADVISERS

Principal and Chief Executive	Beverley Jessop
Company Secretary	Alison Lydon
External Auditors	BDO LLP Two Snowhill Birmingham B4 6GA
Internal Auditors	Mazars LLP 45 Church Street, Birmingham B3 2RT
Principal Bank	Lloyds Bank PLC PO Box 908 125 Colmore Row Birmingham B3 2DS
Insurance Advisers	FE Protect Cherryfield Drive Kirkby Liverpool L32 8SF
Investment Managers	Smith & Williamson 3 rd Floor 9 Colmore Row Birmingham B3 2BJ
Registered Office	49 Court Oak Road Harborne Birmingham B17 9TG

**QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)**

STRATEGIC REPORT

PUBLIC BENEFIT & REVIEW OF ACTIVITIES

Queen Alexandra College (QAC) is a registered charity and an independent specialist residential college (ISC) based in Birmingham. It provides education and training for students and clients with a wide range of disabilities and learning difficulties. QAC operates three services – College, Community and Residential, all of which operate within the values of 'Respect, Collaboration, Integrity, Enabling, Inclusion and Excellence'. The mission statement of QAC is 'To create challenging learning opportunities for people with a visual impairment and/or other disabilities to realise their potential to work and to live independently'.

The College's students and clients divide into two main groups: those aged 16 to 25 who are funded by a combination of the Education and Skills Funding Agency (ESFA) and between 25 to 30 Local Education Authorities and clients attending Independence Plus (IP) funded by Social Services/personal payments. The College also accesses a range of funding from external sources including statutory and charitable bodies. The College continues to offer a level of respite provision and plans to expand this further in future. Prior to being offered a place at the College, all individuals benefit from a thorough assessment of their needs to ensure they are placed on the most appropriate programme. The assessments, in combination with the Education Health and Care plans (EHCP) are also intended to identify the appropriate level of holistic support needs for each student (many requiring 1 to 1, 1 to 2, or 1 to 3 staff to student ratios). The College welcomes students and clients from all backgrounds. An individual's economic status, gender, ethnicity, race, religion, sex or sexual orientation do not form part of our assessment processes.

In setting the College's objectives, and planning activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

The College achieved its mission during the year by providing education, training and independent living skills to 301 students (including 28 Residential), reducing to 291 by year-end. This represented an increase of 25 on the previous Academic Year. Recruitment remains strong, with student numbers being the highest QAC has ever known.

The curriculum at QAC is broad and ambitious and meets the diverse needs of each student. The curriculum is designed to maximise adult life opportunities for all students. Opportunities may be through increased independence, higher academic achievement or through skills that enable employment. The image on page 4 provides a visual overview of the curriculum which covers academic, therapeutic and support provision, all of which are essential components for success for QAC students. All QAC students are in receipt of an Educational, Health and Care plan (EHCP).

The college offers a broad range of courses from pre-entry to level 3 in the following vocational areas: Art and Design, Sports, Trades, Vehicle Mechanics, Health and Social Care, Performing Arts, Media, Hospitality and Information & Communication technologies (ICT). The Preparation for Life (PfL) pathway offers a diverse range of tasters and independence skills development and for some students, leads into LEAP (Learning for Employment and Progression) which will specialise in certain areas and have a focus on employment or higher vocational study. Supported Internships are well established at QAC, with work experience being expected for all students from year 1 onwards. The Access to College programme, a bespoke 1-year programme supports school non-attenders back into learning and has gained in popularity year on year with the local authorities and young people.

The college has a diversity of specialist support services, which are an essential and integral part of each student's curriculum offer, ensuring individual student needs are met and achievements maximised. Support Services consist of speech and language therapy, occupational therapy/specialist sensory; physiotherapy, counselling and mentoring, educational and clinical psychology, Positive Behaviour Support; a rehabilitation and travel training department; Braille, dyslexia and assistive & augmented technology services. In addition there is a Resource Centre, a Health Care Centre and College 'buddy dogs'.

QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)

PUBLIC BENEFIT & REVIEW OF ACTIVITIES (continued)

The extended curriculum and enrichment activities ('Club') offered to both day and residential students consist of a range of activities which develop community, social and independence skills, promote sports, the arts; leisure activities and develop wellbeing, confidence and friendships.

The College provided 28 places to residential EFSA funded students and employs approximately 35 residential support staff. The residential provision at QAC continues to be graded as 'good' by CQC (Care Quality Commission) who make unannounced inspections throughout the year. The College also provided 29 places to Independence Plus clients based in houses in the local community.

Achievement on accredited main programmes remained outstanding at 95.4%, an increase of 4.2% on the previous year. QAC's KPI for success is 85% on main programmes, which we exceeded by 10%. Maths has reduced slightly to 88.7% this year. This is slightly lower than the last year (95.3%) and can be attributed to student withdrawals from College. Despite this, maths results were still good and in line or slightly above national average. English achievement was at 84%, which likewise remains good but the overall figure is similarly slightly lower than 2018/19 (89.5%) as the result of withdrawals.

Target achievement continues to be measured for non-accredited learning programmes and QAC continues to use the RARPA ('Recognising and Recording Progress and Achievement') system. The success rate remains high at 92.6% which is at, or slightly above national benchmark. The use of non-accredited programmes as 'full offer' continues as a growing area at QAC in line with changing student needs.

The college was inspected by Ofsted in July 2016 and judged to be GOOD.

Success at QAC is not measured solely in terms of outcome success rates. Students have a comprehensive Individual Learning Plan with a range of negotiated challenging targets. Progress is measured on a regular basis and new targets are set and agreed as appropriate; value added and distance travelled are important measures of achievement. Annual reviews were continued for all students with a focus on the transition journey through College into independence, further education and employment.

There is a robust safeguarding process in place with 8 staff having responsibility for safeguarding, one of whom is the lead designated safeguarding officer, with others acting as deputies. Staff teams are effectively trained in managing safeguarding issues with a regular, mandatory ongoing programme of training on all aspects of safeguarding in place, both via online training; workshop sessions and this now includes surveys. 100% of staff have had relevant safeguarding training. A clear audit trail of safeguarding is maintained and reported regularly to the Governors, which ensures due process is followed by the college. Prevent Duty training is embedded into Safeguard training at Induction and ongoing. A Governor safeguarding lead liaises with the college safeguarding team and ensures safeguarding updates are reported regularly and remain high on the Governors' agenda.

Student involvement is high with students continuing to have the opportunity to apply for the positions of Student Council reps and College Ambassador and take part in a selection interview process with underpinning employment skills being developed. Such roles enhance their self-confidence and ability to engage competently with professional people with students making excellent use of established opportunities to participate and be involved in College activities and forums. The students play an important part in the college around marketing and fundraising campaigns. Through the promotion of the student voice, students contribute to the day-to-day operation of the College such as college 'values' planning, ideas for new enrichment groups, important considerations linked to building developments and improved food choices

Residential students also have a significant role to play and the residential focus group continues to have a positive impact on aspects of residential life such as improving Wi-Fi across all houses, new furniture and establishing rules of etiquette and acceptable noise levels.

**QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)**

RESPONSE TO COVID-19

QAC, like the rest of the UK, was in lockdown from March 2020 following government direction. QAC reopened more widely in early September 2020 under strict COVID precautions and risk assessments. All staff continued to work and business services operated during the closure period, albeit in a reduced way for some Enterprises. Some operations were maintained such as face to face learning for students of 'key working' parents and also Supported Living. Education and business support services operated using different online mediums. This worked effectively and the learning for all students was maintained through online, creative learning methods which impacted positively on learning and achievements continued. Although the lockdown had an impact on many of the traditional experiences of the College, the core business was maintained and achieved as planned.

QAC leaders and managers adapted their curriculum so that students could continue with their learning during the pandemic. Staff combined home learning packs and online resources to take account of student's individual learning and support needs. The potential for further disruption to face-to-face learning is considered and planning in place. For example, learning activities in September have been rearranged so that students can quickly extend their digital knowledge and navigate online learning platforms. We are planning for future 'blended' programmes that include face-to-face and remote learning. We have also appointed staff as 'home learning champions' to develop additional online resources.

The lack of contact with staff and friends had a negative impact on some students' mental health during lockdown. In such cases, the college's health and well-being teams are working with students and their families to support their return to learning. In contrast, staff report that some students have enjoyed the experience of working remotely and have become more motivated to learn. For example, a local football club foundation that partners with the college is currently providing the delivery of all its sport content online. This has included activities such as question and answer sessions with British wheelchair athletes.

It is identified that the challenges now faced in securing appropriate work placements for students and interns will be complicated. Key staff at QAC are continuing to work with employers to identify local job opportunities and provide up to date careers advice and guidance.

Safeguarding arrangements continued during lockdown and college holidays. A Red Amber Green (RAG) rating system was used to identify the most vulnerable students where the level of 1:1 contact was determined and reviewed on a weekly basis. Contact was either via telephone or video conference. During the summer term the team were able to carry out some home visits.

THE FUTURE

Inevitably the College's traditional funding streams remain uncertain and more so during 2020. Changes in funding models, differing interpretations by local authorities of funding and SEND (Special Education Needs and Disabilities) legislation, together with a policy of funding specialist provision after other options have been explored have resulted in less certainty in student numbers and levels of income. This in turn leads to difficulties in budgeting, more students with complex needs being sent to independent specialist Colleges, and a reduction in residential numbers. Despite these challenges, QAC continued to maintain its position in 2019/20 and recruitment in 2020/21 is positive.

QAC's has a 5 year strategy to the end of 2024/25. QAC's aim is to be recognised as a leading, national specialist provider for independence, education and training and employment. The College will do this through 3 strategic pathways

1. Residential Services
2. Curriculum Services
3. Community Services

**QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)**

THE FUTURE (continued)

In achieving its aims, QAC will provide the following across all services:

1. A highly skilled, flexible and fulfilled workforce
2. Effective financial strength, that is sustainable and has flexibility to achieve its goals
3. The highest standards and recognition for Equality, Diversity and Inclusion
4. The highest standards and recognition for investing in high quality staff
5. All learners, clients and staff supported within safe and well-resourced environments

Each of these pathways and objectives has a number of clear actions and targets.

The Governors are confident that the strategy is ambitious but achievable and that the College's sound financial position will enable it to overcome any uncertainties and to maintain the service it provides to an ever-increasing range of clients. Achieving the strategy will require investment expenditure over the next two to three years and some of the Charity's reserves will be required for this purpose.

The College will continue to challenge its students and clients, working with them to enhance their lives, promote their achievements and overcome their disabilities.

FINANCIAL SUMMARY

The consolidated financial results of the College and its subsidiary company (QAC Enterprises Limited) for the year ended 31 July 2020 show net movement in funds of a surplus of £565,319 compared to a surplus of £492,090 in the previous financial year and generated a positive cash flow of £973,780 (2019; inflow of £571,764).

These accounts are prepared for the 12 months to 31 July 2020.

Income increased from £12,002,884 to £12,779,622 between 2018/19 and 2019/20. The figures are not directly comparable as 2018/19 only covered an 11 month period. In 2018/19 the College changed its year-end from 31 August to 31 July in order to align with Education Skills Funding Agency (ESFA) and other FE Colleges.

Expenditure increased from £11,601,999 to £12,113,150. Again, the figures are not strictly comparable, as 2018/19 was an 11-month period. Going forward, it remains a challenge to fund continued increases in staffing and related costs against a background of constrained sources of funding.

QAC uses a number of internal financial Key Performance Indicators (KPIs), including underlying cash flow, aged debts, fundraising income and staff costs/ overheads as a proportion of income. These are scored as RAG (Red, Amber, and Green) based on the management accounts and are reported to the Board of Governors throughout the year. Despite the disruption caused by COVID-19, QAC consistently achieved or exceeded its financial targets in the last year, the key ones being;

- | | |
|---|----------------|
| • College and Group Surplus/ (Deficit) | – GREEN rating |
| • Underlying cash flow before working capital movements | – GREEN rating |
| • Staff costs as a percentage of income | – GREEN rating |

RESERVES POLICY

As at 31 July 2020, the College and its subsidiary company have unrestricted general funds of £10,995,815, (2019; £10,476,163) and restricted funds of £1,254,967 (2019; £1,209,300). Total reserves, including restricted funds, are £12,250,782 (2019; £11,685,463).

The analysis of net assets between funds is set out in Note 17 to the Financial Statements. Of the total unrestricted reserves of £10,995,815, £6,937,658 is held as tangible fixed assets, leaving free reserves (including investments) of £4,058,157 (2019; £3,390,645).

**QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)**

RESERVES POLICY (continued)

The Governors carried out a review of QAC's reserves policy in light of QAC's developing 5-year strategic plan and the current funding climate in 2019. Following that review the Governors concluded that QAC should aim to have free reserves held in long term investments (including cash held by investment managers) equal to, or in excess of £1,750,000 (2019; £1,750,000). This enables QAC to protect its services, and therefore those whom the charity aims to support in the event of significant risks arising. It also supports QAC's strategic plan if needed. At 31 July 2020, free reserves held in long-term investments represented 109% of this figure (2019; 112%).

At their discretion, Governors may designate further unrestricted funds for specific purposes. Governors review the appropriateness of reserves policy annually based on an assessment of the key risks faced by the Charity.

INVESTMENT POLICY

The Governors have an agreed investment policy for the College aimed at providing long-term capital growth with medium risk. Smith & Williamson act as Investment Managers to the College to manage investments under this policy.

INVESTMENTS

Queen Alexandra College owns the whole of the issued share capital of 100 shares of £1 each of QAC Enterprises Limited, a company incorporated in England & Wales (Company Number 1986389). The company operates three distinct businesses: a specialist transcription services ("All Formats"), the sale of canes for the visually impaired and the "Sight Village" series of exhibitions for the blind and visually impaired. All profits from the businesses are Gift Aided to the College. The turnover for the year ended 31 July 2020 was £523,470 (2019; £537,249) and expenditure was £320,816 (2019; £285,859). The Gift Aid payment was £202,654 (2019; £251,350). QAC Enterprises Limited had net assets and reserves of £10,100 at the year-end (2019; £10,100).

Queen Alexandra College also owns the whole of the issued share capital of 1 share of £1 of QAC Sight Village Limited and the whole of the issued share capital of 1 share of £1 of Sight Village Limited. These companies are incorporated in England & Wales and have remained dormant since their incorporation on 6 February 2010 and 16 July 2012 respectively.

RISK ASSESSMENT AND MANAGEMENT

The Governors have considered risks and risk management throughout the year as part of the business of the full Board and sub-committee meetings. QAC has a formal risk management process for the College and QAC Enterprises - this is managed by the College Management Team and Governors via the Audit Sub-Committee.

As part of its risk management process, the Governors assessed QAC's risk appetite. QAC is generally risk averse and has no appetite for risk exposure that results in significant impact on the delivery of our operational core activities (delivery of education and provision of care). It is also cautious in the pursuit of existing expansion plans and externally focussed commercial activities. However, QAC is willing to accept, in some circumstances, risks that may result in some financial loss or exposure to its financial reserves, provided that such risks are identified and managed with Management and Board oversight and contribute to QAC's overall strategic objectives.

The Governors have assessed the major risks to which the College is exposed, in particular, those related to the operations and finances of the organisation, and are satisfied that systems and processes are in place to mitigate the College's exposure to these major risks.

The Board of Governors have identified the following key strategic risks to the charity. Actions to mitigate against these risks are also detailed:

Risk:	National and Local Government Initiatives resulting in a reduction in income and a long-term risk to the financial stability of QAC (especially with the risk of COVID-19).
Mitigation:	This risk is managed by monitoring of proposed legal and regulatory changes, regular communication with key funding bodies and careful resource planning via QAC's strategic plan.

QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)

RISK ASSESSMENT AND MANAGEMENT (continued)

Risk:	Fire, Health and Safety and the Environment (including infection control and response)
Mitigation:	This risk is managed through a wide range of measures including publicised policies and procedures, regular monitoring and scrutiny from Board level downwards, employing skilled and experience staff as well as external advisers and an ongoing programme of training and awareness.
Risk:	Failure of new projects/ developments, which are key to achieving the College's strategic plan.
Mitigation:	This risk is managed through the College's dedicated Estates and IT staffing, investment appraisal and business planning processes and targeted support from external consultants where needed.

BOARD OPERATION AND MEMBERSHIP

The composition of the Board is assessed by a Search & Governance committee, which reviews the methods of recruiting new Governors and advises the Board as to new appointments. Governor induction procedures seek to ensure that all new appointments to the Board gain a good understanding of different aspects of College life. Governors are encouraged to visit the College outside formal meetings to ensure that they remain in touch with students and staff and a link programme also exists for this purpose. Governor training needs are periodically reviewed and appropriate training undertaken.

The Board receives regular and timely information on the overall financial performance of the College and subsidiaries together with other information such as performance against targets, learning outcomes, admissions and destinations, Safeguarding and Prevent issues, complaints, proposed capital expenditure, quality matters and personnel matters. During the lockdown weekly meetings were held between the Chair, Vice-Chair, Principal and Governance Director and notes of these meetings were shared with all Governors and Independent Directors. All scheduled meetings were held using online methods to ensure that relevant information was shared and discussion and debate could take place.

The Board drives the strategy and quality of the College and monitors outcomes. Scrutiny is also provided by specific Governors with responsibility for health & safety, safeguarding and diversity. Further, scrutiny is provided by its committees. Each of the committees through which business is conducted has terms of reference, which have been approved by the Board as well as an annual business cycle. All decisions of a material nature are made or ratified by the Board and a schedule of matters reserved for the Board has also been approved by the Board to ensure clarity in this regard.

The pay for key management personnel is proposed to the Board by the Remuneration Committee following discussion, which takes into account relevant benchmark information including the Association of Colleges (AoC) pay survey as well as the performance of the individuals concerned and the financial position of the College as a whole. The agreed principle is that senior postholders will be awarded the same pay rise as the majority of staff unless there is a specific reason for variance from this. During the year the Principal/CEO salary was a multiple of 4.7 of the figure for the majority of staff pro rata.

The College has undertaken a detailed internal review of its compliance with the Charities Governance Code for Larger Charities and applies all the principles to its work. The College also complies with the bulk of the relevant recommended practice of the Code. Governors undertake an annual assessment against this Code and the AoC Code for English Colleges and has a plan to implement / evidence any additional recommended practice points. An audit of governance is planned for 2020/21 and a full external review, which was delayed due to lockdown, will be planned.

The Code requires Charities to disclose if the Trustee's Maximum Term of Office exceed 9 years. The maximum term of office for College Governors is currently set at 10 years based on numerous factors including specialist skills requirements for some positions. In order to allow for orderly succession planning, some Governors are completing their final term based on the date last appointed. During this transition period the size of the Board is larger than normal as succession plans are completed.

**QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)**

FIXED ASSETS

All tangible fixed assets are held for the purpose of carrying out the College's main objectives. The Governors believe the market value of the College's freehold land and buildings to be more than their net book value, although no independent valuations have been obtained, as it is considered that the cost of obtaining these is out of proportion to the usefulness of the information.

Governors approved the sale of 494-498 Bearwood Road at their 4th July 2019 meeting. The property was held as a current asset ("Property Held for Sale") as at 31 July 2019 and was sold on 13 March 2020.

EMPLOYEES WITH DISABILITIES

Queen Alexandra College aims to ensure its recruitment, development and retention practice is exemplary. The College is a 'Disability Confident Employer', a 'Mindful Employer' and has been recognised as a level two 'Investor in Diversity'. We are now working towards being a Level 3 Leader In Diversity. We ensure appropriate support to disabled people at the application stage (to ensure access needs for interview are met) through to successful interview and support as an employee. Our practice ensures no particular group or individual is treated more or less favourably based on the characteristics defined in the Equality Act 2010. Equality and Diversity is embedded into the College's management and the College's Equality and Diversity report is formally reviewed by Governors annually.

The College will do its utmost to ensure individual needs are met in the workplace, whether through assistive technology, ergonomics, counselling, flexible working or other individual requirement. All employees, disabled or non-disabled are offered equality of training, career development and promotion opportunities.

EMPLOYEE CONSULTATION

Numerous consultation processes take place throughout the College year. A Joint Consultative Committee made up of managers and employee union representatives meet to discuss not only terms and conditions of employment but factors affecting the organisation as a whole. There are management/staff 'feedback' and 'diary meetings' which take place weekly as well as staff survey and consultations. Employees also provide input into policies and the Principal shares strategic and external influences, which affect the College business with the whole staff group. The College's Senior Management Team have regular "open door" sessions whereby individual staff members can discuss any issues one to one with a member of the Senior Management Team.

The College's Staff Forum ("Staff Voice") brings together interested staff from all areas of QAC to participate in decision-making and has continued to prove successful and attract favourable comments from staff.

FUNDRAISING

Section 162a of the Charities Act 2011 requires Charities to make a statement regarding fundraising activities.

Although the College does not undertake widespread fundraising from the general public, it does undertake fundraising to support specific projects (largely from Charitable Trusts and Foundations) as well as its day-to-day activities. The College is very grateful to all donors and sponsors. Such amounts receivable are presented in the accounts as "Donations and Legacies".

The day-to-day management of all income generation is delegated to the College Management Team. The College has a Fundraising Policy, which is approved by Governors and reviewed regularly; with Governors, receiving regular reports on fundraising activity and performance. The College has a dedicated fundraising team, which is led by a qualified fundraiser, who is a member of the Institute of Fundraising. The College manages all fundraising in house without involvement of commercial participators, external fundraisers or any other third party.

**QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)**

FUNDRAISING (continued)

The College is registered with the Fundraising Regulator and complies fully with the Regulator's Standards and Code of Fundraising Practice. QAC does not make unsolicited approaches to members of the public and always gets consent from individuals before approaching them for support/ involvement. QAC has received no complaints in relation to fundraising activities and the policy requires staff to behave reasonably at all times.

VOLUNTEERS

The College is committed to providing opportunities for volunteering, placements and work experience to people from all walks of life. Many ex-students come back to volunteer, as do trainee teachers, social workers and people who just want to give something back to society or test out a new career in education or care. We provide projects for organisations looking to deliver to Corporate Social Responsibility agendas and have enjoyed productive partnerships with local and national businesses that enhance the overall experience of our students. Volunteer application forms are available on our website. In accordance with DBS guidance, our volunteers are all subject to stringent background checks.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group and charity for that period.

In preparing these financial statements, the Governors are required to:

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

GOING CONCERN

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the College 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 College and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing the financial statements, the Governors have considered whether the going concern basis of preparation for these accounts remains appropriate. To make this assessment, and reflecting the uncertainty associated with Covid19 on the college and the economy, the college has modelled a number of financial scenarios including expected base case, worst case and break case assessments to February 2022.

Taking into account the above, including the level of cash and near liquid investments, the Governors believe that whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the College's ability to continue as a going concern for the foreseeable future, which is a period of at least 12 months from the signing of the accounts and audit report. The Governors therefore consider it appropriate for the accounts to be prepared on a going concern basis.

QUEEN ALEXANDRA COLLEGE
REPORT OF THE GOVERNORS (continued)

STATEMENTS AS TO DISCLOSURE OF INFORMATION TO AUDITORS

All of the current Governors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's Auditors for the purpose of their audit and to establish that the Auditors are aware of that information. The Governors are not aware of any relevant information of which the Auditors are not aware.

The Board of Governors approve the Annual Report and, in their capacity as company directors approve the Strategic Report incorporated therein.

On behalf of the Governors,



Alison Lydon
Secretary
29 January 2021

Registered Office
49 Court Oak Road
Harborne
Birmingham B17 9TG

Registered Company Number 03387540

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

Opinion

We have audited the financial statements of Queen Alexandra College ("the Parent Charitable Company") and its subsidiaries ("the Group") for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities and Income and Expenditure Account, the College Statement of Financial Activities and Income and Expenditure Account, Consolidated and the College Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Group's and of the Parent Charitable Company's affairs as at 31 July 2020 and of the Group's incoming resources and application of resources, and the Parent Charitable Company's incoming resources and application of resources 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 Group and the Parent Charitable Company in accordance with the ethical requirements 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 related 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent 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.

Other information

The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: Chair's Introductory Statement and Report of the Governors. The Trustees are responsible for the other information.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF QUEEN ALEXANDRA COLLEGE (continued)

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 Trustees' Report, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Trustees' report, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Trustee's 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 Parent Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
QUEEN ALEXANDRA COLLEGE (continued)**

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 at the Financial Reporting Council's ("FRC's") website at: <https://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.

BDO LLP

Kyla Bellingall (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom
Date: 15 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

QUEEN ALEXANDRA COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE
ACCOUNT FOR THE YEAR ENDED 31 JULY 2020

Income	Notes	Year			Eleven Months		
		Unrestricted Funds	Restricted Funds	31 Jul 2020 Total	Unrestricted Funds	Restricted Funds	31 Jul 2019 Total
		£	£	£	£	£	£
Charitable Activities	3	11,335,472	-	11,335,472	10,566,846	-	10,566,846
Donations and legacies							
Grant: BRIB Rent		599,700	-	599,700	549,711	-	549,711
Other Donations and Grants		7,507	197,728	205,235	5,197	122,152	127,349
		607,207	197,728	804,935	554,908	122,152	677,060
Other Trading Activities							
Sales in Enterprises		523,470	-	523,470	537,005	-	537,005
Other Trading Income		64,364	-	64,364	173,255	-	173,255
		587,834	-	587,834	710,260	-	710,260
Investment Income							
Interest		4,659	-	4,659	5,311	-	5,311
Investment Income		46,722	-	46,722	43,407	-	43,407
		51,381	-	51,381	48,718	-	48,718
Total Income		12,581,894	197,728	12,779,622	11,880,732	122,152	12,002,884
Expenditure							
Charitable Activities	4	11,575,737	80,235	11,655,972	10,694,024	326,587	11,020,611
Raising Funds	5	456,432	-	456,432	581,388	-	581,388
Loss on Disposal of Fixed Assets		746	-	746	-	-	-
Total Expenditure		12,032,915	80,235	12,113,150	11,275,412	326,587	11,601,999
Net Income/(Expenditure) before movements on Investment Assets		548,979	117,493	666,472	605,320	(204,435)	400,885
(Losses)/Gains on Investment Assets		(101,153)	-	(101,153)	91,205	-	91,205
Net Income/(Expenditure)	14	447,826	117,493	565,319	696,525	(204,435)	492,090
Transfers between Funds		71,826	(71,826)	-	77,189	(77,189)	-
Net movement in Funds		519,652	45,667	565,319	773,714	(281,624)	492,090
Funds at 31 July 2019		10,476,163	1,209,300	11,685,463	9,702,449	1,490,924	11,193,373
Funds at 31 July 2020	14	10,995,815	1,254,967	12,250,782	10,476,163	1,209,300	11,685,463

There are no recognised gains or losses other than those shown above.

All of the Group's activities during the year ended 31 July 2020 are continuing.

The notes on pages 23 to 35 form part of these financial statements.

QUEEN ALEXANDRA COLLEGE
COLLEGE STATEMENT OF FINANCIAL ACTIVITIES AND INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 July 2020

		Year			Eleven Months		
	Notes	Unrestricted	Restricted	31 Jul 2020	Unrestricted	Restricted	31 Jul 2019
		Funds	Funds	Total	Funds	Funds	Total
		£	£	£	£	£	£
Income							
Charitable Activities	3	11,335,472	-	11,335,472	10,566,846	-	10,566,846
Donations and legacies							
Grant: BRIB Rent		599,700	-	599,700	549,711	-	549,711
Other Donations and Grants		210,161	197,728	407,889	256,587	122,152	378,739
		809,861	197,728	1,007,589	806,298	122,152	928,450
Other Trading Activities							
Other Trading Income		113,582	-	113,582	223,144	-	223,144
Investment Income							
Interest		4,659	-	4,659	5,311	-	5,311
Investment Income		46,722	-	46,722	43,407	-	43,407
		51,381	-	51,381	48,718	-	48,718
Total Income		12,310,296	197,728	12,508,024	11,645,006	122,152	11,767,158
Expenditure							
Charitable Activities		11,575,737	80,235	11,655,972	10,694,268	326,587	11,020,855
Raising Funds		184,834	-	184,834	345,418	-	345,418
Loss on Disposal of Fixed Assets		746	-	746	-	-	-
Total Expenditure		11,761,317	80,235	11,841,552	11,039,686	326,587	11,366,273
Net Income/(Expenditure) before movements on Investment Assets		548,979	117,493	666,472	605,320	(204,435)	400,885
(Losses)/Gains on Investment Assets		(101,153)	-	(101,153)	91,205	-	91,205
Net Income/(Expenditure)	14	447,826	117,493	565,319	696,525	(204,435)	492,090
Transfers between Funds		71,826	(71,826)	-	77,189	(77,189)	-
Net movement in Funds		519,652	45,667	565,319	773,714	(281,624)	492,090
Funds at 31 July 2019		10,466,163	1,209,300	11,675,463	9,692,449	1,490,924	11,183,373
Funds at 31 July 2020	14	10,985,815	1,254,967	12,240,782	10,466,163	1,209,300	11,675,463

There are no recognised gains or losses other than those shown above.

All of the Charity's activities during the year ended 31 July 2020 are continuing.

The surplus for the year for Companies Act 2006 purposes excludes unrealised losses on investments of £88,380 (2019; gains £95,442) and amounts to a surplus of £653,699 (2019; surplus £396,648). The notes on pages 23 to 35 form part of these financial statements.

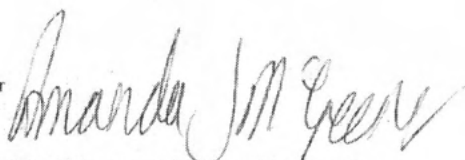
**QUEEN ALEXANDRA COLLEGE
CONSOLIDATED BALANCE SHEET
31 JULY 2020**

	Notes	31 Jul 2020 £	£	31 Jul 2019 £	£
Fixed Assets					
Tangible Assets:	8				
Land and Buildings – Freehold		1,062,002		1,090,460	
Land and Buildings – Leasehold		5,358,337		5,497,028	
Fixtures Fittings and Equipment		799,535		785,050	
Motor Vehicles		42,444		49,207	
Computer Equipment		258,356		276,543	
		<u>7,520,674</u>		<u>7,698,283</u>	
Investments	9	<u>1,820,541</u>		<u>1,905,197</u>	
Total Fixed Assets		<u>9,341,215</u>		<u>9,603,485</u>	
Current Assets					
Property Held for Sale	10	-		467,800	
Stock		5,337		12,418	
Debtors	11	1,200,464		949,877	
Short term Deposits		1,089,359		964,536	
Cash at Bank and In Hand		<u>1,903,760</u>		<u>1,054,803</u>	
Total Current Assets		<u>4,198,920</u>		<u>3,449,432</u>	
Liabilities					
Creditors: Amounts falling due within one year	12	<u>(1,289,353)</u>		<u>(1,367,454)</u>	
Net Current Assets		<u>2,909,567</u>		<u>2,081,978</u>	
Total Assets less Current Liabilities		<u>12,250,782</u>		<u>11,685,463</u>	
Total Net Assets		<u>12,250,782</u>		<u>11,685,463</u>	
Funds					
Unrestricted Funds	14	10,995,815		10,476,163	
Restricted Funds	14	<u>1,254,967</u>		<u>1,209,300</u>	
		<u>12,250,782</u>		<u>11,685,463</u>	

The Financial Statements on pages 18 to 35 were approved and authorised for issue by the Governors on 29 January 2021 and signed on their behalf by:


Ian Richards
Chair

Amanda McGeever
Vice Chair



The notes on pages 23 to 35 form part of these financial statements.

Registered Company Number 03387540

**QUEEN ALEXANDRA COLLEGE
COLLEGE BALANCE SHEET
31 JULY 2020**

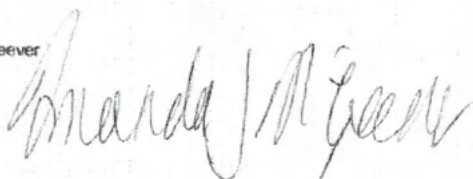
		31 Jul 2020		31 Jul 2019	
	Notes	£	£	£	£
Fixed Assets					
Tangible Assets:					
Land and Buildings - Freehold	8	1,062,002		1,090,460	
Land and Buildings - Leasehold		5,358,337		5,497,028	
Fixtures, Fittings and Equipment		799,535		785,050	
Motor Vehicles		42,444		49,207	
Computer Equipment		<u>258,358</u>		<u>276,543</u>	
			7,520,674		7,698,288
Investments	9		<u>1,820,643</u>		<u>1,905,299</u>
Total Fixed Assets			<u>9,341,317</u>		<u>9,603,587</u>
Current Assets					
Property Held for Sale	10	-		467,800	
Stock		-		2,314	
Debtors	11	1,326,067		1,044,764	
Short term Deposits		1,069,359		964,536	
Cash at Bank and in Hand		<u>1,756,740</u>		<u>927,039</u>	
Total Current Assets		<u>4,172,166</u>		<u>3,406,453</u>	
Liabilities					
Creditors: Amounts falling due within one year	12	<u>(1,272,701)</u>		<u>(1,334,577)</u>	
Net Current Assets			2,899,465		2,071,876
Total Assets less Current Liabilities			<u>12,240,782</u>		<u>11,675,463</u>
Total Net Assets			<u>12,240,782</u>		<u>11,675,463</u>
Funds					
Unrestricted Funds	14		10,985,815		10,466,163
Restricted Funds	14		<u>1,254,967</u>		<u>1,209,300</u>
			<u>12,240,782</u>		<u>11,675,463</u>

The Financial Statements on pages 18 to 35 were approved and authorised for issue by the Governors on 29 January 2021 and signed on their behalf by:



Ian Richards
Chair

Amanda McGeever
Vice Chair



The notes on pages 23 to 35 form part of these financial statements.

Registered Company Number 03367540

**QUEEN ALEXANDRA COLLEGE
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2020**

	Year 31 Jul 2020 £	Eleven Months 31 Jul 2019 £
Cash flows from Operating Activities	872,801	894,082
Cash flows from Investing Activities:		
Dividends and Interest from Investments	51,381	48,718
Proceeds from the Sale of Fixed Assets	468,613	-
Purchase of Fixed Assets	(402,518)	(294,606)
Proceeds from Sale of Investments	201,175	150,558
Purchase of Investments	(217,672)	(226,988)
Change in Cash and Cash Equivalents in the reporting period	973,780	571,764
Cash and Cash Equivalents at the beginning of the reporting period	2,019,339	1,447,575
Cash and Cash Equivalents at the end of the reporting period	2,993,119	2,019,339

Notes to the Consolidated Cash Flow Statement

1. Reconciliation of Net Income to Net Cash Flow from Operating Activities

Net Income for the reporting period	565,319	492,090
Adjustments for:		
Depreciation Charge	554,165	500,892
Impairment Charge	-	212,959
Losses / (Gains) on Investments	101,153	(91,205)
Dividends and Interest from Investments	(51,381)	(48,718)
Loss on Disposal of Fixed Assets	746	-
Decrease / (Increase) in Stocks	7,079	(91)
(Increase) in Debtors	(250,587)	(220,112)
(Decrease)/ Increase in Creditors	(53,693)	48,267
Net Cash Provided by Operating Activities	872,801	894,082

2. Analysis of Change in Cash and Cash Equivalents

	At 31 July 2019 £	Cash Flows £	At 31 July 2020 £
Cash at Bank and in Hand	1,054,803	848,957	1,903,760
Short term Deposits	964,536	124,823	1,089,359
	2,019,339	973,780	2,993,119

The notes on pages 23 to 35 form part of these financial statements

**QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2020**

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain assets and in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition October 2019) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006, the Charity's governing documents, and applicable Accounting Standards.

Queen Alexandra College 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 notes.

Comparative figures for 2018/19 are for an 11 month period as the College changed its year-end date to align with Education Skills Funding Agency (ESFA) and other FE Colleges.

(b) Going Concern

In preparing the financial statements, the Governors have considered whether the going concern basis of preparation for these accounts remains appropriate. To make this assessment, and reflecting the uncertainty associated with Covid19 on the college and the economy, the college has modelled a number of financial scenarios including expected base case, worst case and break case assessments to February 2022.

Taking into account the above, including the level of cash and near liquid investments, the Governors believe that whilst uncertainty exists, this does not pose a material uncertainty that would cast doubt on the College's ability to continue as a going concern for the foreseeable future, which is a period of at least 12 months from the signing of the accounts and audit report. The Governors therefore consider it appropriate for the accounts to be prepared on a going concern basis.

(c) Judgements in Applying Accounting Policies and Key Sources of Estimation Uncertainty

In preparing these financial statements, the Governors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and underlying assumptions are continually reviewed.

The following is a critical judgement that the Governors have made in the process of applying the accounting policies: Determining whether leases entered into by the group either as lessor or a lessee are operating leases or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

Other Key sources of estimation uncertainty:

- Tangible fixed assets (see note 8). Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycle and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and project disposal values.
- Trade debtors (see note 11). At each reporting date, trade debtors are assessed for recoverability if there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognized immediately in the income statement.

(d) Basis of Consolidation

The group financial statements consolidate the financial statements of the College and QAC Enterprises Limited. Intra group transactions are fully eliminated on consolidation. The Governors consider that the presentation of the consolidated statement of financial activities and income and expenditure account, prepared on a line-by-line basis, gives a true and fair view of the group's results.

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES (continued)

(e) Tangible Fixed Assets

Tangible fixed assets are recorded at cost on 31 December 1997, when they were allocated to the College by Birmingham Royal Institution for the Blind, plus additions since, at cost. Expenditure of less than £1,000 on plant, furniture, fixtures and fittings and educational equipment is charged to revenue in the period of acquisition. The equivalent figure for computer equipment is £500.

Fixed assets funded by specific donations are capitalised and depreciated in line with the normal depreciation rates shown below. Specific donations to acquire such assets are brought into the Statement of Financial Activities when receivable and included in restricted funds. Depreciation is charged within the Statement of Financial Activities under the appropriate fund heading.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset less its estimated residual value over its expected useful life as follows:

Freehold land	Nil
Freehold and Leasehold Property	2% on cost, or if shorter the remaining period of the lease
Fixtures and Fittings	10% - 20% on cost
Computer Equipment	33 1/3% on cost
Motor Vehicles	20% on cost

The carrying value of the Charity's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If events or changes in circumstances indicate an impairment, the asset's recoverable amount is estimated. The recoverable amount of an asset is the higher of fair value less costs to sell the asset and its value in use. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activity.

(f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is virtually certain that the income will be received and the amount can be measured reliably. Income from ESFA and Local Authority Fees, Government and other grants whether 'capital' grants or 'revenue' grants is recognised when the charity has entitlement to the funds and it is virtually certain that the income will be received. Income from other sources is recognised when the charity has entitlement to the funds. Income received in advance of provision of a specified service is deferred until the criteria for income recognition are met.

(g) Expenditure

Expenditure is accounted for on an accruals basis. The cost of irrecoverable Value Added Tax is included with the item of expense to which it relates. Charitable activities include expenditure associated with the charity's Objects including both the direct costs and support costs relating to these activities. Costs of raising funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds including income from QAC Enterprises. Overheads are not apportioned between charitable, fund generating and governance activities as the sums involved are deemed immaterial and all the functions other than charitable activities have the primary function of supporting those charitable activities.

(h) Operating Leases

Operating lease costs are charged to the Statement of Financial Activities as incurred. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

(i) Financial Instruments

The Charity only has financial assets and 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.

(j) Stocks and Assets Held for Sale

Stocks and Assets Held for Sale are stated at the lower of cost or net realisable value.

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES (continued)

(k) Investments

Investments are stated at market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Investments in subsidiaries are shown at cost.

(l) Pension Costs

Retirement benefits to teaching staff are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme and the assets are held separately from those of the College. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS scheme is therefore treated as a defined contribution scheme and contributions are recognised as they are paid each year.

The College also operates two separate defined contribution schemes for non-teaching staff. The cost to the group of pension contributions is shown in note 7 to the financial statements and the group had no arrears of contributions at the year-end.

(m) Funds

Restricted Funds

These consist of monies received by the College for specific purposes less expenditure to date.

Unrestricted Funds

This fund represents the accumulated surpluses arising from the College's activities.

(n) Voluntary Help and Gifts in Kind

No financial value has been attributed to the voluntary help received by the College during the year. Any other gift in kind is valued when received and is included in the Statement of Financial Activities.

(o) Recognition of Liabilities

All known liabilities at 31 July 2020 have been provided for in these accounts.

2. CHARITABLE STATUS

Queen Alexandra College is a registered charity and is exempt from Income Tax and Capital Gains Tax provided its income and gains are applied for charitable purposes.

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

3. CHARITABLE ACTIVITIES INCOME

	Year 31 July 2020 £	Eleven Months 31 July 2019 £
Income from Charitable Activities:		
Education and Skills Funding Agency Student Funding	3,111,140	2,749,322
Education and Skills Funding Agency Free Meals Funding	82,199	33,539
Education and Skills Funding Agency Capital Maintenance Funding	70,410	98,117
Education and Skills Funding Agency Teachers Pension Funding	75,042	-
Total Education and Skills Funding Agency	3,338,791	2,880,978
Local Authorities Student Funding	7,129,881	6,782,288
Other Employment Programmes Income	607	18,135
Independence Plus Client Social Services/Private Income	731,502	718,047
Respite Care & Private Student Fee Income	84,087	52,715
Student Transport Fees	7,473	39,844
Catering Income	40,691	71,628
Other Charitable activities Income	2,440	3,211
Total Income from Charitable Activities	11,335,472	10,566,846

4. CHARITABLE ACTIVITIES EXPENDITURE

	Year 31 July 2020 £	Eleven Months 31 July 2019 £
Expenditure from Charitable Activities		
Unrestricted Funds		
Direct Teaching and Support Staff Costs	6,653,231	5,933,939
Indirect Staff Costs to support Charitable Activities	1,614,959	1,485,762
Other Employee Related Costs	114,255	113,444
Premises Costs	1,112,581	972,473
Catering and Cleaning	649,367	674,345
Depreciation	524,411	431,013
Equipment Maintenance	85,009	59,625
Exam Fees and Courses	13,707	14,201
Subscriptions	15,912	12,545
Student Transport and Other Allowances	132,388	333,442
Student Bursaries	19,709	20,194
Medical Costs	16,933	16,011
Learning Equipment , Consumables and Activities	39,643	49,380
Educational Subcontract Fees	41,993	33,279
Student Support Professional Fees	57,125	42,863
Staff Travel Expenses	4,126	8,438
College Transport	17,245	24,931
Printing, Stationery, Postage and Computing Consumables	328,906	288,255
Marketing and Advertising	29,098	38,837
Miscellaneous	8,221	12,454
Legal, Professional & Consulting Fees and Charges	49,803	77,509
External Audit Fees	31,210	20,957
Development	2,010	9,806
Volunteers' Expenses	10,313	18,125
Books and Publications	3,582	2,196
	11,575,737	10,694,024
Restricted Funds		
Depreciation	29,754	87,323
Impairment charge	-	195,515
Learning Equipment and Consumables	50,481	41,171
Staff Costs	-	2,578
	80,235	326,587
Total Expenditure from Charitable Activities	11,655,972	11,020,611

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

4. CHARITABLE ACTIVITIES EXPENDITURE (continued)

Insurance is purchased to protect the College from losses arising from neglect or default of its Governors, officers and employees, and to indemnify the Governors, officers and employees against the consequences of neglect or default on their part. The amount paid for the year was included within the College's overall Combined Commercial Policy and the cost cannot be separately identified. The limit of indemnity is £5,000,000 (2019; £5,000,000).

5. COST OF RAISING FUNDS

	Year 31 July 2020	Eleven Months 31 July 2019
	£	£
Enterprises		
Salaries	227,426	190,590
Premises Costs	14,500	15,463
Cost of Goods Sold	48,778	58,160
Audit and Accounting Fees	5,744	3,662
Other Costs	24,368	17,984
	320,816	285,859
Other Costs of Raising Funds		
Staff Costs	91,046	194,996
Catering Costs	3,060	2,396
Management Charges Investment Funds	8,663	7,675
Cost of Goods Sold	11,190	13,340
Other Costs	21,657	77,122
	135,616	295,529
Total Costs of Raising Funds	456,432	581,388

6. NET INCOME

	Year 31 July 2020	Eleven Months 31 July 2019
	£	£
Net Income is stated after charging:		
Operating Leases:		
Rent	687,201	657,382
Hire of Equipment	6,333	5,077
Staff Costs	8,586,662	7,807,865
Auditors' Remuneration: External Audit Services	35,669	23,411
Other services	1,500	10,432
Depreciation of Owned Assets	554,165	500,892
Impairment Charge	-	212,959
	-	212,959

7. STAFF COSTS

	Year 31 July 2020	Eleven Months 31 July 2019
	£	£
Staff Costs:		
Wages and Salaries	7,480,159	6,824,597
Social Security Costs	583,559	540,863
Other Pension Costs	425,653	309,587
Agency staff costs	97,291	132,818
	8,586,662	7,807,865

Staff Costs of £8,586,662 (2019; £7,807,865) include ex gratia and redundancy costs of £18,002 (2019; £140,719).

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

7. STAFF COSTS (continued)

	Year 31 July 2020 Number	Eleven Months 31 July 2019 Number
The average weekly number (full time equivalent) of employees during the year was as follows:		
Teaching and Support Staff	184	169
Care Staff	96	94
Office and Management	37	36
QAC Enterprises	8	7
Maintenance Staff	8	8
	333	314

The number of employees included above whose earnings (including taxable benefits in kind, ex gratia and redundancy costs) exceeded £60,000 were:

	Year 31 July 2020 Number	Eleven Months 31 July 2019 Number
£60,000 to £69,999	2	-
£80,000 to £89,999	-	2
£90,000 to £99,999	1	-

The College also made pension contributions in respect of 3 (2019; 2) of the 3 (2019; 2) employees noted above. Contributions into pension schemes for higher paid employees amounted to £39,328 (2019; £16,794)

The key management personnel of the College are the Principal, Deputy Principal, the Director of Governance and the Director of Finance and Resources. The employee benefits of key management personnel were £296,187 (2019; £333,892)

No remuneration was paid to any Governor. During the year no Governor claimed any expenses (2019; 2 Governors claimed a total of £40 for travel and other expenses). All expenses are incurred wholly and exclusively in carrying out duties as Governors of the College and are in accordance with the College constitution.

8. FIXED ASSETS

Group and College	Freehold Land and Buildings £	Leasehold Land and Buildings £	Fixtures and Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost						
31 July 2019	1,497,608	6,934,569	2,771,597	254,294	2,482,439	13,940,507
Additions	-	-	203,347	15,000	159,763	378,110
Disposals	-	-	(594,827)	-	(25,809)	(620,636)
31 July 2020	1,497,608	6,934,569	2,380,117	269,294	2,616,393	13,697,981
Depreciation						
31 July 2019	407,148	1,437,541	1,986,547	205,087	2,205,896	6,242,219
Provided in the Year	28,458	138,691	187,303	21,763	177,950	554,165
Disposals	-	-	(593,268)	-	(25,809)	(619,077)
31 July 2020	435,606	1,576,232	1,580,582	226,850	2,358,037	6,177,307
Net Book Values						
31 July 2020	1,062,002	5,358,337	799,535	42,444	258,356	7,520,674
31 July 2019	1,090,460	5,497,028	785,050	49,207	276,543	7,698,288

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

8. FIXED ASSETS (continued)

The Net Book Value of Assets that are subject to depreciation as at 31 July 2020 was £7,445,999 (2019; £7,623,613).

9. INVESTMENTS

Group and College

Queen Alexandra College owns the whole of the issued share capital of 100 shares of £1 each of QAC Enterprises Limited, a company incorporated in England & Wales (Company Number 1986389). The company operates three distinct businesses: a specialist transcription services ("All Formats"), the sale of canes for the visually impaired and the "Sight Village" series of exhibitions for the blind and visually impaired. All profits from the businesses are Gift Aided to the College. The turnover for the year ended 31 July 2020 was £523,470 (2019; £537,249) and the Gift Aid payment was £202,654 (2019; £251,390). QAC Enterprises had net assets and reserves of £10,100 at the year-end (2019; £10,100).

Queen Alexandra College also owns the whole of the issued share capital of 1 share of £1 of QAC Sight Village Limited and the whole of the issued share capital of 1 share of £1 of Sight Village Limited. These companies are incorporated in England & Wales and have remained dormant since their incorporation on 6 February 2010 and 16 July 2012 respectively.

Investments

Unrestricted Fund

Movements in the Investment Fund managed by Smith & Williamson were:

	Year 31 July 2020 £	Eleven Months 31 July 2019 £
Market Value at beginning of the year	1,905,197	1,737,562
Additions to investment at cost	217,672	226,988
Disposals at market value	(201,175)	(150,558)
Net realised and unrealised investment (loss)/gain	(101,153)	91,205
Total Investment Fund	1,820,541	1,905,197
Shares in subsidiary companies	102	102
Closing Balance	1,820,643	1,905,299

At 31 July 2020 one investment represented in excess of 5% of the portfolio. This was Edgewood L Select US Select Growth at £106,170 which is 5.83% of the portfolio. At 31 July 2019 one investment represented in excess of 5% of the portfolio. This was Polar Capital Technology Trust Ordinary GBP0.25 shares at £107,424 which was 5.64% of the portfolio.

Cash held by the Investment Fund managers Smith & Williamson at 31 July 2020 of £78,344 (2019; £56,791) has been included on the balance sheet under short-term deposits within current assets.

	31 July 2020 £	31 July 2019 £
Listed Securities	1,820,541	1,905,197
Total Investments in Investment Fund	1,820,541	1,905,197
QAC Enterprises Limited	100	100
QAC Sight Village Limited	1	1
Sight Village Limited	1	1
Total Investments	1,820,643	1,905,299

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

10. PROPERTY HELD FOR SALE IN 2018/19

During the year the 494-498 Bearwood Property was sold for gross sale proceeds of £475,000. Fixed asset equipment with a net book value of £22,347 at 31 July 2020 was also transferred before the sale from the Bearwood Property to be used at the main campus. The original purchase of the property and equipment was largely funded by a Demographic Growth Capital Fund 2012-2013 grant from the Department for Education. The Department for Education has provided written approval that the property could be sold on condition that the receipt is appropriately reinvested to support ongoing education provision for which there is a clear need. The cash from the sale of £475,000 plus net book value of equipment transferred of £22,347 are held as restricted fund assets at 31 July 2020.

11. DEBTORS: Amounts falling due within one year

	31 July 2020		31 July 2019	
	Group £	College £	Group £	College £
Amount due from BRIB	428	428	11,929	11,929
Trade Debtors	291,163	132,760	308,297	164,465
Amounts due from Subsidiary	-	354,619	-	292,464
Prepayments	189,934	189,261	198,187	190,747
Accrued Income	710,727	640,787	423,639	377,334
Other Debtors	8,212	8,212	7,825	7,825
	<u>1,200,464</u>	<u>1,326,067</u>	<u>949,877</u>	<u>1,044,764</u>

12. CREDITORS: Amounts falling due within one year

	31 July 2020		31 July 2019	
	Group £	College £	Group £	College £
Trade Creditors	201,394	190,953	360,510	340,450
Amount due to BRIB	-	-	10,845	10,845
Amount due to Subsidiary	-	-	-	244
Other Loan	-	-	15,587	15,587
Tax and Social Security	239,098	239,098	194,098	194,098
Pensions Contributions	60,694	60,694	55,815	55,815
Other Creditors	12,973	12,973	5,360	5,360
Accruals	689,436	683,225	529,151	525,324
Fees in Advance	85,758	85,758	196,088	186,854
	<u>1,289,353</u>	<u>1,272,701</u>	<u>1,367,454</u>	<u>1,334,577</u>

Deferred income relates to income from the Education and Skills Funding Agency, Local Authorities and other sources received in advance. The movement on the deferred income account during the year was:

	Group £	College £
Balance at 1 July 2019	196,088	186,854
Amounts released in the year	(192,935)	(183,701)
Amounts deferred in the year	82,605	82,605
Balance at 31 July 2020	<u>85,758</u>	<u>85,758</u>

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

13. FINANCIAL INSTRUMENTS

	31 July 2020		31 July 2019	
	Group £	College £	Group £	College £
Financial Assets				
Financial Assets measured at fair value through SOFA	1,820,541	1,820,541	1,905,197	1,905,197
Cash & Cash Equivalents	2,993,119	2,846,099	2,019,339	1,891,575
Financial Assets that are Debt Instruments Measured at Amortised Cost	1,010,530	782,187	751,690	561,553
	<u>5,824,190</u>	<u>5,448,827</u>	<u>4,676,226</u>	<u>4,358,325</u>
Financial Liabilities				
Financial Liabilities Measured at Amortised Cost	903,803	887,151	921,453	897,566

Financial assets measured at fair value through the SOFA comprise fixed asset investments in a trading portfolio of listed company shares and unlisted securities, which are valued at the quoted market price. Financial instruments measured at amortised cost comprise trade debtors, accrued income and other debtors. Financial assets also include cash and cash equivalents. Financial liabilities measured at amortised cost comprise trade creditors, other creditors, other loans and accruals.

14. RECONCILIATION OF MOVEMENT IN GROUP AND COLLEGE FUNDS

	Unrestricted Fund £	Restricted Funds £	31 July 2020 Total £	31 July 2019 Total £
As at 31 July 2019				
College	10,466,163	1,209,300	11,675,463	11,183,373
Subsidiary	10,000	-	10,000	10,000
Group	<u>10,476,163</u>	<u>1,209,300</u>	<u>11,685,463</u>	<u>11,193,373</u>
Movement in the Period				
Net Income				
College	447,826	117,493	565,319	492,090
Subsidiary	-	-	-	-
Group	<u>447,826</u>	<u>117,493</u>	<u>565,319</u>	<u>492,090</u>
Transfers between funds				
College	71,826	(71,826)	-	-
Subsidiary	-	-	-	-
Group	<u>71,826</u>	<u>(71,826)</u>	<u>-</u>	<u>-</u>
As at 31 July 2020				
College	10,985,815	1,254,967	12,240,782	11,675,463
Subsidiary	10,000	-	10,000	10,000
Group	<u>10,995,815</u>	<u>1,254,967</u>	<u>12,250,782</u>	<u>11,685,463</u>

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

14. RECONCILIATION OF MOVEMENT IN GROUP AND COLLEGE FUNDS (continued)

The balances on Restricted Funds and their movement during the year are as follows:

	At 31 July 2019					At 31 July 2020
		Income	Depreciation	Other Expenditure	Transfers	
	£	£	£	£	£	£
Social Demographic Fund	502,076	-	(11,929)	-	7,200	497,347
ISP Maintenance Fund	369,957	-	(10,221)	-	-	359,736
Community Café Fund	208,536	-	(7,604)	-	-	200,932
After College Clubs Fund	-	4,950	-	-	-	4,950
Community Integration Fund	6,241	6,700	-	(1,716)	-	11,225
Community Services Fund	-	8,922	-	-	-	8,922
Independence Plus Refurbishment Fund		5,000	-	-	-	5,000
Indoor Climbing Fund	15,943	3,000	-	(2,388)	(10,785)	5770
Infection Control Fund	-	25,816	-	(3,241)	-	22,575
LJC Student Sports Fund	3,816	-	-	(865)	-	2,951
Minibus Fund	-	4,318	-	-	-	4,318
Music Development Fund	18,601	-	-	(1,413)	-	17,188
National Express Supported Interns	-	10,000	-	(3,668)	-	6,332
Outdoor Teaching Space	-	9,168	-	-	(3,799)	5,369
Performing Arts Fund	2,002	31,500	-	-	411	33,913
Pinewood Refurbishment Fund						
BRIB	-	53,805	-	(20,113)	(33,692)	-
Pinewood Refurbishment Fund						
Clothworkers	-	18,133	-	(3,050)	(15,083)	-
Sensory Cabin Fund	9,036	6,605	-	-	-	15,641
Sensory Garden Fund	4,150	-	-	-	(2,500)	1,650
Sport & Recreation Fund	7,639	-	-	(931)	-	6,708
Umberslade Fund	20,935	132	-	(1,308)	(8,350)	11,409
Yoga and Meditation Fund	4,857	-	-	(678)	-	4,179
Others (35 funds)	35,511	9,679	-	(11,110)	(5,228)	28,852
TOTAL	1,209,300	197,728	(29,754)	(50,481)	(71,826)	1,254,967

There has been £79,026 transferred from restricted funds to unrestricted funds in respect of assets purchased during the year and the restriction has been satisfied by the purchase of the asset. There has also been a transfer of £7,200 from general funds to the Social Demographic fund so that at 31 July 2020 the balance of £497,347 on the fund represents the gross sale proceeds on the sale during the year of 494-498 Bearwood Road of £475,000 plus the net book value of equipment transferred to be used at the main campus of £22,347. There are two other funds with balances greater than £50,000 at 31 July 2020 and these are in respect of funds which have been used for large capital projects where there is an ongoing restriction in respect of the use of the assets purchased.

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

15. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Financial commitments under non-cancellable operating leases will result in minimum lease payments falling due in the following periods

	31 July 2020		31 July 2019	
	Land and Buildings	Equipment & Fixtures	Land and Buildings	Equipment & Fixtures
	£	£	£	£
Not later than one year	666,823	13,475	672,900	4,001
within 2-5 years	28,332	19,211	67,656	1,253

Included in lease commitments not later than one year is a lease from BRIB for the College's main premises £584,320 (2019; £584,320). Under an agreement dated 31 December 1997 BRIB has undertaken to provide an annual grant to cover this cost.

16. CAPITAL COMMITMENTS

	31 July 2020 £	31 July 2019 £
Authorised and contracted for but not provided for in the financial statements.	8,011	176,874

The commitments for capital projects at 31 July 2020 of £8,011 include £1,248 in respect of architect fees and £6,763 in respect of IT projects.

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Fund £	Restricted Funds £	Total £
Group			
Fund balances at 31 July 2020 are represented by:			
Tangible Fixed Assets	6,937,658	583,016	7,520,674
Investments	1,820,541	-	1,820,541
Current Assets	3,509,112	689,808	4,198,920
Current Liabilities	(1,271,496)	(17,857)	(1,289,353)
	10,995,815	1,254,967	12,250,782
College			
Fund balances at 31 July 2020 are represented by:			
Tangible Fixed Assets	6,937,658	583,016	7,520,674
Investments	1,820,643	-	1,820,643
Current Assets	3,482,358	689,808	4,172,166
Current Liabilities	(1,254,844)	(17,857)	(1,272,701)
	10,985,815	1,254,967	12,240,782

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

	Unrestricted Fund £	Restricted Funds £	Total £
Group			
Fund balances at 31 July 2019 are represented by:			
Tangible Fixed Assets	7,085,518	612,770	7,698,288
Investments	1,905,197	-	1,905,197
Current Assets	2,822,114	627,318	3,449,432
Current Liabilities	(1,336,666)	(30,788)	(1,367,454)
	<u>10,476,163</u>	<u>1,209,300</u>	<u>11,685,463</u>
College			
Fund balances at 31 July 2019 are represented by:			
Tangible Fixed Assets	7,085,518	612,770	7,698,288
Investments	1,905,299	-	1,905,299
Current Assets	2,779,135	627,318	3,406,453
Current Liabilities	(1,303,789)	(30,788)	(1,334,577)
	<u>10,466,163</u>	<u>1,209,300</u>	<u>11,675,463</u>

18. RELATED PARTIES

The principal connected organisations are as follows:

Birmingham Royal Institution for the Blind (BRIB)

During the year Birmingham Royal Institution for the Blind charged Queen Alexandra College £627,700 (2019; £575,392) in respect of rent and made grants of £667,367 (2019; £551,244) to the College in respect of rent and one-off grant support for QAC's development at Pinewood. Queen Alexandra College also received a total of £5,000 (2019; £3,424) from BRIB in respect of accounting services provided by the College under a Service Level Agreement.

At the year end the net amount owed by the College to BRIB was £1,489 (2019; BRIB owed the College £1,084).

Focus Birmingham

Queen Alexandra College received a total of £1,684 (2019; £1,695) from Focus Birmingham in respect of maintenance services provided to its sites by contract and other sundry services. During the year QAC received no other income from Focus Birmingham (2019; £2,500 in respect of Fitness memberships).

At the year end the net amount owed by Focus Birmingham to the College was £2,600 (2019; £4,527).

The National Association of Specialist Colleges

Bev Jessop is a Director of The National Association of Specialist Colleges (NATSPEC). During the year NATSPEC charged the College £5,872 (2019; £5,957) in respect of membership subscriptions and training/conferences. Queen Alexandra College received during the year £1,009 (2019; £344) from NATSPEC in respect of services supplied. At the year-end there were no balances outstanding with NATSPEC (2019; £nil).

Warwickshire College Group

Chris Bradshaw is a Governor at Warwickshire College Group. During the year QAC purchased garden products totalling £740 from the Group (2019; £504). At the year-end there were no balances outstanding with the Warwickshire College Group (2019; £nil).

QUEEN ALEXANDRA COLLEGE
NOTES TO THE FINANCIAL STATEMENTS (continued)
YEAR ENDED 31 JULY 2020

18. RELATED PARTIES (continued)

Association of Colleges

Elly Tobin is a Director of The Association of Colleges (AOC). During the year AOC charged the College £3,095 (2019; £3,417) in respect of membership subscriptions and training/ conferences. At the year-end AOC owed the College £359 (2019; £nil).

The Dystonia Society

Chris Bradshaw is a Trustee and Chair of The Dystonia Society. During the year the College received £944 from the Society in respect of room hire and catering services (2019; £nil). At the year-end there were no balances outstanding with The Dystonia Society (2019; £nil).

Governor Donations

One Governor of QAC Enterprises Limited made a donation of £2,500 to the College during the year. There were no other donations from Governors in the year, other than individual sponsorships and tickets for fundraising events (2019; £nil).

The College has taken advantage of the exemptions conferred by FRS102 not to disclose transactions with members of the group headed by Queen Alexandra College on the grounds that 100% of the voting rights in the Charity are controlled within that group and the Charity is included in the consolidated financial statements.

19. POST BALANCE SHEET EVENTS

There are no post balance sheet events that require adjustment or disclosure in these financial statements.

The outbreak of the Covid-19 pandemic has not had a significant impact on the operation of the Charity.

20. CONTINGENT LIABILITIES

The College, as with other care providers, has a risk of potential back pay liability as a result of outcomes from Employment Tribunals in relation to sleep-in shifts. In the Employment Appeal Tribunal of Mencap vs Tomlinson-Blake, the judgement was that care providers must pay the National Minimum Wage throughout a sleep-in shift rather than a fixed allowance as is currently the case. However, the Court of Appeal Judgement overturned that decision by deciding that the minimum wage does not have to be paid for all sleeping hours, only for those who undertake actual work rather than those who are simply available for work. The current case law is complex and is currently awaiting the outcome of an appeal at the Supreme Court (heard in February 2020).

If the judgement upholds the original decision in full, QAC could have a back pay liability of between £440,000 and £480,000. This is considered possible, but not probable and hence is not reflected in these financial statements.