

QUEEN'S COLLEGE, LONDON

COUNCIL'S REPORT AND ACCOUNTS

YEAR ENDED 31 AUGUST 2021

Charity Registration No. 312726

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QUEEN'S COLLEGE, LONDON

LEGAL AND ADMINISTRATIVE INFORMATION

YEAR ENDED 31 AUGUST 2021

Patron	Her Majesty The Queen
Council (current serving members)	Seth Bolderow (until 26 March 2021) Jenny Blaiklock Catherine Brahams-Melinek Richard Ford Alexandra Gregory Matthew Hanslip Ward (Vice Chair) David Imrie John Jacob (until 7 July 2021) Jane MacFarlane (until 31 August 2021) Dina Mallett (from 8 December 2020) Amanda McShane (until 17 September 2020) Rae Perry Holly Porter Paul Reeve Joe Sylvester (from 22 June 2021) Sue Summers (until 12 October 2021) Sarah-Jane Watson Linda Wei Alison While (Chair) Patricia Wilks
The Principal	Richard Tillett
The Head of the Preparatory School	Laura Hall
Bursar	Crispin Morton
Registered Charity number	312726
Principal address	43-49 Harley Street London W1G 8BT
Auditor	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Bankers	National Westminster Bank plc PO Box No 4NU 1 Cavendish Square London W1A 4NU
Solicitors	Stone King LLP Boundary House 91 Charterhouse Street Barbican London EC1M 6HR
Investment Advisors	J M Finn & Co 4 Coleman Street London EC2R 5TA

QUEEN'S COLLEGE, LONDON

THE COUNCIL'S REPORT

YEAR ENDED 31 AUGUST 2021

THE COUNCIL'S REPORT

The Council of Queen's College, London ("the Council") presents its report, together with the audited financial statements, for the academic and financial year ended 31 August 2020, and confirms that the latter comply with the requirements of the Charities Act 2011 and the Statement of Recommended for Charities (SORP) 2015 (Second Edition, effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE INFORMATION

Queen's College, London was founded by Deed of Constitution dated 1 September 1852 and Royal Charter dated 2 November 1854, supplemented by Charter dated 29 May 1970, and as amended 26 October 1988. It has charitable status under reference number 312726.

THE COUNCIL OF QUEEN'S COLLEGE, LONDON

The members of the Council are also the Charity Trustees. Listed below are the present members of the Council and also any members who served during the year, but have now left:

Seth Bolderow	(Resigned 26 March 2021)
Jenny Blaiklock	
Catherine Brahams-Melinek	
Richard Ford	
Alexandra Gregory	
Matthew Hanslip Ward	
David Imrie	
John Jacob	(Resigned 7 July 2021)
Jane MacFarlane	(Resigned 31 August 2021)
Dina Mallett	(Elected 8 December 2020)
Amanda McShane	(Resigned 17 September 2020)
Rae Perry	
Holly Porter	
Paul Reeve	
Joe Silvester	(Elected 22 June 2021)
Sue Summers	(Resigned 12 October 2021)
Sarah-Jane Watson	
Linda Wei	
Alison While	
Patricia Wilks	

Alison While is the Chair of the Council. Matthew Hanslip Ward is Vice Chair.

FINANCE COMMITTEE

The members of the Finance Committee were: Richard Ford (Chair), Jenny Blaiklock, Alexandra Gregory, John Jacob (until 7 July 2021), Rae Perry, and Paul Reeve (until 8 December 2020).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Queen's College, London is governed by Royal Charter ("the Charter"), the bye-laws of which were last amended on 26 October 1988. Initial application has been made to the Privy Council to amend the bye-laws to reflect modern practice, particularly in employment law; this process was in abeyance during the height of the pandemic, but has now recommenced and is ongoing.

Governing Body

Queen's College, London ("Queen's"; "the school") comprises both Queen's College ("the College", situated in Harley Street) and Queen's College Preparatory School ("QCPS", situated in Portland Place); the Council is thus the governing body of both constituent schools of Queen's. Members of the Council serve and are constituted as detailed by the Charter. Members are elected at a full meeting of the Council, taking into consideration their eligibility, personal competence, specialist skills, and local availability. Members serve for a term of three years and are then eligible for re-election; they may serve on the Council for up to three terms (thus a maximum of nine years). Three members of the Council are related to pupils currently at the College or QCPS.

The Finance Committee, the Education and Pastoral Committee, the Estates Committee, and the Governance and Nominations Committee all report to the full Council following each of their meetings. The Development and Fundraising sub-Committee reports to the Council via the Finance Committee, of which it is a sub-Committee.

Trustee Training

Each new member of the Council is inducted into the workings of the School. Training is recommended, dependent upon the member's personal skills and experience. The Council is a member of the Association of Governing Bodies of Independent Schools (AGBIS), which conducts training courses for members.

Organisational Management

Queen's College, London is constituted by the Charter in a body politic and corporate.

The Council is the governing body, and meets at least four times a year to oversee the policy of the school, and to review the processes by which the school is managed and controlled. All Council, Committee and sub-Committee meetings during the period covered by this report were held via video conferencing, because of the Covid-19 pandemic and public health guidance in reaction to it; in-person meetings resumed from 1 September 2021.

The financial operation of the school is reviewed by the Finance Committee (FC), which was chaired by Richard Ford during the 2020-2021 financial year. The FC reports to each of the Council meetings, and it has particular responsibility for reviewing financial objectives, performance, budgets, accounts, risk management and personnel matters; the Development and Fundraising sub-Committee of the FC, chaired by Rae Perry, has specific oversight of marketing, development and fundraising. The Education and Pastoral Committee was chaired by Alison While, and is responsible for child protection and safeguarding, alongside reviewing the educational provision. The Estates Committee was chaired by Matthew Hanslip Ward, and the Governance and Nominations Committee was chaired by John Jacob until 7 July 2021, and thereafter by Linda Wei.

In accordance with the Charter, the Principal and Headmistress are responsible to the Council for the internal organisation, management and operation of the College and QCPS respectively.

The Charter requires the Principal to present an annual report to the College's Visitor, the Right Reverend and Right Honourable Lord Bishop of London. This report is available from the Clerk to the Council.

Salaries for key management personnel are set by the Chair of the Council, in consultation with the Vice Chair of the Council and the Chair of the FC. They take note of both individual performance and benchmarking comparisons. They are also mindful that, to attract the best key personnel, it might be necessary to factor the cost of accommodation and travel in London into reward packages.

Risk Management

The Council has assessed all identified major risks to which Queen's is exposed. The principal risks are considered to be:

- a. That the continuing economic and social impacts of the Covid-19 pandemic might lead to a significant number of parents being forced to withdraw their daughters from the school, perhaps with minimal notice, thus threatening budgets and financial sustainability even after the immediate health crisis has abated;
- b. That ever-increasing costs outside the school's influence or control (such as high rents in central London, extreme volatility in the utilities market during 2021, rising inflation, and employers' contributions to the Teachers' Pension Scheme [TPS]) might force fee increases that are higher than can be sustained by a significant number of our current and/or prospective parents, thereby reducing accessibility to the education provided by the school and putting pressure on pupil numbers and fee revenue;
- c. That ineffectual leadership might lead to declining academic results, damage to reputation, reducing quality of applicants and/or loss of current pupils, thus threatening financial stability; and
- d. That political reform and/or the need to generate funds for the public purse after the Covid-19 crisis has passed might increase operational costs beyond economic sustainability, for instance by removing charitable status (and thus raising rates by 80%), by imposing VAT on school fees, or both.

These main strategic risks are mitigated by:

- Extensive operational changes implemented to provide as good an education as practicable under Government-mandated public health restrictions, up to and including full lockdown;
- Enhanced access to financial support in the form of bursaries; both:
 - Bridging, temporary awards to cover transient, but significant, cash flow challenges resulting from the pandemic; and
 - The school's commitment to a progressive increase in bursaries as part of the 175th Anniversary appeal, a rise which has continued throughout the pandemic even without taking the Covid-19 Bridging Bursary scheme into account (see Fee Remissions below);
- Sound financial controls, including:
 - Appointing specialists to negotiate leasehold arrangements;
 - Smoothing the effects of volatility in the power market via long-term utilities contracts; and
 - Consulting with teaching staff with a view to replacing TPS with a more affordable pension scheme (see below).
- The Council being rigorous in appointing key personnel; and
- Trusting educational organisations such as ISC, GSA, IAPS, AGBIS and ISBA to counter political scepticism about the strength of independent education and its contribution to society.

TPS is used very widely across the education sector, but is an unfunded public sector pension scheme; this means that employers' contributions – since 2019, 23.68% of a teacher's salary – are entirely outside the school's control and result from the 4-yearly cycle of valuations of the scheme by Government actuaries. The most recent valuation was implemented from September 2019, and increased employers' contributions by 43%. The specific risk that future valuations will lead to further steep rises in contributions and thus force significant increases in payroll costs is what led to a Council decision formally to consult our teachers regarding a proposal that the school leave the scheme. This decision was announced to teaching staff by the Chair of Council in July 2021, with details of the consultation process and its timing being formally announced on 6 September; the consultation will last until January 2022. The proposal under consultation is to withdraw from TPS, and instead provide our teachers with a defined contribution (DC) pension scheme which is still generous, but both affordable and predictable for the school, thus providing much greater control over our own costs. The final Council decision on this issue will be informed by the feedback and ideas that emerge from the consultation; should the Council's decision be to withdraw from TPS, the details of any replacement DC scheme would also be informed by the consultation. Even before any possible rise in the cost of TPS resulting from the ongoing cycle of valuations, employers' contributions to the scheme account for 8.4% of the school's total expenditure (12.5% of total payroll).

The Council is satisfied that control systems are in place to reduce exposure to identified major risks; in particular, the many specific risks to health, operations, wellbeing and finances presented by the continuing effects of the pandemic are examined by the FC and Council in detail in a discrete section of the risk register. The Council ensures that, where possible, exposure to major risk is mitigated by suitable insurance.

OBJECTIVES, AIMS AND PRINCIPAL ACTIVITIES

Objectives and Principles of Queen's College, London

The objects for which the school is established and incorporated are "to promote the advancement of education, and in connection therewith to acquire, establish, conduct and carry on residential and non-residential schools for girls and young women, and in particular to continue and conduct the undertaking, business and affairs of the College known as Queen's College, London, at present carried on at Numbers 43, 45, 47 and 49 Harley Street, and at Numbers 59 and 61 Portland Place".

The school operates under the following Principles of Education:

- We value academic excellence for its own sake, rather than the sterile pursuit of marks;
- We measure our success by the development of each individual;
- We value personal integrity and the discernment to deal responsibly with the wider world;
- We value teaching:
 - i. That inspires pupils and stimulates intellectual curiosity;
 - ii. That encourages intellectual rigour and the ability to make informed judgements;
 - iii. That helps pupils to know how to think, rather than what to think.
- We value in pupils:
 - i. Self-reliance and independence of mind;
 - ii. Self-discipline and the determination to outstrip expectations;
 - iii. Imagination and the courage to take risks.

Powers of the Council

The Council is empowered by the Royal Charter and Bye-Laws to:

- a. "Establish and maintain or aid in the establishment and maintenance of scholarships, bursaries and grants for the assistance or advancement of pupils at any school carried on by the school or otherwise;
- b. Make grants or allowances or other payments for the education of pupils;
- c. Purchase, take on lease, hire, or otherwise acquire any real or personal property which may be deemed necessary or convenient for the purposes of the school;
- d. Accumulate, sell, improve, manage, develop, exchange, lease, mortgage or otherwise dispose of, or deal with, or turn to account all property or rights of the College; provided that the College shall take or hold any property subject to the jurisdiction of the Charity Commissioners or the Secretary of State for Education. The College shall not mortgage, charge, sell, lease or otherwise dispose of the same without such authority, approval or consent as may be required by law;
- e. Borrow or raise money with or without security for any of the purposes of the College;
- f. Receive or accept donations, endowments and gifts of money, lands, hereditaments, stocks, funds, shares, securities and any other asset whatsoever and whether subject or not subject to any special trusts or conditions;
- g. Invest any moneys of the College not immediately required for any of its objects in such manner as may be authorised;
- h. Enter into such arrangements as may be thought fit for placing the College in connection or relation with any other institution or body established for educational purposes;
- i. Apply for any additional powers which may be deemed expedient for any of the purposes of the College, by means of Supplemental Charter or Act of Parliament;
- j. Grant, continue and pay salaries, pensions, gratuities or other sums in recognition of services;
- k. Do all such acts and things (not being inconsistent with or contravening any provision of the Charter) as may be authorised by the Bye-Laws; and
- l. Do all such other acts and things as are or may be deemed incidental or conducive to the attainment of any of the purposes of the College or the exercise of any of its powers."

Annual Objective

Queen's College, London's annual objective in accordance with its Royal Charter is to "promote the advancement of education and to conduct schools for girls and young women" at a level in keeping with the School's Principles of Education.

Principal Activity

The principal activity of the School is to provide for the education of approximately 600 pupils between the ages of 4 and 18.

Financial & Operational Response to Covid-19

At the Extraordinary meeting of the Council on 8 April 2020, the Council and senior managers of the school agreed that the overall aim for navigating safely through the developing pandemic was to keep our pupils, staff and families safe, and as far as possible for Queen's to emerge from the crisis as recognisably the same school & community as when it entered. As the pandemic and the UK Government's response to it evolved through 2020 and into 2021, the school developed processes for continuing to provide education of the highest possible standard, given the constraints of public health and Government advice. These included provision of teaching during lock-down via Microsoft Teams and other on-line resources, interspersed with periods where some or all of the pupils were able to attend school in person and be taught in a relatively normal manner, albeit modified by the requirements of social distancing, year-group "bubbles", entering and leaving the school via separate doors, one-way systems, and other modifications to normal school life in light of Government guidance.

Our pupils were at school in person for most of the Michaelmas term 2020, though at various times, particularly as the term progressed, some year groups had periods of self-isolation in response to positive Covid-19 tests and/or contact from NHS Track & Trace, and therefore of remote teaching and learning. The day before the school prepared to return for the Lent term 2021, the Government imposed a further period of lockdown on the whole country, so the school reverted to working from home using the processes developed during 2019-2020. Pupils and staff returned to school in person only in the final weeks of the Lent term, under the regime of regular Lateral Flow testing (for both pupils and staff) that persisted for the remainder of the year and continues into 2021-2022. The Summer term 2021 saw increasing progression towards relative normality as more of the general population became "double vaccinated".

Throughout this continually changing situation, Queen's continued to espouse the ethos agreed by the Council in April 2020, namely as far as possible to support the school community, keep everyone safe, and emerge from the crisis intact and recognisably the same school. The overall aim of supporting the whole Queen's community also included financial support; the Council had already committed to maintaining fees at 2019-2020 levels for the whole of the 2020-2021 academic and financial year. It was originally thought that the need for Covid-19 Bridging Bursaries would progressively decline from January 2021, but in the event the pandemic persisted for much longer than had been assumed, so the Covid-19 Bursary scheme continued throughout the year, before finally closing on 31 August 2021. Any Queen's families whose finances continued to be significantly affected after this date were transferred to a 'normal' bursary, being assessed against the school's normal criteria for support, rather than the different, though overlapping, indicators of transient financial need used for a Covid-19 award. See the Fee Remissions section below for details of the support provided to Queen's families whose finances had been worst affected by the pandemic.

The 2020-2021 budget was based on the same assumption, that the impact of the virus would tail off from the start of 2021, but this proved to be incorrect. As well as the need for Covid bursaries lasting for two terms longer than originally anticipated, the substantially enhanced cleaning regime introduced in 2020 was required for the entire 2020-2021 financial year. Ensuring that pupils and staff remained safe in all phases of the pandemic response entailed adding extra staff and hours to the cleaning contract, and continued investment in additional equipment, so the cost of cleaning for an entire year under pandemic measures was £333k, more than double the original budget of £150k (2018-2019: £213,839, using a previous contractor; 2019-2020: £234,987, including just over a term of Covid-19).

As in 2019-2020, discretionary spending continued to be focused on items that enhance the school's ability to operate safely during the pandemic; the 2020-2021 budget originally envisaged doing very little capital spending in the Summer of 2021, particularly on the school's buildings. However, the heavy reliance on IT as a conduit for teaching and learning – and at times for all interactions between staff and pupils at Queen's – emphasised something that was already becoming apparent even before the pandemic struck, namely that the school's IT infrastructure of servers, switches, routers, internet connections and communications equipment was ageing. As the pandemic progressed, though our IT estate coped with the significantly greater traffic inherent in operating remotely, the need for continual close supervision and patching to maintain unbroken service emphasised the need to make the estate more 'future-proof'. The Council considered that it would be imprudent to continue to rely on ageing equipment for tasks without which remote schooling would be extremely difficult, if not impossible, should the need for remote operations return in future. It was therefore decided that, even knowing the economic impact of the pandemic, it was essential to invest in IT in the Summer of 2021.

Similarly, as the larger year-groups that have joined the College since 2017 continue to progress through the school, the size of some classrooms is in danger of becoming a constraint on capacity; therefore the Council approved expenditure to convert the Kynaston library into a large classroom during the Summer of 2021.

The persistent impact of Covid-19 for months longer than anticipated and the need to invest in IT and the premises despite the financial impacts of the pandemic meant that the target surplus set by the Council for the Principal, Headmistress and Bursar (2% of fee revenue) was missed, though the school did still make a surplus and thus a contribution to cash reserves.

To add to the continuing impact of the pandemic on the school, the Bursar was taken seriously ill in March 2021 and did not return to full-time work until late-July. Guy Ralphs, an experienced Bursar with recent knowledge of running a large independent school, was engaged to act as an interim Bursar in order to support the Council, Senior Leadership Team and non-teaching staff. The Council would like to place on record their thanks to Mr Ralphs, and to Richard Hall (the Assistant Bursar) and Zak Tahiri (the Head of Finance), for taking on considerable extra responsibility and workload at less than a day's notice, and successfully steering the school through a very challenging period.

As in 2019-2020, though both schools had lengthy periods of lockdown and remote teaching and learning, at no stage were the buildings closed entirely; even in "full lockdown", the College remained open for a small number of children of key workers (including some QCPS pupils), and since the Premises team were able to get to the school safely in all phases of the pandemic response, building maintenance continued throughout. In particular, this allowed the school to maintain continuity of health and safety checks and routine maintenance (e.g. Legionella sampling and electrical testing) to ensure that Queen's was confident of being able to re-open safely as soon as Government guidance allowed.

Public Benefit

Queen's College, London has always pioneered girls' and women's education. When opened on 1 May 1848, it was the first institution in the UK to provide academic qualifications for women, and the Royal Charter granted to the College in 1854 was the first Charter to be granted by a sovereign for the furtherance of the education of women.

In furtherance of the school's principal activity, the Council also gives careful consideration to the Charity Commission's guidance on public benefit. The provision of women's education continues to be the prime public benefit provided by the school. All educational provision is reviewed at least annually to assess its "added value", with academic endeavour occurring within a supportive environment which ensures the pupils' wellbeing. Queen's prepares its pupils to be active and socially responsible citizens.

Queen's, like other organisations, is continually reviewing how it can minimise its impact on the environment. QCPS was again awarded Green Flag status by Eco-Schools, and the College is working towards achieving that award. During the year we re-organised removal of our waste; instead of removing all our non-recyclable waste by road, our rubbish is now driven only for the short trip to Regent's Canal, and thereafter travels by canal lighter; this substantially reduces carbon footprint and also makes a contribution to easing road congestion.

Fee Remissions – Bursaries and Scholarships

Queen's supported 100 pupils (2019-2020: 89) with financial awards through bursaries or scholarships throughout the year, not including those pupils receiving temporary support because of the impact of the pandemic; the Covid-19 Bridging Bursary scheme is covered separately below. 29 pupils (2019-2020: 18) received non-Covid-19 bursary support that covered 100% of fees. This included the first year of an initiative whereby 3 pupils entered the Senior College on 100% bursaries from Sarah Bonnell School, a state secondary school in East London which does not provide education beyond GCSEs. A total of £815,993 (2019-2020: £606,314) was awarded for reason of financial hardship or academic scholarship; of this, £682,959 (2019-2020: £443,668) was allocated to means-tested bursary provision. Excluding the Covid scheme, fee remissions equated to 7.3% of fee revenue (2019-2020: 6.3%); the school thus remains on track to achieve its target of increasing fee remissions by approximately 1% per year, aiming for around 10% by the 175th Anniversary of Queen's in 2023.

As in 2019-2020, the financial impact of the pandemic meant that a significant number of Queen's parents continued to face short-term financial difficulties sufficiently severe that, unless they received financial relief, they would be forced to remove their daughters from the school – in many cases their income suddenly dropped to nothing, with the duration unknown. To support those families through the pandemic, the system of means-tested Covid-19 Bridging Bursaries introduced in April 2020 was retained into 2020-2021; originally it was envisaged that this would be for the Michaelmas term only, with the need progressively declining thereafter, but in the event the scheme was required for the entire year.

In the period covered by these accounts a total of 21 pupils (2019-2020: 31) were given Covid-19 Bridging awards covering from 25% to 100% of fees; as in the previous year, these awards were re-assessed for renewal each term. 12 (2019-2020: 21) of these pupils received bridging bursary awards covering 100% of the fees.

This represented a 40% temporary rise in bursary support during the Covid-19 outbreak. The total cost of this support in the year was £275,709 (2019-2020: £99,942 in a single term only) in addition to the £682,959 annual cost of bursaries outlined above. The total cost of fee remissions, including the Covid-19 scheme, was £1,091,702, or 9.8% of fee revenue.

A further 17 families were supported by allowing staged payment of fees in at least one term to assist their cash flow; this assistance had no net cost to the school, since fees were paid in full before the end of the term to which they applied.

Of those fee remissions via bursaries or scholarships that are unrelated to Covid-19, approximately 15% (2019-2020: 17%) are funded by income from investment activity; the remainder is paid for out of operating funds (though strictly speaking remission of fees is not a cost, but revenue that the school chooses to forgo). The Queen's community continues to provide generous support to the 175th Anniversary Bursary Appeal that was launched in 2019, despite the stringencies of the pandemic. Bursary donations during the year totalled £203,189, made up of £132,879 from College parents, £67,310 from QCPS parents and a further £3,000 from the Parents Association. The 175 Appeal has thus raised almost exactly £500k since its launch, which is a mark of the generosity of the Queen's community, particularly given the impact of the pandemic for all bar the first few months of the appeal. As always, the Council would like to place on record their thanks to parents for their generosity in supporting the school and its associated community.

Public Benefit Activities

The Government's restrictions on movement and social interaction, which persisted to varying degrees throughout the period covered by this report, inevitably constrained the activities set out in this section; during periods of tighter public health restrictions, Government regulations limited the school's public benefit activities to its own pupils only, and even in those periods of the year when restrictions were ostensibly less tight, the situation was considerably more constrained than normal.

The inner city location of our premises limits the school's facilities for activities in the open air; Queen's owns no sports fields or recreational areas outside. In normal times the school's internal facilities are available for use by external agencies, particularly those involved in the promotion of education, but the pandemic significantly curtailed this use during 2020-2021.

A dance academy, open to children of all backgrounds, operated from both schools during the Michaelmas and Summer half terms (which were both outside periods of lock-down) and during the 2021 Summer holidays. However, Pro Corda (an organisation which uses training in chamber music to equip young people with the necessary skills to work together with others, unleashing wider social benefits in terms of participation, access and learning) was unable to operate at all during the period, when normally it uses the College every weekend during term time; happily, they have been able to return from October 2021.

Queen's continued its membership of the Southwark Schools' Learning Partnership (SSLP), which it joined in 2018. The SSLP brings together 17 independent and maintained schools ("Partners" from Southwark, "Associates" such as Queen's from neighbouring London Boroughs) who share a desire to provide academic and vocational opportunities for both pupils and teachers, where each can learn from, and with, their peers. Events can be athletic or educational, include teachers, pupils or both, and be either competitive or collaborative. The school's contributions to the partnership during the period included:

- An anti-racism project involving pupils from I Seniors;
- Oxbridge interview practice for pupils from the Charter School North Dulwich and St. Michael's Catholic College, Bermondsey; and
- A regular SSLP Drawing Club run by one of the school's Art teachers.

The well-established and strong relationship with St Vincent's Catholic Primary School continued to flourish, despite the constraints of the pandemic. A member of the College senior leadership team is a Governor, and Queen's provided St Vincent's pupils in Year 6 with Politics workshops taught by Queen's staff. Another member of staff is a Governor at Highgate Wood School.

Other schools were invited to attend lectures and workshops held at or hosted by Queen's; notable examples during the year include:

- The annual Stock Market Challenge, this year held with the Westminster City School (15 participants) and Southbank University Academy (52 participants);
- Digital poetry workshops with Suhaiymah Manzoor-Khan;
- Art Foundation workshops with the Henrietta Barnett School; and
- An online lecture by Professor Duncan Wheeler (Chair of Spanish Studies at the University of Leeds) entitled "Thinking About... Spain"; this was attended by 53 pupils from Charter School North Dulwich, Elmgreen School, JAGS, Kingsdale Foundation School, St. Saviour's & St. Olave's School, St. Thomas Apostle College, and King Edward's School Birmingham, and a further 26 students from the University of Leeds.

Sadly, the pandemic forced the cancellation of the annual local community Marylebone Christmas Festival, at which choirs from Queen's perform in normal times. In its place, Queen's streamed an informal concert on 2 December to two London care homes, the Queen Elizabeth II Infirmary and the Kensington Care Home.

Pupils at the school remained active charity fundraisers despite the pandemic, raising a total of £1,037, including £394 for the Children's Medical Research Institute via "Jeans for Genes Day", £490 for Make A Smile and £132 for the Alzheimer's Society.

Both schools continue to support actively the development of teachers and teaching assistants. QCPS supported a Post Graduate Certificate of Education (PGCE) student through her second work placement during 2021 and have subsequently employed her as a Higher Level Teaching Assistant; the Preparatory School also has one Early Careers Teacher in 2021. The College hosted five PGCE students in science, training them to work in either the independent or maintained sector, and successfully inducted two Newly Qualified Teachers into the profession. Members of staff play an active role in support of education in the community; 2 of them are Governors at local maintained schools.

The College ensures the conservation and preservation of a number of important Listed properties for the benefit of the community at large.

Full details of the public benefit activities of the College and QCPS can be found in each school's Public Benefit report, available from the Bursar.

ACHIEVEMENTS AND PERFORMANCE

Operational Performance

During the year 64 pre-preparatory girls, 137 preparatory girls and 376 secondary girls were educated in keeping with the College's educational policies.

A Levels. There was a 100% pass rate and 95.9% of entries were graded A*, A or B.

GCSEs. At GCSE and IGCSE the proportion of 7-9 or A*-A grades was 87%.

As elsewhere in the country, grades were awarded on the basis of Teacher-Assessed Grades (TAGs) due to the cancellation of public examinations.

11+. The Preparatory School 11+ examination pupils achieved excellent results, allowing girls to attend senior schools of their parents' choice.

Full details of educational results and activities, and other matters regarding the activities of the College, are contained in the Principal's Annual Report (as presented to the Visitor – available from the Bursar), or appear on the websites of the College (www.qcl.org.uk) and Preparatory School (www.qcps.org.uk) as applicable.

An ISI Regulatory Inspection in November 2017 confirmed that the two Queen's schools were fully compliant with the requirements expected of independent schools.

Extra-Curricular Activities and Sport

Academic attainment is achieved alongside participation in a host of extra-curricular activities, including drama, dance, music and those associated with a wide variety of clubs. In addition, the College, despite having no sports facilities of its own, has a structured and busy PE timetable for all pupils. Pupils compete against maintained and independent schools in a number of sports, with considerable success, in local leagues. The curriculum is also enriched through educational visits which maximise the benefits of the school's location in central London, with easy access to transport links.

FINANCIAL REVIEW

The school's net movement in funds, an increase of £19,774, should be viewed in the context of a year that saw very significant operational and financial challenges because of the pandemic, particularly in their persistence for at least 6 months longer than envisaged when budgets for the financial year were set. The pandemic led to reduced financial headroom, because fees were frozen at 2019-2020 levels for the whole year, but costs in some areas – notably cleaning, as noted above – continued to rise. The school also provided an additional £275,709 of bursarial support to cover the impact of the pandemic, and the cost pressures that have been noted in reports over several years (particularly of leasehold costs and payroll pressure from pensions costs) have not abated. To deliver a surplus, albeit lower than the original budget, in such circumstances remains a positive outcome.

Full details of financial activities are contained in the attached accounts.

Investment Policy

Investment powers are governed by the Royal Charter. The investment portfolio is managed by the School's investment advisors (J.M. Finn & Co), and their performance is regularly reviewed by the Finance Committee. The investment advisors also present an annual review of performance to the Finance Committee.

The Council adopts a conservative investment strategy, with the aim of optimising the School's total investment return consistent with mitigating risk, and while preserving the real value of endowed investments.

Investment Performance

During the year £82,528 (2020: £98,319) investment income was received into the business account. Market performance led to a net investment gain of £390,257 (2020: loss of £82,744) in the value of the funds.

Reserves Policy

Total funds of the school at 31 August 2021 were £8,216,261 (2020: £8,196,487), comprising restricted funds of £1,709,459 (2020: £1,236,253), designated funds of £5,271,659 (2020: £5,480,501), and general funds of £1,235,143 (2020: £1,429,078).

The school's primary objective remains to continue increasing reserve resources following a number of years of capital expenditure, though the uncertainties caused by the pandemic (particularly the length and depth of the resultant recession and the potential impact on pupil recruitment) might reduce the rate of increase for the immediate future. In the long run, the school's objective is to increase its resources to the point where it has at reserves to cover a minimum of one complete term, in addition to the funds required to sustain normal operations. For context, the lowest cash position at the bank during 2020-2021 was £2.49M (2019-2020L £2.25M), so the position has continued to improve steadily since the £3.6M capital expenditure on the 6th Form Centre in 2017, albeit at a rate slowed by the financial impact of the pandemic since March 2020.

As outlined in the Public Benefit section, less than 20% of the funds remitted from fee revenue via scholarships and bursaries is funded from investment income; the remainder, therefore, is covered from operating surplus. The 175th Anniversary Bursary appeal, opened in 2018 and scheduled to run until at least 2023, continues in its aim of reducing this dependency on operating surplus in remitting fees. Until this goal is attained, the need to pay for fee remissions will continue to be reflected in reserves holdings.

PLANS FOR THE FUTURE

Development

The school will continue to consolidate its position in order to concentrate on bringing the remainder of its infrastructure to a standard equivalent to the modern 6th Form Centre opened in 2017. Investment in IT infrastructure during 2020-2021 budget has markedly improved resilience, redundancy and equipment standardisation; the next technical focus is on replacing an out-dated telephone system.

Plans for the premises in 2021-2022 will see spending open up again after 2 very quiet years; a project to transform the QCPS dining room (already twice postponed because of the pandemic) is planned for Summer 2022, and at the College the redundant Caretaker's flat in the basement of No. 49, which has been empty for several years, will be converted into much-needed office space once a small quantity of asbestos has been removed during October half term. As set out above, the size of some classrooms is starting to constrain capacity as larger year groups move up through the College, so options for extending and amalgamating some classrooms on the 2nd floor of No. 43 are being assessed now that an issue with planning permission that dates back to the 6th Form Centre project has been successfully resolved. Similarly, the feasibility and affordability of completing the transformation of the Kynaston (until this year a library, now a classroom, but eventually to become a science laboratory) are being reviewed with a view to obtaining the requisite permissions to complete the work in the Summer of 2022.

The relative lack of capital projects in the Summers of 2019 and 2020 does not mean that the buildings have been neglected; the in-house premises team have continued to redecorate, refurbish and enhance the buildings wherever possible, including two entire floors of redecorated classrooms at the College and re-organisation of every form room at QCPS.

The Preparatory School

The reduction of approximately 10% of pupils on roll (particularly in the Pre-Prep department), apparent in 2020 as families chose to leave London, largely stabilised during 2021; QCPS pupil numbers remained broadly static through the academic year. Recruitment for September 2021 was strong, especially in Reception, where an intake of 35 contrasts with 20 in 2019 and 22 in 2020. Despite the continuing impact of the pandemic, staff and pupil morale is high, and educational attainment remains outstanding at 11+.

QUEEN'S COLLEGE, LONDON

THE COUNCIL'S REPORT (Continued)

YEAR ENDED 31 AUGUST 2021

The new Headmistress' strategic development plan for the school has been received favourably by staff and parents and the Council is subsequently looking forward to further raising the academic reputation of the school in the coming years. The Council continues to be focused upon assuring the delivery of a first class education and welfare for its pupils, including further investment in facilities as the impact of the pandemic eases.

The College

The College continues to grow steadily, with a full Class 3 [Year 7] in September 2021 and notably higher 16+ numbers than in recent years (partly through retention beyond GCSEs, partly through recruitment), with 54 I Seniors [Year 12] in 2021 as opposed to 36 in 2020. The College's aim, first articulated in 2017-2018, to reach 400 pupils within five years without compromising academic standards was achieved in September 2021, with 404 pupils enrolled. The Council aims to continue the upward trajectory of academic results – we hope judged via the return of some form of academic assessment, rather than the Centre-/Teacher-Assessed Grades of the last two Summers – whilst continuing to offer a broad and balanced extra-curricular offering. Closer collaboration with state schools such as Sarah Bonnell School in Stratford and members of the Southwark Schools Learning Partnership will lead to a greater socio-economic diversity among the pupil body, funded by the continuing 175th anniversary bursary appeal, while the College will continue to increase its work alongside QCPS for the benefit of staff and pupils across both parts of the organisation.

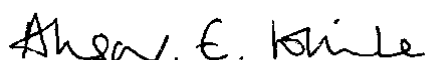
Disclosure of information to auditors

Each of the members of Council has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditors are unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

Auditor

A resolution to re-appoint Haysmacintyre LLP as the College's auditors was passed at the Annual General Meeting on 7 December 2021.

Signed on behalf of the Council



Alison While (Chairman)

Date: 7 December 2021

STATEMENT OF THE COUNCIL'S RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2021

The Council is responsible for preparing the Council's Report and accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Council to prepare accounts for each financial year which give a true and fair view of the state of affairs of the College, and of the incoming resources and application of resources of the College in that year.

In preparing these accounts, the Council are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis, unless it is inappropriate to presume that the College will continue in operation.

The Council is responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the College, and enable it to ensure that the accounts comply with the Charities Act 2011, the College (Accounts and Reports) Regulations 2008 and the provisions of the Royal Charter. It is 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.

Opinion

We have audited the financial statements of Queen's College, London for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the school's affairs as at 31 August 2021 and of the school's net movement in funds 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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 College in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

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

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- adequate accounting records have not been kept by the College; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Council for the financial statements

As explained more fully in the Council's responsibilities statement set out on page 13, the Council is 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 Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the College'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 Council either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Based on our understanding of the College and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Charities Act 2011 and other factors such as payroll tax.

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

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

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

Use of our report

This report is made solely to the College's trustees, as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the College's trustees 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 College's trustees as a body for our audit work, for this report, or for the opinions we have formed.



Haysmacintyre LLP
Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 7 December 2021

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

QUEEN'S COLLEGE, LONDON

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
INCOME FROM:					
Donations and grants receivable	2	14,098	203,189	217,287	241,098
Investments	3	37,220	45,308	82,528	98,319
		<u>51,318</u>	<u>248,497</u>	<u>299,815</u>	<u>339,417</u>
Charitable activity					
Education	4	10,436,782	-	10,436,782	10,524,145
		<u>10,436,782</u>	<u>-</u>	<u>10,436,782</u>	<u>10,524,145</u>
Total income		<u>10,488,100</u>	<u>248,497</u>	<u>10,736,597</u>	<u>10,863,562</u>
EXPENDITURE ON:					
Raising funds		69,505	-	69,505	38,549
Charitable activity					
Education		11,037,575	-	11,037,575	10,362,839
		<u>11,037,575</u>	<u>-</u>	<u>11,037,575</u>	<u>10,362,839</u>
Total expenditure	5	<u>11,107,080</u>	<u>-</u>	<u>11,107,080</u>	<u>10,401,388</u>
Net income before net losses on investments		(618,980)	248,497	(370,483)	462,174
Net gains/(losses) on investments		187,212	203,044	390,257	(82,744)
		<u>(431,767)</u>	<u>451,541</u>	<u>19,774</u>	<u>379,430</u>
Net income		<u>(431,767)</u>	<u>451,541</u>	<u>19,774</u>	<u>379,430</u>
Transfers between funds	13/14	28,990	(28,990)	-	-
		<u>(402,777)</u>	<u>422,551</u>	<u>19,774</u>	<u>379,430</u>
Net movement in funds		<u>(402,777)</u>	<u>422,551</u>	<u>19,774</u>	<u>379,430</u>
Fund balances at 1 September 2020		6,909,579	1,286,908	8,196,487	7,817,057
		<u>6,909,579</u>	<u>1,286,908</u>	<u>8,196,487</u>	<u>7,817,057</u>
Fund balances at 31 August 2021		<u>6,506,802</u>	<u>1,709,459</u>	<u>8,216,261</u>	<u>8,196,487</u>

All income and gains for the period are recognised above. All of the College's activities are classified as continuing.

Details of comparative figures by fund are shown in note 19.

QUEEN'S COLLEGE, LONDON

BALANCE SHEET

31 AUGUST 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Tangible assets	8		4,609,480		4,870,778
Investments	9		2,681,102		2,266,923
			<u>7,290,582</u>		<u>7,137,701</u>
CURRENT ASSETS					
Debtors	10	3,335,796		2,988,579	
Cash at bank and in hand		3,443,406		3,373,600	
		<u>6,779,202</u>		<u>6,362,179</u>	
Creditors: amounts falling due within one year	11	<u>(5,853,523)</u>		<u>(5,303,393)</u>	
Net current assets			925,679		1,058,786
Total assets less current liabilities			<u>8,216,261</u>		<u>8,196,487</u>
Income funds					
Restricted funds	13		1,709,459		1,286,908
Unrestricted funds:					
Designated funds	14		5,271,659		5,480,501
General funds			1,235,143		1,429,078
			<u>6,506,802</u>		<u>6,909,579</u>
			<u>8,216,261</u>		<u>8,196,487</u>

The accounts were approved by the Council on 7 December 2021.

Alison E. While

Alison While
Chairman

Richard Ford

Richard Ford
Chair of Finance

QUEEN'S COLLEGE, LONDON

STATEMENT OF CASH FLOWS

YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £	
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	240,993	680,588	
Cash flows from investing activities:			
Investment income	82,528	98,319	
Payments to acquire tangible fixed assets	(229,793)	(211,904)	
Payments to acquire investments	(339,697)	(361,272)	
Proceeds from disposal of investments	269,432	332,740	
Other receipts and movements from investment portfolio	46,343	(6,733)	
<i>Net cash used in investing activities</i>	(171,187)	(148,850)	
Change in cash and cash equivalents in the reporting period	69,806	531,738	
Cash and cash equivalents at the beginning of the reporting period	3,373,600	2,841,862	
Cash and cash equivalents at the end of the reporting period	3,443,406	3,373,600	
Reconciliation of net income to net cash flow from operating activities			
	2021 £	2020 £	
Net income for the reporting period (as per the statement of financial activities)	19,774	379,430	
Adjustments for:			
Net (gain)/loss on investments	(390,257)	82,744	
Depreciation charges	491,091	468,279	
Investment income	(82,528)	(98,319)	
(Increase) / decrease in debtors	(347,217)	183,171	
Increase / (decrease) in creditors	550,130	(334,717)	
Net cash provided by operating activities	240,993	680,588	
Analysis of cash and cash equivalents	2021 £	2020 £	
Cash in hand	3,443,406	3,373,600	
Total cash and cash equivalents	3,443,406	3,373,600	
Net Debt analysis of cash and cash equivalents	2020 £	Cash flows £	2021 £
Cash in hand	3,373,600	240,993	3,443,406
Total net debt	3,373,600	240,993	3,443,406

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – second edition effective 1 January 2019.

The functional currency of the College is considered to be GBP because that is the currency of the primary economic environment in which the College operates.

The College is a Public Benefit Entity registered as a charity in England and Wales (Charity Registration No. 312726).

1.1 Going Concern:

Having reviewed the funding facilities available to the College together with the expected ongoing demand for places and the College's future projected cash flows, Members of the Council have an expectation that the College has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the College's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 14.

1.2 Critical accounting judgements and key sources of estimation uncertainty:

In the application of the accounting policies, Members of the Council are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

Judgements made by Members of the Council, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed below.

In the view of the Members of the Council, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

1.3 Fees and similar income:

Fees receivable for education are accounted for in the period in which the service is provided. Fees received for education to be provided in future years are carried forward as deferred income.

Donations are accounted for when they are receivable. Donations for purposes restricted by the wishes of the donor are taken to "restricted reserves" where these wishes are legally binding on the Council.

Grant income is derived from the amounts receivable under the Coronavirus Job Retention Scheme.

Investment income is accounted for when it is received.

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure:

Expenditure is accounted for on an accruals basis, with the irrecoverable element of VAT included with the item of expense to which it relates.

Expenditure is summarised under functional headings on a direct cost basis.

Governance costs are those incurred in connection with the administration of the College and compliance with constitutional and statutory requirements.

The cost of furniture and equipment is written off in the year of acquisition.

1.5 Tangible fixed assets and depreciation:

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold Property	Over 25 years, other than Somerville Hall which has been fully depreciated and improvements to the dining hall and boiler room which are being depreciated over 10 years.
Plant & Machinery	Straight line over 10 years
Furniture & Fittings	Straight line over 4 years
IT	Straight line over 3 years

Items costing less than £1,000 are written off on acquisition.

1.6 Leasing and hire purchase commitments:

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.7 Investment:

Fixed asset investments are stated at market value.

Realised and unrealised gains and losses are dealt with in the Statement of Financial Activities.

1.8 Pensions:

The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the College's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The College's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The College also contributes to personal pension schemes for non-teaching staff.

1.9 Accumulated funds:

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in note 13 to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the Council for specific purposes. The purposes and uses of the designated funds are set out in note 14 to the accounts.

Unrestricted funds are funds which can be used in the accordance with the charitable objects at the discretion of the Council.

1.10 Taxation:

No provision for taxation is included in the accounts as the College is entitled to the exemption for tax afforded by Part 10 of the Income Tax Act 2007 and Section 256 of the Chargeable Gains Act 1992.

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments:

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

1.12 Debtors:

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

1.13 Cash at bank and in hand:

Cash at bank and cash in hand includes cash and short term highly liquid investments.

1.14 Creditors and provisions:

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

2. Donations and grants receivable

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Donations	4,859	203,189	208,048	165,612
Grants receivable	9,239	-	9,239	75,486
	<u>14,098</u>	<u>203,189</u>	<u>217,287</u>	<u>241,098</u>
	<u><u>14,098</u></u>	<u><u>203,189</u></u>	<u><u>217,287</u></u>	<u><u>241,098</u></u>
	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Donations	4,070	161,542	165,612	409
Grants receivable	75,486	-	75,486	-
	<u>79,556</u>	<u>161,542</u>	<u>241,098</u>	<u>409</u>
	<u><u>79,556</u></u>	<u><u>161,542</u></u>	<u><u>241,098</u></u>	<u><u>409</u></u>

QUEEN'S COLLEGE, LONDON

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2021

3. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Income from listed investments	36,889	45,308	82,197	91,648
Interest receivable	331	-	331	6,671
	<u>37,220</u>	<u>45,308</u>	<u>82,528</u>	<u>98,319</u>
	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from listed investments	37,755	53,893	91,648	100,586
Interest receivable	6,671	-	6,671	4,287
	<u>44,426</u>	<u>53,893</u>	<u>98,319</u>	<u>104,873</u>

4. Income from Charitable Activities – Education

	2021 £	2020 £
Gross fees receivable	11,528,484	11,230,401
Less bursaries, scholarships and awards	(1,091,702)	(706,256)
	<u>10,436,782</u>	<u>10,524,145</u>

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2021

5. Total expenditure - 2021	Staff Costs £	Depreciation £	Other Costs £	Total 2021 £	Total 2020 £
Costs of raising funds					
Investment management costs	-	-	11,555	11,555	10,985
Fundraising	-	-	57,950	57,950	27,564
Total costs of raising funds	-	-	69,505	69,505	38,549
Charitable activities					
Teaching	5,487,055	-	122,515	5,609,570	5,441,902
Housekeeping, cleaning and catering	-	-	936,188	936,188	728,752
Premises costs	117,945	491,091	1,467,164	2,076,201	2,008,013
Support costs	1,468,256	-	947,360	2,415,616	2,184,172
Total charitable activities	7,073,257	491,091	3,473,226	11,037,575	10,362,839
Total expenditure	7,073,257	491,091	3,542,732	11,107,080	10,401,388

Included within support costs above are governance costs of £13,600 (2020: £13,100) in respect of payments made to the auditors for audit services; and other services of £nil (2020: £nil).

Included within premises costs is £1,024,649 (2020: £1,006,000) in relation to operating lease payments.

Total expenditure - 2020	Staff Costs £	Depreciation £	Other Costs £	Total 2020 £	Total 2019 £
Costs of raising funds					
Investment management costs	-	-	10,985	10,985	10,857
Fundraising	-	-	27,564	27,564	25,259
Total costs of raising funds	-	-	38,549	38,549	36,116
Charitable activities					
Teaching	5,274,052	-	167,850	5,441,902	4,782,919
Housekeeping, cleaning and catering	-	-	728,752	728,752	840,580
Premises costs	115,261	468,279	1,424,473	2,008,013	2,041,597
Support costs	1,181,201	-	1,002,971	2,184,172	2,053,735
Total charitable activities	6,570,514	468,279	3,324,046	10,362,839	9,718,831
Total expenditure	6,570,514	468,279	3,362,595	10,401,388	9,754,947

Included within support costs above are governance costs of £13,100 (2019: £11,700) in respect of payments made to the auditors for audit services; and other services of £nil (2019: £nil).

Included within premises costs is £1,006,000 (2019: £914,342) in relation to operating lease payments.

QUEEN'S COLLEGE, LONDON

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2021

5. Expenditure (continued)

Other Support costs can be analysed as follows:

	2021 £	2020 £
Insurance	138,180	128,816
Printing, Postage and Stationery	148,270	136,228
Telephone and IT	221,760	206,573
Advertising	19,593	64,375
Catering, hospitality	13,211	36,123
Open days, certs, presentations, church services, founders day, flowers	15,310	15,755
PE court hire, transport	77,167	99,369
Recruitment, retention, training, welfare	97,272	111,568
Other	216,597	204,164
	<u>947,360</u>	<u>1,002,971</u>

6. Council

None of the Council (or any persons connected with them) received any remuneration or benefits from the College during the year (2020: none).

7. Employees

	2021 Number	2020 Number
Number of employees		
The average monthly number of employees during the year was:		
Teaching staff	82	80
Administration staff	46	39
	<u>128</u>	<u>119</u>

	2021 £	2020 £
Employment costs		
Wages and salaries	5,257,373	4,907,924
Social security costs	568,282	522,796
Pension contributions	991,715	904,632
Termination and redundancy payments	10,420	60,141
	<u>6,827,789</u>	<u>6,395,493</u>

	2021 Number	2020 Number
The number of employees whose remuneration was £60,000 or more were:		
£60,000 - £70,000	7	3
£70,000 - £80,000	4	2
£80,000 - £90,000	-	2
£90,000 - £100,000	3	-
£100,000 +	2	2
	<u>16</u>	<u>7</u>

The total remuneration of key management personnel in the year was £1,076,371 (2020: £1,005,482).

QUEEN'S COLLEGE, LONDON

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2021

8. Tangible fixed assets					
					Leasehold Improvements £
Cost					
At 1 September 2020					8,549,954
Additions					229,793
At 31 August 2021					8,779,747
Depreciation					
At 1 September 2020					3,679,176
Charge for the year					491,091
At 31 August 2021					4,170,267
Net book value					
At 31 August 2021					4,609,480
At 31 August 2020					4,870,778
9. Fixed asset investments					
	General Funds £	Designated Funds £	Restricted Funds £	Total 2021 £	Total 2020 £
Market value at 1 September 2020	731,834	409,723	1,125,366	2,266,923	2,314,403
Acquisitions at cost	77,685	66,690	195,323	339,697	361,272
Disposals at opening book value	(59,981)	(67,313)	(142,139)	(269,432)	(332,740)
Change in value in the year (including investment cash movements)	124,658	53,079	166,178	343,914	(76,012)
Market value at 31 August 2021	874,195	462,179	1,344,727	2,681,102	2,266,923
10. Debtors					
				Total 2021 £	Total 2020 £
Fee debtors				2,967,534	2,650,892
Other debtors				27,212	47,447
Prepayments and accrued income				341,050	290,240
				3,335,796	2,988,579

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2021

11. Creditors: amounts falling due within one year

	Total 2021 £	Total 2020 £
Trade creditors	544,782	361,370
Taxes and social security costs	145,621	136,003
Fees receivable in advance & pupil deposits	4,861,733	4,435,436
Other creditors	270,772	264,615
Accruals	30,615	105,969
	<u>5,853,523</u>	<u>5,303,393</u>

Fees in advance represents fees invoiced due for the Michaelmas 2021 term.

Deposits are due on the pupil leaving the College after giving one term's notice.

12. Pension Costs

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £874,356 (2020: £825,345) and at the year-end £119,871 (2020: £112,816) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2020, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2020. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2021

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

13. Restricted Funds

The income funds of the College include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in Funds				
	Balance at 1 September 2020 £	Income £	Expenditure £	Net investment gains and transfers £	Balance at 31 August 2021 £
Dedicated Scholarship Fund	503,725	21,976	-	56,273	581,974
Old Queens Bursary Trust Fund	621,641	23,332	-	117,781	762,754
Bursary donations	161,542	203,189	-	-	364,731
	<u>1,286,908</u>	<u>248,497</u>	<u>-</u>	<u>174,054</u>	<u>1,709,459</u>

Included within the net investment gains and transfers column are bursaries paid in the year of £682,959 and scholarships paid of £133,033.

	Movement in Funds				
	Balance at 1 September 2019 £	Income £	Expenditure £	Net investment gains and transfers £	Balance at 31 August 2020 £
Dedicated Scholarship Fund	553,865	29,482	-	(79,622)	503,725
Old Queens Bursary Trust Fund	601,975	24,411	-	(4,745)	621,641
Bursary donations	-	161,542	-	-	161,542
	<u>1,155,840</u>	<u>215,435</u>	<u>-</u>	<u>(84,367)</u>	<u>1,286,908</u>

The Dedicated Scholarship Fund represents income received from third parties with specific conditions as to who can qualify for the scholarships.

The Old Queen's Bursary Trust Fund represents funds set up by Alumnae of the College which allows Pupils to apply for Bursaries to assist them to further their Education.

The Bursary donations fund represents money donated by parents to contribute to bursaries.

14. Designated funds

The income funds of the College include the following designated funds which have been set aside out of unrestricted funds by the Council of Queen's College for specific purposes:

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
General Scholarship Fund	409,723	-	-	52,456	462,179
Repairs and Maintenance Fund	200,000	-	(69,764)	69,764	200,000
Fixed Asset Fund	4,870,778	-	(491,091)	229,793	4,609,480
	<u>5,480,501</u>	<u>-</u>	<u>(560,855)</u>	<u>352,013</u>	<u>5,271,659</u>
	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
General Scholarship Fund	463,328	-	-	(53,605)	409,723
Repairs and Maintenance Fund	200,000	-	-	-	200,000
Fixed Asset Fund	5,127,153	-	(468,279)	211,904	4,870,778
	<u>5,790,481</u>	<u>-</u>	<u>(468,279)</u>	<u>158,299</u>	<u>5,480,501</u>

The General Scholarship Fund represents income received from investments and is to provide scholarships to pupils on a discretionary basis.

The Repairs and Maintenance Fund represents monies set aside for the future upkeep and maintenance of the College site.

The Fixed Asset Fund represents the net book value of tangible fixed assets which are held for the long term operation of the School and are therefore separate from the School's free reserves.

15. Analysis of net assets between funds

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 August 2021 are				
Represented by:				
Tangible fixed assets	-	4,609,480	-	4,609,480
Investments	874,195	462,179	1,344,728	2,681,102
Current assets	6,214,471	200,000	364,731	6,779,202
Creditors: amounts falling due within one year	(5,853,523)	-	-	(5,853,523)
	<u>1,235,143</u>	<u>5,271,659</u>	<u>1,709,459</u>	<u>8,216,261</u>

QUEEN'S COLLEGE, LONDON

NOTES TO THE ACCOUNTS (continued)

YEAR ENDED 31 AUGUST 2021

15. Analysis of net assets between funds (continued)

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Fund balances at 31 August 2020 are				
Represented by:				
Tangible fixed assets	-	4,870,778	-	4,870,778
Investments	731,834	409,723	1,125,366	2,266,924
Current assets	6,000,637	200,000	161,542	6,362,179
Creditors: amounts falling due within one year	(5,303,393)	-	-	(5,303,393)
	<u>1,429,078</u>	<u>5,480,501</u>	<u>1,286,908</u>	<u>8,196,487</u>

16. Commitments under operating leases

	Land and buildings	
	2021	2020
	£	£
Amounts due in:		
Less than one year	1,014,000	983,600
Between two and five years	4,162,750	3,934,400
More than five years	45,159,500	45,815,200
	<u>51,336,250</u>	<u>50,733,200</u>

The lease for the two prep school properties runs for approximately another 20 years, and the lease on the Main School property expires in 2125.

17. Related parties

There were no related party transactions to note in the current or prior year.

18. Control

The College is controlled by the Council of Queen's College, London.

19. Comparative Statement of Financial Activities

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £
INCOME FROM:				
Donations and grants receivable	2	79,556	161,542	241,098
Investments	3	44,426	53,893	98,319
		<u>123,982</u>	<u>215,435</u>	<u>339,417</u>
Charitable activity				
Education	4	10,524,145	-	10,524,145
		<u>10,648,127</u>	<u>215,435</u>	<u>10,863,562</u>
Total income				
EXPENDITURE ON:				
Raising funds		38,549	-	38,549
Charitable activity				
Education		10,362,839	-	10,362,839
		<u>10,401,388</u>	<u>-</u>	<u>10,401,388</u>
Total expenditure	5			
Net income before net losses on investments		246,739	215,435	462,174
Net losses on investments		(31,714)	(51,030)	(82,744)
		<u>215,025</u>	<u>164,405</u>	<u>379,430</u>
Net income				
Transfers between funds	13/14	33,337	(33,337)	-
		<u>248,362</u>	<u>131,068</u>	<u>379,430</u>
Net movement in funds				
Fund balances at 1 September 2019		6,661,217	1,155,840	7,817,057
Fund balances at 31 August 2020		<u>6,909,579</u>	<u>1,286,908</u>	<u>8,196,487</u>