

# Somerville College

Annual Report and Financial Statements

Year ended 31 July 2011

**SOMERVILLE COLLEGE**  
**Annual Report and Financial Statements**  
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## SOMERVILLE COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2011

#### MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The members of the Governing Body who served in office as members of the Governing Body during the year or subsequently are detailed below.

|                                 |                       | (1) | (2) | (3) | (4) | (5) |
|---------------------------------|-----------------------|-----|-----|-----|-----|-----|
| Dr Alice Prochaska, Principal   | (appointed 1/09/2010) | •   | •   | •   | •   | •   |
| Dame Fiona Caldicott, Principal | (retired 31/08/2010)  | •   | •   | •   | •   | •   |
| Dr Daniel Anthony               |                       |     |     | •   |     |     |
| Mr Michael Ashdown              | (appointed 1/10/2010) |     |     | •   |     |     |
| Mrs Lesley Brown                | (retired 30/09/2011)  |     |     | •   |     |     |
| Dr Jonathan Burton              |                       | •   |     | •   |     |     |
| Professor Marian Dawkins        |                       |     | •   | •   |     |     |
| Dr Julie Dickson                |                       | •   |     | •   |     |     |
| Dr Beate Dignas                 |                       |     |     | •   |     |     |
| Dr Karin Erdmann                |                       |     |     | •   |     |     |
| Dr Manuele Gragnolati           |                       |     |     | •   |     |     |
| Dr Hilary Greaves               |                       |     | •   | •   |     |     |
| Professor Sarah Gurr            |                       |     |     | •   |     |     |
| Ms Julie Hage                   | (appointed 1/12/2010) |     |     |     | •   |     |
| Dr Michael Hayward              |                       |     |     | •   |     |     |
| Dr Matthew Higgins              | (appointed 1/10/2010) |     |     | •   |     |     |
| Ms Joanna Innes                 |                       | •   | •   | •   |     |     |
| Dr Simon Kemp                   | (appointed 1/10/2010) |     |     | •   |     |     |
| Professor Aditi Lahiri          |                       |     |     |     |     |     |
| Dr Anne Manuel                  | (appointed 1/12/2010) | •   |     | •   |     |     |
| Miss N MacManaway               | (retired 31/12/2010)  | •   | •   | •   | •   | •   |
| Professor Lois McNay            |                       |     |     | •   |     |     |
| Dr Nicolai Meinshausen          |                       |     | •   | •   |     | •   |
| Ms Helen Morton                 |                       | •   | •   | •   | •   | •   |
| Dr Natalia Nowakowska           |                       |     | •   | •   |     |     |
| Dr Luke Pitcher                 |                       |     |     | •   | •   |     |
| Dr Mason Porter                 |                       |     | •   | •   |     |     |

## SOMERVILLE COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2011

|                              |                       | (1) | (2) | (3) | (4) | (5) |
|------------------------------|-----------------------|-----|-----|-----|-----|-----|
| Dr V Prowse                  | (resigned 31/07/2011) |     | •   | •   |     |     |
| Professor Stephen Pulman     |                       |     |     |     | •   |     |
| Mrs Carol Reynolds           |                       |     | •   |     | •   |     |
| Professor Stephen Roberts    |                       |     |     | •   |     | •   |
| Professor Alex Rogers        | (appointed 1/10/2010) |     |     | •   |     |     |
| Professor Steven Simon       |                       |     |     | •   |     |     |
| Professor Charles Spence     |                       |     |     | •   |     |     |
| Professor Fiona Stafford     |                       |     |     | •   |     |     |
| Professor Richard Stone      |                       |     |     | •   |     |     |
| Dr Almut Suerbaum            |                       |     |     | •   |     |     |
| Dr Annie Sutherland          |                       |     |     | •   |     |     |
| Professor Rajesh Thakker     |                       |     |     |     |     |     |
| Dr Benjamin J Thompson       |                       | •   |     | •   |     |     |
| Dr Roman Walczak             |                       |     |     | •   |     |     |
| Professor Stephen Weatherill |                       |     |     |     |     |     |
| Professor Jennifer Welsh     |                       |     |     | •   |     |     |
| Dr Philip West               |                       | •   |     | •   |     |     |
| Dr Jeremy Whiteley           |                       |     |     |     |     |     |
| Dr Matthew Wood              |                       | •   |     | •   | •   |     |

During the year the activities of the Governing Body were carried out through five main committees. The current membership of these committees is shown above for each Fellow.

- (1) Standing Committee
- (2) Finance Committee
- (3) Education Committee
- (4) Development Committee
- (5) IT Committee

## **SOMERVILLE COLLEGE**

**Governing Body, Officers and Advisers**

**Year ended 31 July 2011**

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### **COLLEGE OFFICERS**

The officers of the College to whom day to day management is delegated are as follows.

|                                      |  |
|--------------------------------------|--|
| Principal                            | <i>Dr Alice Prochaska</i>                      |
| Senior Tutor                         | <i>Dr Stephen Rayner (appointed 1/07/2011)</i> |
| Treasurer (Finance & Estates Bursar) | <i>Ms Helen Morton</i>                         |
| Domestic Bursar                      | <i>Mrs Carol Reynolds</i>                      |
| Development Director                 | <i>Ms Julie Hage</i>                           |
| Librarian & Archivist                | <i>Dr Anne Manuel</i>                          |

### **COLLEGE ADVISERS**

#### **Investment managers**

Newton Investment Management Ltd

#### **Investment property advisers**

Cluttons, Styles & Whitlock

#### **Auditor**

Crowe Clark Whitehill LLP

#### **Bankers**

Barclays Bank

#### **Solicitors**

Manches LLP

#### **College address**

Woodstock Road Oxford OX2 6HD

#### **Website**

[www.some.ox.ac.uk](http://www.some.ox.ac.uk)

## **SOMERVILLE COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2011**

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The Members of the Governing Body present their Annual Report for the year ended 31 July 2011 under the Charities Act 1993 together with the audited financial statements for the year.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Somerville College in the University of Oxford, which is known as Somerville College, ("the College") is a tax exempt educational institution governed by a Charter and Statutes. The College was founded under the title of Somerville Hall in 1879 by a committee chaired by Dr Percival as a non denominational hall of residence for women and in 1881 was incorporated as an association not intended for profit under the Companies Acts of 1862 and 1867. The title of College was adopted in 1894.

The College registered with the Charities Commission on 22<sup>nd</sup> December 2010 (registered number 1139440).

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 4.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing documents**

The governing document of the College is the 1951 Charter and Statutes of Somerville College, Oxford. In 1926 the College was incorporated by Royal Charter as "The Principal and Council of Somerville College". In 1951 its statutes were amended to restrict membership of the Governing Body to the Principal and Fellows. In 1959, when it was admitted with the other Women's Societies as a full College of the University, its corporate designation became "The Principal and Fellows of Somerville College in the University of Oxford". The Special Statute of 1961 amended Paragraph (c) of Article 3 of the Charter concerning the investment objectives. In 1992 the Charter and Statutes were changed to enable the admission of men at both senior and junior level.

##### **Governing Body**

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Chancellor of the University of Oxford. The Governing Body is self-appointing, and has such powers as are conferred on it by its Charter and, subject thereto and to the Statutes, has the entire direction and management of the affairs of the College.

The Governing Body appoints the Principal, Fellows, Senior Tutor, Tutors, Lecturers, Librarian and such administrative and other Officers as the Governing Body thinks necessary from time to time. The Governing Body appoints Committees and delegates to them such powers as it thinks fit.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised by 9 committees.

##### **Recruitment and training of Members of the Governing Body**

New Members of the Governing Body are normally recruited through a joint appointment process with the University of Oxford in the case of academics which includes open advertisement of the posts and a professional selection and appointment process. In the case of posts funded solely by the College, recruitment is also through open advertisement of the post followed by a professional selection and appointment process including external representatives as appropriate. New members of the Governing Body are inducted into the workings of the College, including Governing Body policy and procedures, through meetings with the Principal, the Senior Tutor and the Treasurer and the provision of a comprehensive set of reference documents.

Members of the Governing Body attend external trustee training and information courses as appropriate to keep them informed on current issues in the sector and on regulatory requirements.

##### **Organisational management**

The members of the Governing Body meet between 7 and 9 times a year. The work of developing their policies and monitoring the implementation of these is carried out by the following committees:

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## SOMERVILLE COLLEGE

### Report of the Governing Body

Year ended 31 July 2011

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- Standing Committee

Responsibility for agreeing the agenda for meetings of Governing Body; developing academic and other strategies for the College, and monitoring decision-making, and developments that bear on these strategies; considering academic appointments and bids for association with University posts; considering requests for buy-outs and leave, with particular attention to their impact on teaching resources; receiving the reports of ad hoc working groups; discussing items which by reason of their complexity and difficulty are beyond the remit of other committees, or which need further attention beyond that given to them in a specialized committee, e.g. Buildings Committee, Finance Committee; giving close consideration to policy issues within the wider University, and external bodies, in preparation for consultation with Governing Body.

- Finance Committee

Responsibility for advising the Governing Body on all matters of financial policy and practice, and in particular on the financial implications of any proposals under consideration; presenting annual statements of accounts for the preceding year; approval of budgets and review of management accounts for each period; authorising exceptional expenditure from revenue and making recommendations in respect of capital expenditure; reviewing the college's investments and properties and income drawdown from investments; annual review of all charges made by the College; review of policy and administration relating to conferences, and approval of levels of charges; review of salaries for all College employees and others paid by the College as advised by Remuneration Committee; considering other financial issues, as appropriate.

- Education Committee

Responsibility for general policies and planning on teaching and learning; the progress, industry and conduct of undergraduates and graduates; the awarding of Scholarships, Exhibitions and Prizes from the appropriate funds, and carrying out an annual review of award holders; examination results; the awarding of course and travel grants from the appropriate funds; the initiation of the College's academic disciplinary procedures in cases of students who fail to meet the standard of application and attendance expected by his or her Tutor; review and report to the Governing Body on the progress and welfare of Student Members and make recommendations to the Governing Body for the award of College Scholarships, Exhibitions and prizes.

- Development Committee

Responsibility for recommendations on development and fundraising strategy and activities, liaison with the Development Board which consists of external members.

- IT Committee

Responsibility for developing recommendations on ICT strategy, service levels and IT projects and provision of guidance and assistance to the IT function within the College.

The Governing Body is also supported by additional committees, including Buildings, Library, Equality, Nominations and Remuneration.

The day-to-day running of the College is delegated to the Principal, the Senior Tutor, the Treasurer and the Domestic Bursar. They form a management team together with the Librarian and the Director of Development.

#### **Group structure and relationships**

The College also administers many special trusts, as detailed in Notes 18 to 19 to the financial statements.

The College also has one wholly owned non-charitable subsidiary: Somerville College Trading Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of Somerville College Trading Limited primarily comprise revenue from letting of the College facilities when not in use by the College. The subsidiary's aims, objectives and achievements are covered in the relevant sections of this report.

## **SOMERVILLE COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2011**

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The College is part of the collegiate University of Oxford. Material interdependencies between the University and the College arise as a consequence of this relationship.

#### **Risk management**

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the Finance Committee, chaired by the Principal. Financial and investment risks are assessed and monitored by the Finance Committee. In addition, the Treasurer, Domestic Bursar and department heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas.

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have given consideration to the major risks to which the College and its subsidiaries are exposed and have concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

#### **OBJECTIVES AND ACTIVITIES**

##### **Charitable Objects and Aims**

The College's Objects are:

To provide for women and men who are members of the University of Oxford the protection and training of an Academic House and, with that object, to carry on the work of the old Association [known as Somerville Hall] with such modifications and changes as may from time to time appear desirable.

To do all such other things as are incidental or conducive to advancing education, learning and research in Oxford and elsewhere

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2006. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

The College's aims for the public benefit are:

- To advance education, learning and research, in particular by providing, in conjunction with the University of Oxford, an education for approximately 380 undergraduate and 120 graduate students. This education is recognised internationally as being of the very highest standard and develops students academically, personally and socially, preparing them to play a full and effective role in society. In particular, the College provides:
  - teaching facilities and individual or small-group teaching, together with academic, pastoral and administrative support;
  - IT and other administrative support and welfare services, including the availability of the Junior Deans and the Chapel Director to assist every member of the College of every religious belief and none; and
  - social, cultural, musical, recreational and sporting facilities to enable students to realise as much as possible of their academic and personal potential whilst studying at the College.
- To advance research by providing:
  - official Fellowships, Career Development Fellowships, and Junior and Senior Research Fellowship to outstanding academics, to enable them to develop their research work and disseminate their research in the public domain; and
  - facilities and grants to assist with the pursuit of research, including grants for attendance at national and international academic conferences and assistance with the costs of research trips and research materials.

The aims set for the College's subsidiary is to help finance the achievement of the College's aims as above.

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## **SOMERVILLE COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2011**

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#### **Activities and objectives of the College**

The College's principal activity, as specified in the College's Objects is to provide for members of the University of Oxford the protection and training of an Academic House.

In 2010-11, the College had 384 undergraduates and 95 graduates and admitted students in the following subjects: Ancient & Modern History, Biochemistry, Biological Sciences, Chemistry, Classics, Classical Archaeology & Ancient History, Computer Science, Engineering, English, Experimental Psychology, History, Law, Mathematics, Medicine, Modern Languages, Music, Philosophy, Politics & Economics and Physics.

Significant activities during the year included the completion of a major building project on the adjacent Radcliffe Observatory Quarter to provide 68 additional en suite rooms which will enable most of our undergraduates to live in college throughout their course and an increase in conference income during the vacations. Plans are being developed to refurbish the Grade II Listed Wolfson building and to build an extension to improve facilities in the lecture hall, provide additional meeting space and full disabled access to the hall. Agreement was reached to bid for Tutorial posts in Philosophy and French through the new University Teaching Fund and action was taken to safeguard teaching in Philosophy and Economics. Further details of particular achievements are listed later in the report.

The focus of the College is strongly academic and students need to satisfy high academic entry requirements. In order to assist undergraduates entitled to Student Support, the College provides, through a scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. For the academic year 2010-11, the number of awards made was 98; 55 of the awards were at the maximum value of £3,225; and the average value of the awards was £2,679, with an amount of £223,434 being disbursed in the year. The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement.

To support the costs of graduate students, the College provides substantial financial support. This includes scholarships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages and a grant scheme to assist with the purchase of books and equipment, attendance at conferences and travel grants. The total amount expended by the College to graduate students in 2010-11 for this purpose was £140,085.

The College also makes awards for academic development and has various scholarships and prizes available to reward academic excellence. During the year the College awarded £58,741.

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship and provides access to hardship schemes operated by the University. For the academic year 2010-11 the College awarded £5,103 of hardship loans and grants and provided £20,793 of free vacation residence. A programme to encourage legacies to be made to the College is in place and annual fundraising campaigns focus on the provision of support for students suffering financial hardship.

#### **Public benefit**

The College remains committed to the aim of providing public benefit in accordance with its founding principles.

The College admits as students those who have the highest potential to benefit from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College. In the case of both students and academic staff, recruitment is regardless of financial, social, religious or ethnic background:

- there are no geographical restrictions to those who may benefit from the College's aims and objects. Students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions in the College's objects but students of the College are predominantly between 18 and 24 years old; and

## SOMERVILLE COLLEGE

### Report of the Governing Body

Year ended 31 July 2011

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- there are no religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

To raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the college, the College operates an extensive outreach programme as part of University-wide initiatives to widen access and has recently appointed an Access and Communications Officer. This programme is under the responsibility of the Senior Tutor and includes an extensive programme of visits by schools to the College, open days, admissions symposia for teachers as well as visits to schools and guidance and information on the College website for prospective applicants.

The College maintains an extensive Library so providing a valuable resource for students and Fellows of the College. The College makes its library available to members of other Colleges and the University of Oxford more widely, external scholars and researchers, as well as local children from maintained and other schools as part of educational visits.

### ACHIEVEMENTS AND PERFORMANCE

The University of Oxford has been through intense debate about the level of tuition fees to charge in the wake of the coalition government's decision to withdraw financial support for university teaching which led to Oxford's decision to charge the maximum fee of £9,000 per year per student (in common with the majority of the country's universities). All colleges subsidize the cost of teaching at Oxford, and it will remain the case that only about half of the true costs are met from fees. The shortfall is covered by endowment income and, essentially, from donations. At Somerville over 25% of our students already receive additional financial assistance, slightly above the University average, and approximately 60% of our students come from state schools, which is also above the average for Oxford. The College took part in numerous access and admissions activities including several Open Days co-ordinated by the University. There were also several events for link region schools and 4 special events for school teachers at Somerville in 2010-11 to actively promote the College to high performing schools to encourage first choice applications and build good relationships. A new full time post of Access and Communications Officer was agreed starting in August 2011 and this will enable more events to take place and further promotion.

The performance of all subject areas is continuously under review with objectives being set for each major subject and evaluations of subject strengths and areas for further development. Student feedback is encouraged to help the College to respond to their views. The College had around 500 students in the year 2010-11 with 29 finalists achieving first class degrees and many winning subject prizes.

The College continues to have a very diverse Fellowship who are active in teaching and research. Professor Alex Rogers organized a landmark conference of IPSO (International Programme on the State of the Ocean), the multi-disciplinary group of scientists, legal experts and others of which he was a founder, at Somerville in the spring. Its report attracted high-level international attention, including in the US Congress, with an invitation to Professor Rogers to speak on the future of the world's oceans at the United Nations in July. The British Academy conferred the Rose Mary Crawshay Prize on Professor Fiona Stafford for her book *Local Attachments*. Professor Marian Dawkins was awarded the Robert Fraser Gordon prize for distinguished contributions to poultry science. Prestigious Leverhulme prizes were awarded to Statistician Dr Nicolai Meinshausen and Junior Research Fellow in Mathematics Dr Radek Erban. Professor Aditi Lahiri and her team were awarded a European Research Council grant of more than 2.37 million Euros for research on "WORDS: Asymmetry, change and processing in phonological mental representation"; and Dr Matthew Wood, with colleagues at the MDEX Consortium, won a grant of £2.5 million from the Health Innovation Challenge Fund for their research into Duchenne Muscular Dystrophy. This came at the same time as his research team's report on a breakthrough in drug treatment for Alzheimer's Disease hit the headlines.

In 2010-11, Somerville hosted twenty two Junior Research Fellows, spanning an enormous range of academic disciplines. These posts always attract high quality applicants and there is great competition for places. The presence of such a large, diverse and talented population of researchers contributes significantly to the Somerville College community. Being members of our community helps these early career researchers build links between disciplines and develop into the academic stars of tomorrow. Highlights of their work include exploring the molecular processes in tumour cells that could form the targets for drug therapies, combining engineering and computation techniques to research mechanical-electrical mechanisms in heart disease, the

## **SOMERVILLE COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2011**

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funerary art of western Anatolia, networks between humans and devices that act autonomously (called 'intelligent agents') with applications in energy networks and disaster response and a book on Robbie Burns.

The reduction in government funding for university teaching, combined with the fact that only 55% of Somerville's Fellowships are endowed, makes it a continuous challenge to cover a funding gap of more than £500,000 every year towards the cost of our teaching provision. Fellowships in the Humanities are particularly under threat, and the University's Humanities Division is under significant financial pressure due to cuts in government funding for the humanities. It has therefore been difficult to release funding for the traditional jointly funded posts with colleges. Somerville's Philosophy Fellowship became vacant when Lesley Brown retired in September 2011 and the gap has been filled by the appointment of a Career Development Fellow for three years, solely funded by the College. The French Fellowship became vacant when Adrienne Tooke retired in 2008 and that gap was filled initially by a Lecturer and currently by the appointment of a Domus Fellow for three years from October 2010, again solely funded by the College.

Somerville Fellows played a key role within the collegiate university through their role in the Divisions and Departments and also through their membership of several key committees and working groups, including the Conference of Colleges, the Student Number Planning sub committee, the committees of Estates Bursars, Domestic Bursars and College Librarians and many more.

2010-11 was a year of intense activity and extraordinary generosity by donors towards the Somerville Campaign. The Campaign, "Celebrating the Past - Investing in the Future", was launched in the summer of 2009 with the ambitious aim of securing £25 million towards the College's strategic priorities: student support, fellowship funding and College facilities. An impressive £15.7 million has been raised to date with support from more than 2500 alumni and friends. In 2010-11 alone, more than £2 million was received in philanthropic donations and legacies, an increase from £1.5 million in the previous year. This was a wonderful achievement at a time of relentless financial downturn and every donation is an important contribution towards securing Somerville's future. More than 18% of Somervillians have chosen to support the College. Such a large number of alumni supporting us in this way not only makes a vital difference to our annual income, but also demonstrates to other potential donors and funding bodies how worthy Somerville is of such support. Thanks to generous gifts from over a thousand Somervillians, our new buildings on the Radcliffe Observatory Quarter were opened in September 2011 and their sixty eight additional student rooms will act in effect as sixty eight small bursaries: relieving most students of the financial burden of living out for one year of their course. We will continue to raise funds for the buildings in the coming years to offset the commercial loan towards the £10.4 million development costs.

Somerville College became a registered charity in December 2010 after many years as an exempt charity and training has been provided to all the trustees of the charity to ensure that they are familiar with their responsibilities as trustees.

### **FINANCIAL REVIEW**

The annual accounts presented herewith have been prepared under the Charities Statement of Recognised Practice (SORP), subsequent to the College's registration with the Charities Commission, and in concert with other University of Oxford Colleges. Previously, the accounts were prepared under the Higher Education Funding Council of England (HEFCE) SORP. The opening balance sheet has been restated and the previously reported total funds and net assets at 31 July 2010 of £49,878k have increased by £341k. £301k of this increase in funds results from a small number of restricted funds which were previously held within short term creditors and which are now included within the restricted funds component of total funds.

During the year, the College's investments have benefited from recoveries in the global markets and from the ongoing investment management, with a total gain of £3.2 million in the value of its investments. It has continued with its building development programme during the year, investing £8.1 million in the new twin accommodation blocks on the Radcliffe Observatory Quarter site. This complex is on schedule to provide 68

## **SOMERVILLE COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2011**

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additional quality rooms to our students for the 2011-12 academic year. It has been part-funded by a long-term loan funding facility, and also from generous gifts received from alumni and other organisations and friends of the College. Further investment has been made into the information technology infrastructure in order to improve system security, service levels and access, and also in the refurbishment of existing buildings.

In the year to July 2011, there were net outgoing resources before investment gains of £371k. This compares with £42k in the year to July 2010.

#### **Reserves policy**

The College's reserves policy is to establish, and thereafter maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall and to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services.

The College's free reserves at the year-end amounted to £0 (2010: £0). Free reserves represent retained unrestricted income reserves excluding an amount of £19.9 million for the book value of fixed assets, less associated funding arrangements.

Designated reserves at the year-end comprised values received from six donors for use without restriction, but which have been set aside for the purpose of supporting identified costs of the college and (in one case) towards the stipend of a Tutorial Fellow.

#### **Investment policy, objectives and performance**

The College's investment objectives are to balance current and future beneficiary needs by:

- maintaining (at least) the value of the investments in real terms;
- producing a consistent and sustainable amount to support expenditure; and
- delivering these objectives within acceptable levels of risk.

The investment strategy, policy and performance is monitored by the Finance Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £35.4 million. The overall total investment return was 14.4% over the year which compared to the relevant benchmark return of 12.9%.

#### **FUTURE PLANS**

The College's future plans as agreed by the Governing Body are set out in the College Strategic Development Plan. The core elements of this are:

- to continue to provide opportunities to pursue learning at the highest level to all those capable of making good use of them
- to pursue academic excellence by encouraging intellectual curiosity, critical engagement, and the development of the analytical skills of individual students and to support teaching and learning through the provision of adequate and appropriate resources and student/tutor ratios
- to maintain a varied and thriving Fellowship
- to support and promote the research of Fellows and Academics
- to foster disciplinary and interdisciplinary diversity through academic collaboration
- to safeguard the security of the College's academic provision through effective management of existing resources and increased endowment funds
- to fulfil the College's obligations under the Charities Act

## **SOMERVILLE COLLEGE**

### **Report of the Governing Body**

**Year ended 31 July 2011**

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- to work with commitment within the collegiate University
- to be a good employer to all staff

Specific development plans have been agreed for the separate departments within the College to ensure that the College continues to enhance its ability to provide a first-class education.

#### **STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governing Body 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 charity law the Governing Body 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 College and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

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

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College'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 Charities Act 1993. They are also responsible for safeguarding the assets of the College and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Governing Body on 26<sup>th</sup> October 2011 and signed on its behalf by:

A Prochaska

Principal

## **SOMERVILLE COLLEGE**

### **Report of the Auditor to the Members of the Governing Body of Somerville College**

We have audited the financial statements of Somerville College for the year ended 31 July 2011 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 28.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Governing Body 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 and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the Governing Body and auditor**

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2011 and of the group'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 Charities Act 1993.

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

We have nothing to report in respect of the following matters where the Charities Act 1993 requires us to report to you if, in our opinion:

- the information given in the Report of the Governing Body is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; 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.

**Crowe Clark Whitehill LLP**  
Statutory Auditor  
London

Date: 30<sup>th</sup> November 2011

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

# SOMERVILLE COLLEGE

## Statement of Accounting Policies

Year ended 31 July 2011

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### 1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the College and with its wholly owned subsidiary Somerville College Trading. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiary as included the consolidated income, expenditure and results of the College are disclosed in note 13.

### 2. Basis of accounting

The financial statements have been prepared under the Charities Act 2006 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

### 3. Incoming resources from fee income, HEFCE support and other charges for services

Fees receivable, HEFCE support and charges for services and use of the premises are accounted for in the period in which the related service is provided.

### 4. Incoming resources from donations and legacies

Voluntary income is accounted for when the College has entitlement to the funds, the amount can be reliably quantified and there is reasonable certainty of its ultimate receipt.

Voluntary income received for the general purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

### 5. Investment income

Interest on bank balances and fixed interest securities is accounted for in the period to which the interest relates.

Dividend income and similar distributions are accounted for in the period in which they become receivable.

Income from investment properties is accounted for in the period to which the rental income relates.

### 6. Expenditure

Expenditure is accounted for on an accruals basis. Indirect expenditure is apportioned to expenditure categories based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure.

### 7. Leases

Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms.

## SOMERVILLE COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2011

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The cost of the assets held under finance leases is included within fixed assets and depreciation is charged in accordance with the accounting policy for each class of asset concerned. The corresponding capital obligations under these leases are shown as liabilities. The finance charge element of rentals is charged to the Statement of Financial Activities and classified within finance costs as incurred.

#### 8. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £5,000 together with expenditure on equipment costing more than £5,000 is capitalised and carried in the balance sheet at historical cost.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the Statement of Financial Activities as incurred.

#### 9. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

|   |  |
|---|--|
| Freehold properties, including major extensions | 50 years                               |
| Leasehold properties                            | 50 years or period of lease if shorter |
| Building improvements                           | 10 - 30 years                          |
| Equipment                                       | 3 - 10 years                           |

Freehold land is not depreciated. The costs of maintenance are charged in the Statement of Financial Activities in the period in which it is incurred.

#### 10. Investments

Investment properties are valued as individual investments at their market values as at the balance sheet date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are valued at their mid-market values as at the balance sheet date. Investments such as hedge funds and private equity funds which have no readily identifiable market value are included at the most recent valuations from their respective managers.

Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

#### 11. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

#### 12. Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates applying at the Balance Sheet date or, where there are related forward foreign exchange contracts, at the contract rates. The resulting exchange differences are taken to the Statement of Financial Activities.

#### 13. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the origins of the funds and the terms set by the donors. Endowment funds are further sub-divided into permanent and expendable.



## SOMERVILLE COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2011

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Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes. They consist of *either* gifts where the donor has specified that both the capital and any income arising must be used for the purposes given *or* the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restricted the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the College has determined based on the circumstances that they have been given, for the long term benefit of the College. However, the Governing Body may at their discretion determine to spend all or part of the capital.

#### 14. Pension costs

The costs of retirement benefits provided to employees of the College through the Universities Superannuation Scheme multi-employer defined pension scheme is accounted for as if it was a defined contribution scheme in accordance with the requirements of FRS 17. The College's contributions to this scheme and to the Somerville Group Personal Pension Plan are charged in the period in which the salaries to which the contributions relate are payable.

**Somerville College**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2011**

|  | Notes | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Endowed<br>Funds<br>£'000 | 2011<br>Total<br>£'000 | 2010<br>Total<br>£'000 |
|--|-------|--------------------------------|------------------------------|---------------------------|------------------------|------------------------|
| <b>INCOMING RESOURCES</b>  |       |                                |                              |                           |                        |                        |
| <b>Resources from charitable activities</b>                            |       |                                |                              |                           |                        |                        |
| Teaching and research  | 1     | 4,119                          | 0                            | 0                         | 4,119                  | 3,971                  |
|  |       | <u>4,119</u>                   | <u>0</u>                     | <u>0</u>                  | <u>4,119</u>           | <u>3,971</u>           |
| <b>Resources from generated funds</b>                                  |       |                                |                              |                           |                        |                        |
| Legacies and donations   |       | 526                            | 1,002                        | 543                       | 2,071                  | 1,497                  |
| Trading income   | 2     | 800                            | 0                            | 0                         | 800                    | 731                    |
| Investment income  | 3     | 559                            | 871                          | 0                         | 1,430                  | 1,422                  |
| Bank and other interest  | 4     | 1                              | 0                            | 0                         | 1                      | 0                      |
|  |       | <u>1,886</u>                   | <u>1,873</u>                 | <u>543</u>                | <u>4,302</u>           | <u>3,650</u>           |
| <b>Other incoming resources</b>  |       | 33                             | 0                            | 0                         | 33                     | 166                    |
| <b>Total Incoming Resources</b>  |       | <u>6,038</u>                   | <u>1,873</u>                 | <u>543</u>                | <u>8,454</u>           | <u>7,787</u>           |
| <b>RESOURCES EXPENDED</b>  |       |                                |                              |                           |                        |                        |
| <b>Cost of generating funds</b>  |       |                                |                              |                           |                        |                        |
| Fundraising  | 5     | 483                            | 0                            | 0                         | 483                    | 406                    |
| Trading expenditure  |       | 27                             | 0                            | 0                         | 27                     | 0                      |
| Investment management costs  |       | 149                            | 0                            | 0                         | 149                    | 136                    |
|  |       | <u>659</u>                     | <u>0</u>                     | <u>0</u>                  | <u>659</u>             | <u>542</u>             |
| <b>Charitable activities</b>   |       |                                |                              |                           |                        |                        |
| Teaching and research  | 5     | 5,706                          | 913                          | 0                         | 6,619                  | 6,363                  |
|  |       | <u>5,706</u>                   | <u>913</u>                   | <u>0</u>                  | <u>6,619</u>           | <u>6,363</u>           |
| <b>Governance costs</b>  | 8     | 45                             | 0                            | 0                         | 45                     | 47                     |
| <b>Total Resources Expended</b>  |       | <u>6,410</u>                   | <u>913</u>                   | <u>0</u>                  | <u>7,323</u>           | <u>6,952</u>           |
| <b>Net incoming/(outgoing) resources before transfers</b>              |       | (372)                          | 960                          | 543                       | 1,131                  | 835                    |
| Transfers between funds  | 17    | 0                              | 0                            | 0                         | 0                      | 0                      |
| <b>Net incoming/(outgoing) resources before other gains and losses</b> |       | <u>(372)</u>                   | <u>960</u>                   | <u>543</u>                | <u>1,131</u>           | <u>835</u>             |
| Investment gains/(losses)  |       | 154                            | 159                          | 2,871                     | 3,184                  | 3,662                  |
| <b>Net movement in funds for the year</b>                              |       | <u>(218)</u>                   | <u>1,119</u>                 | <u>3,414</u>              | <u>4,315</u>           | <u>4,497</u>           |
| Fund balances brought forward  | 17    | 11,245                         | 3,132                        | 35,842                    | 50,219                 | 45,722                 |
| <b>Funds carried forward at 31 July</b>                                | 17    | <u>11,027</u>                  | <u>4,251</u>                 | <u>39,256</u>             | <u>54,534</u>          | <u>50,219</u>          |

**Somerville College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2011**

|  | Notes | 2011<br>Group<br>£'000 | 2010<br>Group<br>£'000 | 2011<br>College<br>£'000 | 2010<br>College<br>£'000 |
|--|-------|------------------------|------------------------|--------------------------|--------------------------|
| <b>FIXED ASSETS</b>                                    |       |                        |                        |                          |                          |
| Tangible assets  | 10    | 21,591                 | 12,332                 | 21,591                   | 12,332                   |
| Property investments                                   | 11    | 665                    | 665                    | 665                      | 665                      |
| Securities and other investments                       | 12    | 35,433                 | 32,289                 | 35,433                   | 32,289                   |
|  |       | <b>57,689</b>          | <b>45,286</b>          | <b>57,689</b>            | <b>45,286</b>            |
| <b>CURRENT ASSETS</b>                                  |       |                        |                        |                          |                          |
| Stocks   |       | 19                     | 17                     | 19                       | 17                       |
| Debtors  | 14    | 915                    | 765                    | 1,075                    | 765                      |
| Deposits and other short term investments              |       | 5,034                  | 5,462                  | 5,034                    | 5,462                    |
| Cash at bank and in hand                               |       | 570                    | 204                    | 266                      | 204                      |
|  |       | <b>6,538</b>           | <b>6,448</b>           | <b>6,394</b>             | <b>6,448</b>             |
| <b>CREDITORS: falling due within one year</b>          | 15    | <b>5,628</b>           | 1,515                  | <b>5,484</b>             | 1,515                    |
| <b>NET CURRENT ASSETS/(LIABILITIES)</b>                |       | <b>910</b>             | 4,933                  | <b>910</b>               | 4,933                    |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>           |       | <b>58,599</b>          | 50,219                 | <b>58,599</b>            | 50,219                   |
| <b>CREDITORS: falling due after more than one year</b> | 16    | <b>4,065</b>           | 0                      | <b>4,065</b>             | 0                        |
| <b>NET ASSETS</b>                                      |       | <b>54,534</b>          | 50,219                 | <b>54,534</b>            | 50,219                   |
| <b>FUNDS OF THE COLLEGE</b>                            |       |                        |                        |                          |                          |
|  | 17    |                        |                        |                          |                          |
| <b>Endowment funds</b>                                 |       | <b>39,256</b>          | 35,842                 | <b>39,256</b>            | 35,842                   |
| <b>Restricted funds</b>                                |       | <b>4,251</b>           | 3,132                  | <b>4,251</b>             | 3,132                    |
| <b>Unrestricted funds</b>                              |       |                        |                        |                          |                          |
| Designated funds                                       |       | 1,259                  | 1,166                  | 1,259                    | 1,166                    |
| General funds  |       | 9,768                  | 10,079                 | 9,768                    | 10,079                   |
|  |       | <b>54,534</b>          | 50,219                 | <b>54,534</b>            | 50,219                   |

*The financial statements were approved and authorised for issue by the Governing Body of Somerville College on: 29th November 2011*

Trustee: A Prochaska

Trustee: H Morton

**Somerville College**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 July 2011**

|   | Notes | 2011<br>Group<br>£'000 | 2010<br>Group<br>£'000 |
|---|-------|------------------------|------------------------|
| <b>Net cash inflow/(outflow) from operations</b>                | 23    | <u>(875)</u>           | <u>(455)</u>           |
| <b>Returns on investments and servicing of finance</b>          |       |                        |                        |
| Income from investments   |       | 1,431                  | 1,421                  |
| Finance costs paid  |       | (72)                   | 0                      |
|   |       | <u>1,359</u>           | <u>1,421</u>           |
| <b>Capital expenditure and financial investment</b>             |       |                        |                        |
| New endowment capital received                                  |       | 543                    | 213                    |
| Payments for tangible fixed assets                              |       | (5,194)                | (1,485)                |
| Proceeds from sales of tangible fixed assets                    |       | 0                      | 242                    |
| Payments for investments  |       | 40                     | 239                    |
|   |       | <u>(4,611)</u>         | <u>(791)</u>           |
| <b>Management of liquid resources</b>                           |       |                        |                        |
| Net (additions to) / withdrawals from term deposits             |       | 428                    | 0                      |
|   |       | <u>428</u>             | <u>0</u>               |
| <b>Financing</b>  |       |                        |                        |
| New bank loans  |       | 4,065                  | 0                      |
|   |       | <u>4,065</u>           | <u>0</u>               |
| <b>Increase/(decrease) in cash in the year</b>                  |       | <u>366</u>             | <u>175</u>             |
| <b>Reconciliation of net cash flow to movement in net funds</b> |       |                        |                        |
| Increase/(decrease) in cash in the year                         |       | 366                    | 175                    |
| Transfers to/(from) term deposits and current investments       |       | (428)                  | 1,902                  |
| (Increase)/decrease in loan and lease finance                   |       | (4,065)                | 0                      |
| <b>Change in net funds</b>                                      |       | <u>(4,127)</u>         | <u>2,077</u>           |
| <b>Net funds at 1 August</b>                                    |       | <u>5,666</u>           | <u>3,589</u>           |
| <b>Net funds at 31 July</b>                                     |       | <u>1,539</u>           | <u>5,666</u>           |

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2011**

**1 INCOME FROM CHARITABLE ACTIVITIES**

|                                   | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Endowed<br>Funds<br>£'000 | 2011<br>Total<br>£'000 | 2010<br>Total<br>£'000 |
|-----------------------------------|--------------------------------|------------------------------|---------------------------|------------------------|------------------------|
| <b>Teaching and research</b>      |                                |                              |                           |                        |                        |
| Tuition fees - UK and EU students | 1,186                          | 0                            | 0                         | 1,186                  | 1,226                  |
| Tuition fees - Overseas students  | 448                            | 0                            | 0                         | 448                    | 436                    |
| Other fees                        | 136                            | 0                            | 0                         | 136                    | 115                    |
| HEFCE support                     | 343                            | 0                            | 0                         | 343                    | 342                    |
| Other academic income             | 318                            | 0                            | 0                         | 318                    | 315                    |
| College residential income        | 1,688                          | 0                            | 0                         | 1,688                  | 1,537                  |
|                                   | <u>4,119</u>                   | <u>0</u>                     | <u>0</u>                  | <u>4,119</u>           | <u>3,971</u>           |

The above analysis includes £1,558k received from Oxford University under the CFF Scheme, net of College fees received directly (2010 - £1,591k)

**2 TRADING INCOME**

|                                   | 2011<br>£'000 | 2010<br>£'000 |
|-----------------------------------|---------------|---------------|
| Subsidiary company trading income | 372           | 0             |
| Other trading income              | 428           | 731           |
|                                   | <u>800</u>    | <u>731</u>    |

**3 INVESTMENT INCOME**

|  | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Endowed<br>Funds<br>£'000 | 2011<br>Total<br>£'000 | 2010<br>Total<br>£'000 |
|--|--------------------------------|------------------------------|---------------------------|------------------------|------------------------|
| Commercial rent                          | 23                             | 37                           | 0                         | 60                     | 58                     |
| Equity dividends                         | 409                            | 637                          | 0                         | 1,046                  | 1,082                  |
| Income from fixed interest stocks        | 102                            | 159                          | 0                         | 261                    | 225                    |
| Interest on fixed term deposits and cash | 25                             | 38                           | 0                         | 63                     | 57                     |
|  | <u>559</u>                     | <u>871</u>                   | <u>0</u>                  | <u>1,430</u>           | <u>1,422</u>           |

**4 BANK AND OTHER INTEREST INCOME**

|                | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Endowed<br>Funds<br>£'000 | 2011<br>Total<br>£'000 | 2010<br>Total<br>£'000 |
|----------------|--------------------------------|------------------------------|---------------------------|------------------------|------------------------|
| Bank interest  | 1                              | 0                            | 0                         | 1                      | 0                      |
| Other interest | 0                              | 0                            | 0                         | 0                      | 0                      |
|                | <u>1</u>                       | <u>0</u>                     | <u>0</u>                  | <u>1</u>               | <u>0</u>               |

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2011**

**5 ANALYSIS OF RESOURCES EXPENDED**

|  | Direct<br>staff costs<br>£'000 | Other<br>direct costs<br>£'000 | Support<br>costs<br>£'000 | 2011<br>Total<br>£'000 | 2010<br>Total<br>£'000 |
|--|--------------------------------|--------------------------------|---------------------------|------------------------|------------------------|
| <b>Costs of generating funds</b>       |                                |                                |                           |                        |                        |
| Fundraising                            | 359                            | 100                            | 24                        | 483                    | 406                    |
| Trading expenditure                    | 2                              | 0                              | 25                        | 27                     | 0                      |
| Investment management costs            | 5                              | 132                            | 12                        | 149                    | 136                    |
| <b>Total costs of generating funds</b> | <b>366</b>                     | <b>232</b>                     | <b>61</b>                 | <b>659</b>             | <b>542</b>             |
| <b>Charitable expenditure</b>          |                                |                                |                           |                        |                        |
| Teaching and research                  | 3,379                          | 2,250                          | 990                       | 6,619                  | 6,363                  |
| <b>Total charitable expenditure</b>    | <b>3,379</b>                   | <b>2,250</b>                   | <b>990</b>                | <b>6,619</b>           | <b>6,363</b>           |
| <b>Governance costs</b>                | <b>27</b>                      | <b>18</b>                      | <b>0</b>                  | <b>45</b>              | <b>47</b>              |
| <b>Total resources expended</b>        | <b>3,772</b>                   | <b>2,500</b>                   | <b>1,051</b>              | <b>7,323</b>           | <b>6,952</b>           |

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contribution is calculated annually in accordance with regulations made by the Council. The teaching and research costs include College Contribution payable of £14k (2010 - £4k).

**6 SUPPORT COSTS**

|                               | Generating<br>Funds<br>£'000 | Teaching<br>and<br>Research<br>£'000 | Public<br>Worship<br>£'000 | Heritage<br>£'000 | 2011<br>Total<br>£'000 | 2010<br>Total<br>£'000 |
|-------------------------------|------------------------------|--------------------------------------|----------------------------|-------------------|------------------------|------------------------|
| Financial and domestic admin  | 24                           | 296                                  | 0                          | 0                 | 320                    | 292                    |
| Human resources               | 0                            | 40                                   | 0                          | 0                 | 40                     | 60                     |
| IT                            | 0                            | 117                                  | 0                          | 0                 | 117                    | 136                    |
| Depreciation                  | 37                           | 465                                  | 0                          | 0                 | 502                    | 479                    |
| Loss/(profit) on fixed assets | 0                            | 0                                    | 0                          | 0                 | 0                      | (25)                   |
| Bank interest payable         | 0                            | 21                                   | 0                          | 0                 | 21                     | 0                      |
| Other finance charges         | 0                            | 51                                   | 0                          | 0                 | 51                     | 0                      |
|                               | <b>61</b>                    | <b>990</b>                           | <b>0</b>                   | <b>0</b>          | <b>1,051</b>           | <b>942</b>             |

Finance and administration and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets. IT costs are attributed according to the underlying utilisation of IT services. Interest and other finance charges are attributed according to the purpose of the related financing.

**7 GRANTS AND AWARDS**

|  | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | 2011<br>Total<br>£'000 | 2010<br>Total<br>£'000 |
|--|--------------------------------|------------------------------|------------------------|------------------------|
| During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows: |                                |                              |                        |                        |
| Scholarships, prizes and grants  | 0                              | 221                          | 221                    | 162                    |
| Bursaries and hardship awards  | 223                            | 0                            | 223                    | 232                    |
| Grants to other institutions   | 0                              | 0                            | 0                      | 0                      |
|  | <b>223</b>                     | <b>221</b>                   | <b>444</b>             | <b>394</b>             |

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2011**

The above costs are included within the charitable expenditure on Teaching and Research.

**8 GOVERNANCE COSTS**

|  | 2011      | 2010      |
|--|-----------|-----------|
|  | £'000     | £'000     |
| <b>Governance costs comprise:</b>              |           |           |
| Auditor's remuneration - audit services        | 17        | 16        |
| Auditor's remuneration - other services        | 0         | 0         |
| Legal and other fees on constitutional matters | 1         | 0         |
| Other governance costs                         | 27        | 31        |
|  | <u>45</u> | <u>47</u> |

No amount has been included in Governance Costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

**9 STAFF COSTS**

|   | 2011         | 2010         |
|---|--------------|--------------|
|   | £'000        | £'000        |
| The aggregate payroll costs for the year were as follows. |              |              |
| Salaries and wages  | 3,276        | 3,361        |
| Social security costs                                     | 255          | 259          |
| Pension costs   | 399          | 362          |
| Other benefits  | 199          | 145          |
|   | <u>4,129</u> | <u>4,127</u> |

The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows.

|                      | 2011      | 2010      |
|----------------------|-----------|-----------|
| Tuition and research | 17        | 21        |
| College residential  | 54        | 51        |
| Fundraising          | 4         | 6         |
| Support              | 1         | 1         |
| Total                | <u>76</u> | <u>79</u> |

The average number of employed College Trustees during the year was as follows.

|                             |           |           |
|-----------------------------|-----------|-----------|
| University Lecturers        | 19        | 19        |
| CUF Lecturers               | 12        | 11        |
| Other teaching and research | 3         | 3         |
| Other                       | 5         | 3         |
| Total                       | <u>39</u> | <u>36</u> |

The College also benefits from temporary staff, agency workers and those part-time external tutors who are not on the College payroll.

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements. There were no employees (excluding the College Trustees) who during the year received gross pay and benefits (excluding employer NI and pension contributions) that were in excess of £60,000 (2010, £nil).

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2011**

**10 TANGIBLE FIXED ASSETS**

| Group                 | Leasehold<br>land and<br>buildings<br>£'000 | Freehold<br>land and<br>buildings<br>£'000 | Plant and<br>Machinery<br>£'000 | Fixtures,<br>Fittings and<br>Equipment<br>£'000 | Total<br>£'000 |
|-----------------------|---|--|---------------------------------|---|----------------|
| <b>Cost</b>           |   |  |                                 |   |                |
| At start of year      | 100   | 15,053                                     | 0                               | 1,145   | 16,298         |
| Additions             | 0   | 9,537                                      | 0                               | 224   | 9,761          |
| <b>At end of year</b> | <b>100</b>                                  | <b>24,590</b>                              | <b>0</b>                        | <b>1,369</b>                                    | <b>26,059</b>  |
| <b>Depreciation</b>   |   |  |                                 |   |                |
| At start of year      | 3   | 3,080                                      | 0                               | 883   | 3,966          |
| Charge for the year   | 1   | 379  | 0                               | 122   | 502            |
| <b>At end of year</b> | <b>4</b>                                    | <b>3,459</b>                               | <b>0</b>                        | <b>1,005</b>                                    | <b>4,468</b>   |
| <b>Net book value</b> |   |  |                                 |   |                |
| At end of year        | 96  | 21,131                                     | 0                               | 364   | 21,591         |
| At start of year      | 97  | 11,973                                     | 0                               | 262   | 12,332         |
| <b>College</b>        |   |  |                                 |   |                |
| <b>Cost</b>           |   |  |                                 |   |                |
| At start of year      | 100   | 15,053                                     | 0                               | 1,145   | 16,298         |
| Additions             | 0   | 9,537                                      | 0                               | 224   | 9,761          |
| <b>At end of year</b> | <b>100</b>                                  | <b>24,590</b>                              | <b>0</b>                        | <b>1,369</b>                                    | <b>26,059</b>  |
| <b>Depreciation</b>   |   |  |                                 |   |                |
| At start of year      | 3   | 3,080                                      | 0                               | 883   | 3,966          |
| Charge for the year   | 1   | 379  | 0                               | 122   | 502            |
| <b>At end of year</b> | <b>4</b>                                    | <b>3,459</b>                               | <b>0</b>                        | <b>1,005</b>                                    | <b>4,468</b>   |
| <b>Net book value</b> |   |  |                                 |   |                |
| At end of year        | 96  | 21,131                                     | 0                               | 364   | 21,591         |
| At start of year      | 97  | 11,973                                     | 0                               | 262   | 12,332         |

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.



**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2011**

**11 PROPERTY INVESTMENTS**

| Group and College                      | Agricultural | Commercial | Other    | 2011           | 2010           |
|--|--------------|------------|----------|----------------|----------------|
|  | £'000        | £'000      | £'000    | Total<br>£'000 | Total<br>£'000 |
| Valuation at start of year             | 0            | 665        | 0        | 665            | 665            |
| Additions and improvements at cost     | 0            | 0          | 0        | 0              | 0              |
| Disposals net proceeds                 | 0            | 0          | 0        | 0              | 0              |
| Revaluation gains/(losses) in the year | 0            | 0          | 0        | 0              | 0              |
| <b>Valuation at end of year</b>        | <b>0</b>     | <b>665</b> | <b>0</b> | <b>665</b>     | <b>665</b>     |

A formal valuation of the commercial property was prepared by Mr Rupert Sheppard MRICS of Cluttons Styles & Whitlock as at 31 July 2009. In the opinion of the College Treasurer, no significant change in the value of the property has occurred since that date.

**12 SECURITIES AND OTHER INVESTMENTS**

|   | 2011          | 2010          |
|---|---------------|---------------|
|   | £'000         | £'000         |
| <b>Group investments</b>                    |               |               |
| Valuation at start of year                  | 32,289        | 28,437        |
| New money invested                          | 404           | 297           |
| Amounts withdrawn                           | (321)         | 0             |
| Reinvested income                           | 0             | 0             |
| Investment management fees                  | (123)         | (107)         |
| (Decrease)/increase in value of investments | 3,184         | 3,662         |
| <b>Group investments at end of year</b>     | <b>35,433</b> | <b>32,289</b> |
| Investment in subsidiaries                  | 0             | 0             |
| <b>College investments at end of year</b>   | <b>35,433</b> | <b>32,289</b> |

| Group investments comprise:       | Held outside  | Held in       | 2011          | 2010          |
|-----------------------------------|---------------|---------------|---------------|---------------|
|                                   | the UK        | the UK        | Total         | Total         |
|                                   | £'000         | £'000         | £'000         | £'000         |
| Equity investments                | 8,712         | 12,717        | 21,429        | 19,800        |
| Global multi-asset funds          | 0             | 5,136         | 5,136         | 4,576         |
| Property funds                    | 0             | 652           | 652           | 635           |
| Fixed interest stocks             | 1,144         | 4,396         | 5,540         | 5,024         |
| Alternative and other investments | 1,199         | 823           | 2,022         | 1,783         |
| Fixed term deposits and cash      | 0             | 654           | 654           | 471           |
| <b>Total group investments</b>    | <b>11,055</b> | <b>24,378</b> | <b>35,433</b> | <b>32,289</b> |

**Somerville College**  
**Notes to the financial statements**  
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**13 SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in Somerville College Trading Limited, a company providing conference and other event services on the College premises. The Company was incorporated on 16th November 2010 and commenced trading in March 2011.

The results of the subsidiary and its assets and liabilities at the year end were as follows.

|                                    | Somerville<br>College<br>Trading<br>£'000 |
|------------------------------------|---|
| Turnover                           | 436                                       |
| Expenditure                        | (422)                                     |
| Donation to College under gift aid | (14)                                      |
| Result for the year                | <u>0</u>                                  |
| Total assets                       | 475                                       |
| Total liabilities                  | (475)                                     |
| Net funds at the end of year       | <u>0</u>                                  |

**14 DEBTORS**

|  | 2011<br>Group<br>£'000 | 2010<br>Group<br>£'000 | 2011<br>College<br>£'000 | 2010<br>College<br>£'000 |
|--|------------------------|------------------------|--------------------------|--------------------------|
| <b>Amounts falling due within one year:</b>          |                        |                        |                          |                          |
| Trade debtors  | 251                    | 115                    | 80                       | 115                      |
| Amounts owed by College members                      | 8                      | 37                     | 8                        | 37                       |
| Amounts owed by Group undertakings                   | 0                      | 0                      | 331                      | 0                        |
| Loans repayable within one year                      | 100                    | 100                    | 100                      | 100                      |
| Prepayments and accrued income                       | 203                    | 201                    | 203                      | 201                      |
| Other Debtors  | 353                    | 312                    | 353                      | 312                      |
| <b>Amounts falling due after more than one year:</b> |                        |                        |                          |                          |
| Loans  | 0                      | 0                      | 0                        | 0                        |
|  | <u>915</u>             | <u>765</u>             | <u>1,075</u>             | <u>765</u>               |

**15 CREDITORS: falling due within one year**

|                                 | 2011<br>Group<br>£'000 | 2010<br>Group<br>£'000 | 2011<br>College<br>£'000 | 2010<br>College<br>£'000 |
|---------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Trade creditors                 | 382                    | 364                    | 298                      | 364                      |
| Amounts owed to College Members | 59                     | 52                     | 59                       | 52                       |
| Taxation and social security    | 177                    | 158                    | 119                      | 158                      |
| College contribution            | 13                     | 9                      | 14                       | 9                        |
| Accruals and deferred income    | 4,768                  | 758                    | 4,765                    | 758                      |
| Other creditors                 | 229                    | 174                    | 229                      | 174                      |
|                                 | <u>5,628</u>           | <u>1,515</u>           | <u>5,484</u>             | <u>1,515</u>             |

**Somerville College**  
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**16 CREDITORS: falling due after more than one year**

|            | 2011<br>Group<br>£'000 | 2010<br>Group<br>£'000 | 2011<br>College<br>£'000 | 2010<br>College<br>£'000 |
|------------|------------------------|------------------------|--------------------------|--------------------------|
| Bank loans | 4,065                  | 0                      | 4,065                    | 0                        |
|            | <u>4,065</u>           | <u>0</u>               | <u>4,065</u>             | <u>0</u>                 |

The bank loan is an unsecured 30 year term facility, with variable interest at 1% above LIBOR plus mandatory cost.

**17 FUNDS OF THE COLLEGE MOVEMENTS**

|                                     | At 1 August<br>2010<br>£'000 | Incoming<br>resources<br>£'000 | Resources<br>expended<br>£'000 | Transfers<br>£'000 | Gains/<br>(losses)<br>£'000 | At 31 July<br>2011<br>£'000 |
|-------------------------------------|------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|-----------------------------|
| <b>Endowment Funds - Permanent</b>  |                              |                                |                                |                    |                             |                             |
| <b>1. Fellowship funding:</b>       |                              |                                |                                |                    |                             |                             |
| Fellowship Endowment Fund           | 1,091                        | 1                              |                                |                    | 87                          | 1,179                       |
| Other funds less than £500,000      | 638                          | 26                             |                                |                    | 52                          | 716                         |
| <b>2. Academic awards:</b>          |                              |                                |                                |                    |                             |                             |
| Funds less than £500,000            | 752                          |                                |                                |                    | 60                          | 812                         |
| <b>3. Student support:</b>          |                              |                                |                                |                    |                             |                             |
| Funds less than £500,000            | 417                          |                                |                                |                    | 33                          | 450                         |
| <b>4. Other funds:</b>              |                              |                                |                                |                    |                             |                             |
| College Capital Fund                | 1,610                        |                                |                                |                    | 129                         | 1,739                       |
| <b>Total endowment permanent</b>    | <u>4,508</u>                 | <u>27</u>                      | <u>0</u>                       | <u>0</u>           | <u>361</u>                  | <u>4,896</u>                |
| <b>Endowment Funds - Expendable</b> |                              |                                |                                |                    |                             |                             |
| <b>1. Fellowship funding:</b>       |                              |                                |                                |                    |                             |                             |
| Centenary Appeal Fund               | 503                          |                                |                                |                    | 40                          | 543                         |
| E.P.A.Cephalosporin Fund            | 674                          |                                |                                |                    | 54                          | 728                         |
| A & W Cobbe Fund Fund               | 2,567                        |                                |                                |                    | 206                         | 2,773                       |
| L.Labowsky Fund 1992                | 564                          |                                |                                |                    | 46                          | 610                         |
| Mitchell Fund                       | 1,720                        |                                |                                |                    | 137                         | 1,857                       |
| Carlisle & C.A.Lee Fund             | 557                          |                                |                                |                    | 44                          | 601                         |
| Ernest Cook Fund                    | 629                          |                                |                                |                    | 50                          | 679                         |
| Mary Ewart Trust Fund               | 756                          |                                |                                |                    | 61                          | 817                         |
| Rose Graham Fund                    | 1,076                        |                                |                                |                    | 86                          | 1,162                       |
| Daphne Osborne Fund                 | 3,971                        |                                |                                |                    | 318                         | 4,289                       |
| C. & D. Roaf Fund                   | 855                          |                                |                                |                    | 68                          | 923                         |
| Mary Snow Fellowship Fund           | 1,050                        |                                |                                |                    | 84                          | 1,134                       |
| Mary Somerville Research Fund       | 684                          |                                |                                |                    | 54                          | 738                         |
| Margaret Thatcher Fund              | 772                          |                                |                                |                    | 63                          | 835                         |
| K & L Woolley Fund Fund             | 622                          |                                |                                |                    | 50                          | 672                         |
| Wolfson Fund                        | 472                          |                                |                                |                    | 38                          | 510                         |
|                                     | <u>17,472</u>                | <u>0</u>                       | <u>0</u>                       | <u>0</u>           | <u>1,399</u>                | <u>18,871</u>               |
| Other funds less than £500,000      | 3,587                        | 2                              |                                |                    | 289                         | 3,878                       |
|                                     | <u>21,059</u>                | <u>2</u>                       | <u>0</u>                       | <u>0</u>           | <u>1,688</u>                | <u>22,749</u>               |
| <b>2. Academic awards:</b>          |                              |                                |                                |                    |                             |                             |
| Janet Watson Fund                   | 557                          |                                |                                |                    | 44                          | 601                         |
| Other funds less than £500,000      | 2,598                        |                                |                                |                    | 209                         | 2,807                       |
|                                     | <u>3,155</u>                 | <u>0</u>                       | <u>0</u>                       | <u>0</u>           | <u>253</u>                  | <u>3,408</u>                |
| <b>3. Student Support:</b>          |                              |                                |                                |                    |                             |                             |
| Bursary Fund                        | 805                          | 229                            |                                |                    | 64                          | 1,098                       |
| Dame Emily Penrose Fund             | 529                          |                                |                                |                    | 43                          | 572                         |
| Other funds less than £500,000      | 1,616                        | 275                            |                                |                    | 128                         | 2,019                       |
|                                     | <u>2,950</u>                 | <u>504</u>                     | <u>0</u>                       | <u>0</u>           | <u>235</u>                  | <u>3,689</u>                |

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2011**

**17 FUNDS OF THE COLLEGE MOVEMENTS cont.**

|  | At 1 August<br>2010<br>£'000 | Incoming<br>resources<br>£'000 | Resources<br>expended<br>£'000 | Transfers<br>£'000 | Gains/<br>(losses)<br>£'000 | At 31 July<br>2011<br>£'000 |
|--|------------------------------|--------------------------------|--------------------------------|--------------------|-----------------------------|-----------------------------|
| <b>Endowment Funds - Expendable</b>      |                              |                                |                                |                    |                             |                             |
| <b>4. Other funds:</b>                   |                              |                                |                                |                    |                             |                             |
| General Endowment Fund                   | 2,108                        | 10                             |                                |                    | 169                         | 2,287                       |
| C A Lee Fund                             | 487                          |                                |                                |                    | 39                          | 526                         |
| Other funds less than £500,000           | 1,573                        |                                |                                |                    | 128                         | 1,701                       |
| Less transfer to FA designated           | 0                            |                                |                                |                    |                             | 0                           |
|  | <u>4,168</u>                 | <u>10</u>                      | <u>0</u>                       | <u>0</u>           | <u>336</u>                  | <u>4,514</u>                |
| <b>Total endowment funds, expendable</b> | <b>31,332</b>                | <b>516</b>                     | <b>0</b>                       | <b>0</b>           | <b>2,512</b>                | <b>34,360</b>               |
| <b>Total Endowment Funds</b>             | <b>35,842</b>                | <b>543</b>                     | <b>0</b>                       | <b>0</b>           | <b>2,871</b>                | <b>39,256</b>               |
| <b>Restricted Funds</b>                  |                              |                                |                                |                    |                             |                             |
| Endowment income                         | 1,988                        | 870                            | (844)                          |                    | 159                         | 2,173                       |
| ROQ Building project appeal              | 843                          | 877                            |                                |                    |                             | 1,720                       |
| Other restricted funds                   | 301                          | 126                            | (69)                           |                    |                             | 358                         |
|  |                              |                                |                                |                    |                             | 0                           |
| <b>Total Restricted Funds</b>            | <b>3,132</b>                 | <b>1,873</b>                   | <b>(913)</b>                   | <b>0</b>           | <b>159</b>                  | <b>4,251</b>                |
| <b>Unrestricted Funds</b>                |                              |                                |                                |                    |                             |                             |
| General funds:                           |                              |                                |                                |                    |                             |                             |
| Unrestricted                             | 10,079                       | 6,038                          | (6,410)                        |                    | 61                          | 9,768                       |
| Designated Funds                         | 1,166                        |                                |                                |                    | 93                          | 1,259                       |
| Fixed asset designated funds             |                              |                                |                                |                    |                             | 0                           |
| <b>Total Unrestricted Funds</b>          | <b>11,245</b>                | <b>6,038</b>                   | <b>(6,410)</b>                 | <b>0</b>           | <b>154</b>                  | <b>11,027</b>               |
| <b>Total Funds</b>                       | <b>50,219</b>                | <b>8,454</b>                   | <b>(7,323)</b>                 | <b>0</b>           | <b>3,184</b>                | <b>54,534</b>               |

**18 FUNDS OF THE COLLEGE DETAILS**

The following is a summary of the origins and purposes of each of the Funds

**Endowment Funds - Permanent:**

Fellowship Endowment Fund

A fund established for the purpose of building up a general endowment of official stipends.

**Endowment Funds - Expendable:**

Centenary Appeal Fund

An appeal established to mark the College's centenary, income currently used towards Tutorial Fellowship funding.

E.P.A.Cephalosporin

Established by gifts from the E.P.A.Cephalosporin fund to recognise Dorothy Hodgkin's association with the College, and used to fund Tutorial fellowship costs in medical, biological or chemical sciences.

A & W Cobbe Fund

Established from a bequest, used to fund tutorial costs in mathematics.

L.Labowsky Fund

Established from a bequest, used to fund a fellowship in English language & literature.

Mitchell Fund

A gift and subsequent legacy, the income to be used towards the stipend of a Tutorial Fellow in English, and thereafter for general purposes.

Carlisle & C.A.Lee Fund

A fund established from several bequests, income from which funds the cost of special leave by Tutorial Fellows.

Ernest Cook Fund

Established by benefaction to endow a research fellowship in environmental studies.

Mary Ewart Trust Fund

A fund used to provide scholarships and travelling grants and to fund the stipend of a research fellowship

Rose Graham Fund

Established from a bequest, used to fund a fellowship in European or English History prior to 1700.

Daphne Osborne Fund

Established from a bequest, used to fund a fellowship in Physical and/or Biological Sciences

C. & D. Roaf Fund

Gifts used to support the study and teaching of Modern Languages

Mary Snow Fellowship

A gift used to contribute towards the stipend of a Tutorial Fellow in the Biological Sciences

Mary Somerville Res. Fund

A fund established from donations to cover the stipend of a Research Fellowship.

Margaret Thatcher

Established to fund the teaching of Chemistry and Law

**Somerville College**  
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**18 FUNDS OF THE COLLEGE DETAILS cont.**

|                                |  |
|--------------------------------|--|
| K & L Woolley Fund             | Established by a bequest, used to provide a Scholarship or Fellowship in near, Middle-East Mediterranean or Far East Archaeology   |
| Wolfson Fund                   | A gift from the Wolfson Foundation used to endow a tutorial fellowship in the Natural Sciences.  |
| <b>Restricted Funds:</b>       |  |
| 1. Permanent endowment income  | Income generated from permanent endowment funds, available for current and future costs as restricted by the underlying endowment fund.  |
| 2. Expendable endowment income | Income generated from expendable endowment funds, available for current and future costs as restricted by the underlying endowment fund.   |
| 3. ROQ Building project appeal | Gifts and legacies received in connection with the College Appeal, for use in contributing towards the costs of new accommodation buildings on the Radcliffe Observatory Quarter |
| <b>Designated Funds</b>        |  |
| Designated Other               | Unrestricted Funds allocated by the Fellows for current and future costs of related to particular purposes.  |

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

**19 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                                  | Unrestricted<br>Funds<br>£'000 | Restricted<br>Funds<br>£'000 | Endowment<br>Funds<br>£'000 | Total<br>£'000       |
|----------------------------------|--------------------------------|------------------------------|-----------------------------|----------------------|
| Tangible fixed assets            | 19,870                         | 1,720                        | 0                           | <b>21,590</b>        |
| Property investments             | 0                              | 0                            | 665                         | <b>665</b>           |
| Securities and other investments | 0                              | 0                            | 35,433                      | <b>35,433</b>        |
| Endowment investment in College  | (1,549)                        | 0                            | 1,549                       | <b>0</b>             |
| Net current assets               | 0                              | 2,531                        | 1,609                       | <b>4,140</b>         |
| Fixed asset liabilities          | (3,229)                        | 0                            | 0                           | <b>(3,229)</b>       |
| Long-term bank loan              | (4,065)                        | 0                            | 0                           | <b>(4,065)</b>       |
|                                  | <u>11,027</u>                  | <u>4,251</u>                 | <u>39,256</u>               | <u><b>54,534</b></u> |

**20 TRUSTEES' REMUNERATION**

The trustees of the college comprise the governing body, primarily fellows who are teaching and research employees of the college and who sit on governing body by virtue of their employment.

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. Where appropriate, these salaries are paid on external scales and are often joint arrangements with the University of Oxford. Other salaries are set after consideration by the Remuneration Committee.

Trustees of the college fall into the following categories:

- The Principal
- Administrative Fellows
- Tutorial Fellows
- Professorial Fellows
- Additional Fellows

Six trustees (the Principal, the Treasurer, the Domestic Bursar, the Development Director and the Librarian) work full time on management and fundraising.

Employed trustees, are eligible for college housing schemes. Four trustees live in houses owned by the college and have a deduction from salary as 'rent'. Others may be eligible for a housing allowance which is disclosed within the salary figures below. Seven trustees live in houses owned jointly with the college. Three such houses were bought during the year.

**Somerville College**  
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**20 TRUSTEES' REMUNERATION cont.**

Some trustees receive additional allowances for additional work carried out as part time college officers, such as the Dean, the Dean of Degrees and the Archivist. These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,271,203 (2009-10 £1,063,367). The total of pension contributions is £207,339 (2009-10 £168,263).

**Remuneration paid to trustees**

| Range           | 2010-2011                    |   | 2009-2010                    |   |
|-----------------|------------------------------|---|------------------------------|---|
|                 | Number of trustees / fellows | Gross remuneration, taxable benefits and pension contributions<br>£ | Number of trustees / fellows | Gross remuneration, taxable benefits and pension contributions<br>£ |
| £2,000-£2,999   |                              |   | 1                            | 2,948   |
| £7,000-£7,999   | 1                            | 7,584   | 1                            | 7,852   |
| £15,000-£15,999 | 2                            | 31,443  |                              |   |
| £16,000-£16,999 |                              |   | 1                            | 16,446  |
| £17,000-£17,999 | 4                            | 70,449  | 4                            | 69,741  |
| £18,000-£18,999 | 3                            | 55,794  | 9                            | 167,527   |
| £19,000-£19,999 | 10                           | 190,789   | 3                            | 59,082  |
| £20,000-£20,999 |                              |   | 1                            | 20,809  |
| £30,000-£31,999 | 1                            | 31,108  |                              |   |
| £36,000-£36,999 |                              |   | 1                            | 36,635  |
| £37,000-£37,999 | 2                            | 75,158  |                              |   |
| £39,000-£39,999 | 1                            | 39,927  | 1                            | 39,670  |
| £41,000-£41,999 | 1                            | 41,055  |                              |   |
| £42,000-£42,999 |                              |   | 1                            | 42,855  |
| £44,000-£44,999 | 1                            | 44,357  |                              |   |
| £45,000-£45,999 | 1                            | 45,989  | 2                            | 90,930  |
| £47,000-£47,999 | 1                            | 47,798  | 2                            | 95,722  |
| £48,000-£48,999 | 5                            | 242,645   | 3                            | 144,633   |
| £50,000-£50,999 | 1                            | 50,993  | 1                            | 50,404  |
| £52,000-£52,999 |                              |   | 1                            | 52,669  |
| £54,000-£54,999 | 1                            | 54,120  |                              |   |
| £59,000-£59,999 | 1                            | 59,142  |                              |   |
| £65,000-£65,999 | 1                            | 65,380  |                              |   |
| £71,000-£71,999 | 1                            | 71,505  |                              |   |
| £74,000-£74,999 | 1                            | 74,953  | 1                            | 74,281  |
| £76,000-£76,999 |                              |   | 1                            | 76,116  |
| £86,000-£86,999 |                              |   | 1                            | 86,001  |
| £88,000-£88,999 | 1                            | 88,327  |                              |   |
| £90,000-£90,999 | 1                            | 90,026  |                              |   |
| £97,000-£97,999 |                              |   | 1                            | 97,309  |

5 trustees are not employees of the College and do not receive remuneration.

All trustees may eat at common table, as can all other employees who are entitled to meals while working.

**Trustee expenses**

No fellow claimed any expenses for work as a trustee.

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2011**

**21 PENSION SCHEMES**

The College participates in two pension schemes on behalf of its staff: the Universities Superannuation Scheme ("the USS"), a contributory defined benefit scheme and a group personal pension scheme operated by Friends Provident Life and Pensions Limited. The USS scheme provides benefits based on length of service and final pensionable salary) and is contracted out from the State Second Pension Scheme. The assets of USS are held in separate trustee-administered funds.

The USS scheme 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. Therefore, as required by the accounting standard FRS17 "Retirement Benefits", the College accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme in respect of the accounting period.

In September 2005 the government introduced legislation that an employer may not withdraw from a multi-employer scheme without funding (to a specified level) its share of any pension liability in the scheme. The funding level specified is the amount required to buy-out the liabilities with an insurance company, and is commonly known as the 'buy-out debt' or 'section 75 debt'. The buy-out debt is a more onerous funding requirement than the scheme's own cautious assumptions and the sums involved can be very substantial.

The latest actuarial valuation of the USS was carried out at 31 March 2008 and published in February 2009. This valuation showed the scheme assets to represent 103% of the scheme liabilities at that date. Based on this valuation the actuary recommended an employer contribution rate of 16% with an employee contribution rate of 6.35%.

The full valuation is available on the USS website,  
[http://www.uss.co.uk/Actuarial%20Valuation/actuarial\\_valuation\\_2008.pdf](http://www.uss.co.uk/Actuarial%20Valuation/actuarial_valuation_2008.pdf)

The next actuarial valuation of the USS took place at 31 March 2011 and should be published early in 2012. In addition, a national review of the future of the USS is currently underway.

The pension charge for the year includes contributions payable to the USS of £267,000 (2010 - £225,000) and contributions payable to the Friends Life scheme of £132,000 (2010 - £133,000). At 31 July 2011, no value was accrued in respect of pension contributions (2010 - £nil).

**22 TAXATION**

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary company because the directors of this company have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

**23 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS**

|  | 2011<br>£'000 | 2010<br>£'000 |
|--|---------------|---------------|
| <b>Net incoming resources for the year</b>       | <b>1,131</b>  | <b>835</b>    |
| Elimination of non-operating cash flows:         |               |               |
| - Investment income                              | (1,431)       | (1,422)       |
| - Endowment donations                            | (543)         | (213)         |
| - Financing costs                                | 72            | 0             |
| Depreciation                                     | 502           | 478           |
| (Surplus)/loss on sale of fixed assets           | 0             | (25)          |
| Decrease/(Increase) in stock                     | (2)           | 5             |
| Decrease/(Increase) in debtors                   | (150)         | 54            |
| (Decrease)/Increase in creditors                 | (454)         | (167)         |
| <b>Net cash inflow/(outflow) from operations</b> | <b>(875)</b>  | <b>(455)</b>  |

**Somerville College**  
**Notes to the financial statements**  
**For the year ended 31 July 2011**

**24 ANALYSIS OF CHANGES IN NET FUNDS**

|   | 2010<br>£'000 | Cash flow<br>£'000 | 2011<br>£'000 |
|---|---------------|--------------------|---------------|
| Cash at bank and in hand                  | 204           | 366                | 570           |
| Bank overdrafts                           | 0             | 0                  | 0             |
|   | <u>204</u>    | <u>366</u>         | <u>570</u>    |
| Deposits and other short term investments | 5,462         | (428)              | 5,034         |
| Bank loans due after one year             | 0             | (4,065)            | (4,065)       |
|   | <u>5,666</u>  | <u>(4,127)</u>     | <u>1,539</u>  |

**25 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £2.2 million (2010 - £9.4 million).

**26 RELATED PARTY TRANSACTIONS**

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS8 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 8, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

The following trustee had loans outstanding from the College at the start and/or end of the year.

|               | 2011<br>£'000  | 2010<br>£'000  |
|---------------|----------------|----------------|
| Dr B Thompson | <u>100,000</u> | <u>100,000</u> |

Interest is charged on the above loans at 4% per annum. The loan is repayable within 13 years or on the departure of the trustee from the College if earlier.

The College has properties with the followings net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

|              | 2011<br>£'000 | 2010<br>£'000 |
|--------------|---------------|---------------|
| F Stafford   | 83            | 85            |
| P West       | 136           | 139           |
| A Sutherland | 128           | 131           |
| M Hayward    | 90            | 92            |
| A Rogers     | 197           | -             |
| M Higgins    | 164           | -             |
| A Manuel     | 199           | -             |

All joint equity properties are subject to sale on the departure of the trustee from the College. The trustees pay rent to the College on the College owned share of the properties at the assessed current market rate.

**27 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31st July 2011.

**28 POST BALANCE SHEET EVENTS**

There were no events subsequent to 31st July that materially affect the understanding of these accounts.