

# St Hugh's College

Annual Report and Financial Statements

Year ended 31 July 2011

**ST HUGH'S COLLEGE**  
**Annual Report and Financial Statements**  
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# ST HUGH'S 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 Governors during the year or subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)
Mr A Dilnot (Principal)		•	•	•	•	
Professor J F Morris	(retired)					
Dr J F Iles					•	
Professor D B Robertson						
Professor A Watts						
Dr J C Robertson	(resigned)					
Dr M B Holland						•
Mrs M Clapinson	(retired)					
Professor A L Harris						
Professor A W Moore				•		
Dr G S Garnett				•		
Dr T M Kuhn						
Professor J T Chalker						
Professor K R Plunkett						
Professor M B Giles			•			•
Dr J Kathirithamby						
Professor J S Getzler						
Dr L L Wong						
Dr G A Stellardi						
Professor P J Mitchell						
Professor P D McDonald						
Professor J K-H Quah				•		
Mrs S J Vainker						
Professor S R Duncan						
Professor A S Burrows	(resigned)					
Professor R K Westbrook						
Dr S Paseta						
Dr R G Grainger			•	•		•
Dr C J Stevens						
Dr M R Macnair				•		
Dr C Wilson				•		
Professor I A Walmsley						
Dr T C B Rood				•		
Dr A Harnden		•				
Mr R Ovenden						•
Dr N E R Perkins						
Ms M Kerr		•	•		•	
Professor T C Powell						
Professor A Halliday						
Dr J Martin						
Dr P Tarres						
Dr E J Emerson		•		•	•	
Professor J Gershuny						
Dr C Besson	(resigned)					
Dr C Capelli		•				
Professor D P Marshall						•
Dr R Lewis						

# ST HUGH'S COLLEGE

## Governing Body, Officers and Advisers

Year ended 31 July 2011

Dr G McClymont	(resigned)					
Dr R Perera						
Professor X Zhou						
Mr P R C Marshall		•				
Dr P Healy	(resigned)					
Professor E E Leach						
Mr G Loutzenhiser		•				
Dr S J Conway		•				
Dr M Friedman						
Dr A Hammond						
Dr P Blunsom						
Dr R Baker	(elected)					
Dr H Gazzard	(elected)					
Dr M Pattenden	(elected)					
Dr E Mann	(elected)					
<b>External Committee Members</b>						
Mr R Forrester			•			•
Dr M Lunn						•
Ms R Hedley Miller						•

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) Finance Committee
- (2) Investment Committee
- (3) Academic Committee
- (4) Risk Committee
- (5) Remuneration Committee

### COLLEGE SENIOR STAFF

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

A Mr A Dilnot	<i>Principal</i>
B Dr J F Iles	<i>Vice Principal</i>
C Ms M Kerr	<i>Bursar</i>
D Dr E J Emerson	<i>Senior Tutor</i>

### COLLEGE ADVISERS

#### Investment managers

BlackRock Advisors (UK) Limited  
Murray House  
1 Royal Mint Court  
London  
EC3N 4HH

Oxford University Endowment Management Limited  
King Charles House  
Park End Street  
Oxford  
OX1 1JD

**ST HUGH'S COLLEGE**

**Governing Body, Officers and Advisers**

**Year ended 31 July 2011**

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**Auditor**

Critchleys LLP  
Chartered Accountants  
Greyfriars Court  
Paradise Square  
Oxford  
OX1 1BE

**Bankers**

Barclays Bank PLC  
P O Box 299  
Birmingham  
B1 3PF

**College address**

St Margaret's Road  
Oxford  
OX2 6LE

**Website** [www.st-hughs.ox.ac.uk/](http://www.st-hughs.ox.ac.uk/)

## ST HUGH'S 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

St Hugh's College in the University of Oxford, which is known as St Hugh's College, ("the College") is an eleemosynary chartered charitable corporation aggregate. The College was opened in 1886 by Miss Elizabeth Wordsworth under the title of St Hugh's Hall as a society for women students to study for Oxford examinations.

The College registered with the Charities Commission on 6<sup>th</sup> January 2011 (registered number 1139717).

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 College is governed by its Charter, Statutes and Bylaws. In 1891 St Hugh's Hall was placed under the management of a council: it was constituted under a deed of Trust in 1894, and incorporated in 1911 under the Companies (Consolidation) Act (1908) under the title of St Hugh's College. On 1 November 1910 it was recognised by Decree of Convocation, and in 1920 it was admitted to the privileges of *Statt. Tit. XXIII Of Women Students*. In 1926 the College was incorporated under Royal Charter in the style of 'The Council of St Hugh's College', the exercise of the powers thereby conferred being vested entirely in the Council, and the composition of the first Council being duly defined. Since 1951 the Council has consisted of the Principal and Fellows. By a statute approved in Congregation on 3 November 1959 the College was admitted to all the rights and privileges of other colleges in the University of Oxford. In a supplemental charter and new statutes dated 1960 the corporate designation is given as 'The Principal and Fellows of St Hugh's College in the University of Oxford'. In 1977 new college statutes were approved to allow the election of men as fellows and in 1986 the Charter was amended to permit the admission of male undergraduates and graduates.

##### 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 was Lord Rodger of Earlsferry, PC, FBA, FRSE during the year 2010/11. 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, 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 5 main 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 Bursar and the provision of a comprehensive set of reference documents.

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

## ST HUGH'S COLLEGE

### Report of the Governing Body

Year ended 31 July 2011

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#### Organisational management

The members of the Governing Body meet 9 times a year. The work of developing their policies and monitoring the implementation of these is carried out by 5 main committees:

- The 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; annual review of all charges made by the College; review of policy relating to conferences; review of salaries for all College employees and others paid by the College.

- The Investment Committee

Responsibility for review and provision of advice to Governing Body, through Finance Committee, on the investments of the College and the appropriate level of income drawdown.

- The Academic Committee

Responsibility for general planning in academic matters; the appropriateness of the existing establishment of Tutors and Lecturers to the current academic needs of the College; recommending the use of funds available for the purpose of research; presentation to Governing Body of annual reports from Junior Research Fellows and holders of research awards; general responsibility for the supervision of graduate studies.

- The Risk Committee

Responsibility for the review, monitoring and reporting of major risks to the College, and recommendation to Governing Body of actions to mitigate those risks.

- The Remuneration Committee

Review and recommendation to Governing Body through Finance Committee, of remuneration and conditions of employment of Fellows/members of Governing Body and advice to Finance Committee on the framework of pay and conditions of senior non academic staff whose detailed pay and conditions are determined by the Principal and Bursar.

The day-to-day running of the College is delegated to the Principal, the Bursar and the Senior Tutor.

#### Group structure and relationships

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

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

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 Risk Committee, chaired by the Principal or a nominated member of Governing Body. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Committee. In addition, the Bursar and department heads meet regularly to review health and safety issues. Training courses and other forms of career development are provided to members of staff to enhance their skills in risk-related areas.

## ST HUGH'S COLLEGE

### Report of the Governing Body

Year ended 31 July 2011

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The Governing Body, which has ultimate responsibility for managing any risks faced by the College, has given consideration to the major risks to which the College and its subsidiary are exposed and has 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 members of the University of Oxford the protection and training of an Academic House, conducted according to the principles of the Church of England, but with full provision for the liberty of those who are not members.
- To do all such other things as are incidental or conducive to advancing education, learning and research in Oxford or elsewhere

#### Public benefit

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 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:

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 400 undergraduate and 200 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 Chaplain 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.

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

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## ST HUGH'S COLLEGE

### Report of the Governing Body

Year ended 31 July 2011

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In order 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. 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. On a discretionary basis, 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.

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

#### **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.

The focus of the College is strongly academic and students need to satisfy high academic entry requirements. In order to assist undergraduates entitled to financial 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 94; 52 of the awards were at the maximum value of £3,225; and the average value of the awards was £2,331. That 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 in 2010/11 for this purpose was £75,584.

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 £17,580.

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 £22,233 of hardship loans and grants and provided £81,221 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.

#### **ACHIEVEMENTS AND PERFORMANCE**

The College has continued to provide an extremely high level of education to undergraduate students and to offer a thriving environment for research and teaching, alongside providing an extremely high level of pastoral and administrative support for undergraduate students, graduate students, Fellows, Lecturers and tutors.

##### Degrees

103 students successfully completed undergraduate degrees and 46 graduate students successfully completed taught Master's degrees.

##### Library provision and circulation

The College has worked during the last year to develop and improve access to Library resources, introducing a new stock management system, simplifying borrowing procedures and producing easy-to-use manuals and guides. Circulation has increased as a result.

## ST HUGH'S COLLEGE

### Report of the Governing Body

Year ended 31 July 2011

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#### Student recruitment and widening participation

The College continues to work with schools and colleges to encourage able students to consider Oxford and St Hugh's. Tutors and current students work together to visit schools and colleges and arrange visits to St Hugh's, offering introductory talks about Oxford and university, alongside 'taster' tutorial sessions. The College continues to work with 'Teach First' to offer bursaries to St Hugh's students taking part in teaching programmes in underprivileged schools and to arrange programmes of visits and information for students from those schools.

#### Early-career development

The College continues its drive to recruit early-career academics to 'Career Development Fellowships' (CDFs). Three new CDFs joined the College, and the Development Office has successfully secured funds to enable the College to recruit to another two CDF posts in the coming year.

#### Research Environment

The College continues to provide funding and assistance to its Fellows to enable them to continue to produce world-class research, ranging from attendance at conference and networking events to providing research assistance, periods of sabbatical leave for specific projects and the opportunity to hold academic networking events in college.

#### Chapel

The Chapel continues to provide for religious worship and also to offer the opportunity for students to join its choir.

#### 125<sup>th</sup> anniversary

The College celebrated its 125<sup>th</sup> anniversary. As well as recognising the achievements of St Hugh's since its foundation, a successful weekend of celebrations enabled the College to bring back former students in large numbers. Alongside social activities (including musical concerts and a chapel service) former students engaged in discussions led by academics about the future of academic research and teaching in the UK.

#### Development

The College has continued an intensive programme of Alumni Relations engagement and fundraising. As a result participation rates have increased to more than 20%. During the year £192,389 was raised for student support, £413,704 towards teaching costs and £5,285,000 towards a new building.

#### New building plans

The College has reached the stage of having its application for a new building considered by the planning authorities. If successful, this application will enable us to provide more accommodation for our graduate students on site, and also to work closely with the Oxford University China Centre to provide a shared site for China studies in Oxford.

#### Conference Business

Despite a difficult economic environment and increased competition, occupancy rates were maintained and the gross income from this business exceeded £1.4m, to make a vital contribution towards the College's academic aims and activities.

# ST HUGH'S COLLEGE

## Report of the Governing Body

Year ended 31 July 2011

### FINANCIAL REVIEW

Total income rose by £4.5m (52%) and total expenditure increased by £365k (5%) compared with the previous year. This resulted in an operational surplus before investment gains of £5m compared to a £847k surplus for the previous year. Legacies and donations increased from £1.7m to £6.2m due to a single donation of £5m for a new building. This donation is almost entirely responsible for the growth of restricted funds from £2.5m to £7.8m. Total bank borrowings reduced by £266k to £5.2million.

#### Operations, funding and capital expenditure

The charitable activities of the College consist of teaching and research, together with the provision of board and lodging to College members in buildings owned by the College.

The income generated by these charitable activities amounted to £6m, a decrease of 2.0% on the previous year as follows:

£000s	2011	2010	% change
Teaching and research income	2,663	2,691	-1.0%
Catering and accommodation (members)	1,966	1,914	+2.7%
Catering and accommodation (others)	1,362	1,511	-9.9%

The cost of undertaking these charitable activities amounted to £7.2m, an increase of 2.5% on the previous year. Of this, £3.7m was attributable to teaching and research and £3.5m to catering and accommodation. These figures include an apportionment of the College's £702k depreciation charge, 58% of which is allocated to academic activity and 42% to the feeding and housing of College members. Thus, the operating deficit from these charitable activities was £1.2m. Funding for this operating deficit comes from three sources: donations, trading income and transfers from the College's endowment.

Income from non-charitable conferences and other trading activities amounted to £386k with costs of £230k, contributing £156k net.

The scope for increasing income from charitable activities is limited. The Government's decision to increase tuition fees will be phased in over four years starting in 2012-13, but will be offset by a reduction in funding from the Higher Education Funding Council for England and the overall impact of this funding change on the College's financial position is likely to be negligible. To be able to continue to provide the best possible education to the most able students as well as pursuing its ambitions for the future, the College will, therefore, have to continue to look to trading activities and fundraising for the necessary resources. Our fundraising efforts and increased engagement with our Senior Members have resulted in giving participation rates among our former students increasing from 6% in 2006 to more than 20% in 2011. Alongside a programme of annual giving is a major campaign to raise funds for Fellowship costs, increased student support and a new building.

#### Reserves policy

The College's reserves policy is to 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, including those designated for a specific purpose by Governing Body, at the year-end amounted to £1.2m (2010: £1.5m), representing retained unrestricted income reserves excluding an amount of £5.2m for the book value of fixed assets less associated funding arrangements.

Designated reserves at the year-end comprised £1.5m for a variety of educational purposes. The current intention is for the capital value of these funds to be retained and for the income generated to be expended on those educational purposes.

## ST HUGH'S COLLEGE

### Report of the Governing Body

Year ended 31 July 2011

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#### 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.

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The investment strategy, policy and performance is monitored by the Investment Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £27.5m. The overall total investment return was 9.9% over the year.

Under the total return accounting basis, it is the Governing Body's policy to extract as income 3.5% (plus costs) of the value of the relevant investments. However to smooth and moderate the amounts withdrawn this 3.5% is calculated on the average of the year end values in each of the last five years.

The equivalent of 3.2% of the opening value of the securities and property investments, plus costs, was extracted as income on the total return basis in the year. The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

#### FUTURE PLANS

The core elements of the College's future plans as agreed by the Governing Body are:

- To continue to provide a world-class education to undergraduates and graduates and a thriving research environment for academics.
- To provide superb facilities for tutorial teaching and study, alongside social, musical and religious facilities for students, academics and staff. In particular, to continue to plan towards the construction of a new building on site for graduate accommodation and China studies.
- To increase the information available to prospective students about our teaching and learning environment, primarily via our website.
- To ensure, particularly in the light of the incoming fee regime, that the College makes clear its commitment to recruiting tutors and students on the basis of academic excellence alone, and to communicate the generous levels of financial and other support available to undergraduates and graduates at St Hugh's.

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.

## ST HUGH'S COLLEGE

### Report of the Governing Body

Year ended 31 July 2011

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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 2 November 2011 and signed on its behalf by:

Principal

## ST HUGH'S COLLEGE

### Report of the Auditor to the Members of the Governing Body of St Hugh's College

We have audited the financial statements of St Hugh's 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 30. 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 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.

We read all the 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.

**Critchleys LLP**  
Statutory Auditor  
Oxford  
Date:

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

# ST HUGH'S 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 St Hugh's Conferences Limited. 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 12.

### 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, including contributions received from restricted funds, 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.

## ST HUGH'S 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 and equipment costing more than £10,000 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
Building improvements	15 years
Equipment	3 - 10 years

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

#### 10. Investments

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. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a capital supplement to the preserved ('frozen') value of the permanent endowment.

The Governing Body has decided that it is in the best interests of the College to account for its invested expendable endowment capital in the same way, though there is no legal restriction on the power to spend such capital.



## ST HUGH'S COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2011

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For the carrying value of the preserved (frozen) permanent capital, the Governors have taken its open market value as at 31 July 2002, together with the original gift value of all subsequent endowments received.

#### 14. 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.

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.

#### 15. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer defined pension schemes are accounted for as if these were defined contribution schemes in accordance with the requirements of FRS 17. The College's contributions to these schemes are charged in the period in which the salaries to which the contributions relate are payable.

St Hugh's College  
Consolidated Statement of Financial Activities  
For the year ended 31 July 2011

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2011 Total £000's	2010 Total £000's
<b>INCOMING RESOURCES</b>						
<b>Resources from charitable activities</b>	1					
Teaching and research		5,992	0	0	5,992	6,116
		<u>5,992</u>	<u>0</u>	<u>0</u>	<u>5,992</u>	<u>6,116</u>
<b>Resources from generated funds</b>						
Legacies and donations		190	5,585	421	6,196	1,697
Trading income	2	386	0	0	386	260
Investment income	3	40	49	337	426	425
Bank and other interest	4	6	3	0	9	3
		<u>622</u>	<u>5,637</u>	<u>758</u>	<u>7,017</u>	<u>2,385</u>
<b>Other incoming resources</b>		17	0	0	17	34
<b>Total Incoming Resources</b>		<u>6,631</u>	<u>5,637</u>	<u>758</u>	<u>13,026</u>	<u>8,535</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>	5					
Fundraising		566	0	0	566	448
Trading expenditure		230	0	0	230	174
Investment management costs		25	0	0	25	17
		<u>821</u>	<u>0</u>	<u>0</u>	<u>821</u>	<u>639</u>
<b>Charitable activities</b>	5					
Teaching and research		7,076	141	0	7,217	7,040
		<u>7,076</u>	<u>141</u>	<u>0</u>	<u>7,217</u>	<u>7,040</u>
<b>Governance costs</b>	8	15	0	0	15	9
<b>Total Resources Expended</b>		<u>7,912</u>	<u>141</u>	<u>0</u>	<u>8,053</u>	<u>7,688</u>
<b>Net incoming/(outgoing) resources before transfers</b>		(1,281)	5,496	758	4,973	847
Transfers between funds	18	777	(124)	(653)	0	
<b>Net incoming/(outgoing) resources before other gains and losses</b>		<u>(504)</u>	<u>5,372</u>	<u>105</u>	<u>4,973</u>	<u>847</u>
Investment gains/(losses)		320	16	1,923	2,259	2,387
<b>Net movement in funds for the year</b>		<u>(184)</u>	<u>5,388</u>	<u>2,028</u>	<u>7,232</u>	<u>3,234</u>
Fund balances brought forward	18	6,590	2,503	20,315	29,408	26,174
<b>Funds carried forward at 31 July</b>	18	<u>6,406</u>	<u>7,891</u>	<u>22,343</u>	<u>36,640</u>	<u>29,408</u>

St Hugh's College  
Consolidated and College Balance Sheets  
As at 31 July 2011

	Notes	2011 Group £000's	2010 Group £000's	2011 College £000's	2010 College £000's
<b>FIXED ASSETS</b>					
Tangible assets	10	11,747	11,446	11,747	11,446
Securities and other investments	11	27,500	23,894	27,500	23,894
		<b>39,247</b>	<b>35,340</b>	<b>39,247</b>	<b>35,340</b>
<b>CURRENT ASSETS</b>					
Stocks		134	120	134	120
Debtors	14	632	565	583	551
Deposits and other short term investments		3,500	0	3,500	0
Cash at bank and in hand		68	322	67	306
		<b>4,334</b>	<b>1,007</b>	<b>4,284</b>	<b>977</b>
CREDITORS: falling due within one year	15	1,944	1,677	1,894	1,647
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>2,390</b>	<b>(670)</b>	<b>2,390</b>	<b>(670)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>41,637</b>	<b>34,670</b>	<b>41,637</b>	<b>34,670</b>
CREDITORS: falling due after more than one year	16	4,997	5,213	4,997	5,213
Provisions for liabilities and charges	17	0	49	0	49
<b>NET ASSETS</b>		<b>36,640</b>	<b>29,408</b>	<b>36,640</b>	<b>29,408</b>
<b>FUNDS OF THE COLLEGE</b>					
Endowment funds	18	22,343	20,315	22,343	20,315
Restricted funds		7,891	2,503	7,891	2,503
Unrestricted funds					
Designated funds		1,556	1,441	1,556	1,441
General funds		4,850	5,149	4,850	5,149
		<b>36,640</b>	<b>29,408</b>	<b>36,640</b>	<b>29,408</b>

The financial statements were approved and authorised for issue by the Governing Body of  
St Hugh's College  
on: 2 November 2011

Trustee:

Trustee:

St Hugh's College  
Consolidated Cash Flow Statement  
For the year ended 31 July 2011

	Notes	2011 Group £000's	2010 Group £000's
Net cash inflow/(outflow) from operations	24	4,856	195
<b>Returns on investments and servicing of finance</b>			
Income from investments		156	31
Finance costs paid		(71)	(71)
		85	(40)
<b>Capital expenditure and financial investment</b>			
New endowment capital received		421	766
Payments for tangible fixed assets		(1,004)	(411)
Proceeds from sales of tangible fixed assets		0	
Payments for investments		(1,761)	(1,452)
Proceeds from sales of investments		690	870
		(1,654)	(227)
<b>Management of liquid resources</b>			
Net (additions to) / withdrawals from term deposits		(3,500)	
Net (purchase) / sale of current asset investments		0	
		(3,500)	0
<b>Financing</b>			
New bank loans		0	
Bank loans repaid		(266)	(309)
New lease finance		0	
Capital element of finance lease payments		0	
		(266)	(309)
<b>Increase/(decrease) in cash in the year</b>		<b>(479)</b>	<b>(381)</b>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		(479)	(381)
Transfers to/(from) term deposits and current investments		3,500	0
(Increase)/decrease in loan and lease finance		266	309
<b>Change in net funds</b>		<b>3,287</b>	<b>(72)</b>
<b>Net funds at 1 August</b>		<b>(5,452)</b>	<b>(5,380)</b>
<b>Net funds at 31 July</b>		<b>(2,165)</b>	<b>(5,452)</b>

St Hugh's College  
Notes to the financial statements  
For the year ended 31 July 2011

1	INCOME FROM CHARITABLE ACTIVITIES				
	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2011 Total £000's	2010 Total £000's
Teaching and research					
Tuition fees - UK and EU students	1,238	0	0	1,238	1,334
Tuition fees - Overseas students	712	0	0	712	603
Other fees	0	0	0	0	9
Other HEFCE support	361	0	0	361	350
Other academic income	353	0	0	353	396
College residential income	3,328	0	0	3,328	3,424
	<u>5,992</u>	<u>0</u>	<u>0</u>	<u>5,992</u>	<u>6,116</u>

The above analysis includes £1,697k received from Oxford University under the CFF Scheme, net of College fees received directly (2010 - £1,688k)

2	TRADING INCOME	
	2011 £000's	2010 £000's
Subsidiary company trading income	386	260
	<u>386</u>	<u>260</u>

3	INVESTMENT INCOME				
	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2011 Total £000's	2010 Total £000's
Interest on fixed term deposits and cash	0	0	0	0	0
Other investment income	40	49	337	426	425
	<u>40</u>	<u>49</u>	<u>337</u>	<u>426</u>	<u>425</u>

4	BANK AND OTHER INTEREST INCOME				
	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2011 Total £000's	2010 Total £000's
Bank interest	6	3	0	9	3
Other interest	0	0	0	0	0
	<u>6</u>	<u>3</u>	<u>0</u>	<u>9</u>	<u>3</u>

5	ANALYSIS OF RESOURCES EXPENDED				
	Direct staff costs £000's	Other direct costs, £000's	Support costs £000's	2011 Total £000's	2010 Total £000's
Costs of generating funds					
Fundraising	255	247	64	566	448
Trading expenditure	92	122	16	230	174
Investment management costs	12	3	10	25	17
Total costs of generating funds	<u>359</u>	<u>372</u>	<u>90</u>	<u>821</u>	<u>639</u>
Charitable expenditure					
Teaching and research	3,646	2,439	1,132	7,217	7,040
Total charitable expenditure	<u>3,646</u>	<u>2,439</u>	<u>1,132</u>	<u>7,217</u>	<u>7,040</u>
Governance costs	0	15	0	15	9
Total resources expended	<u>4,005</u>	<u>2,826</u>	<u>1,222</u>	<u>8,053</u>	<u>7,688</u>

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 £NIL. (2010 - £NIL).

St Hugh's College  
Notes to the financial statements  
For the year ended 31 July 2011

6 SUPPORT COSTS

	Generating Funds £000's	Teaching and Research £000's	Public Worship £000's	Heritage £000's	2011 Total £000's	2010 Total £000's
Financial and domestic admin	60	144	0	0	204	178
Human resources	6	105	0	0	111	67
IT	23	110	0	0	133	143
Depreciation	0	703	0	0	703	699
Loss/(profit) on fixed assets	0	0	0	0	0	0
Bank interest payable	1	70	0	0	71	71
Other finance charges	0	0	0	0	0	0
	<u>90</u>	<u>1,132</u>	<u>0</u>	<u>0</u>	<u>1,222</u>	<u>1,158</u>

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 headcount.  
Interest and other finance charges are attributed according to the purpose of the related financing.

7 GRANTS AND AWARDS

	Unrestricted Funds £000's	Restricted Funds £000's	2011 Total £000's	2010 Total £000's
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	191	0	191	214
Bursaries and hardship awards	253	0	253	294
Grants to other institutions	0	32	32	0
	<u>444</u>	<u>32</u>	<u>476</u>	<u>508</u>

The above costs are included within the charitable expenditure on Teaching and Research. Grants to other institutions comprises a grant the China Studies Department.

8 GOVERNANCE COSTS

	2011 £000's	2010 £000's
Governance costs comprise:		
Auditor's remuneration - audit services	15	14
Auditor's remuneration - audit services over provision in prior year	0	(5)
	<u>15</u>	<u>9</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.

**St Hugh's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2011**

**9 STAFF COSTS**

The aggregate payroll costs for the year were as follows.	2011 £000's	2010 £000's
Salaries and wages	3,574	3,363
Social security costs	239	229
Pension costs	409	359
	<u>4,222</u>	<u>3,951</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	20	17
College residential	64	62
Fundraising	5	4
Support	6	6
Total	<u>95</u>	<u>89</u>

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

University Lecturers	27	25
CUF Lecturers	11	11
Other teaching and research	5	7
Other	4	4
Total	<u>47</u>	<u>47</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.

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000	<u>1</u>	<u>0</u>
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The number of the above employees with retirement benefits accruing was as follows:  
 In defined benefits schemes

<u>1</u>	<u>0</u>
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**10 TANGIBLE FIXED ASSETS**

Group and College	Freehold land and buildings £000's	Fixtures, Fittings and Equipment £000's	Total £000's
<b>Cost</b>			
At start of year	17,027	1,387	18,414
Additions	887	117	1,004
Disposals	0	0	0
At end of year	<u>17,914</u>	<u>1,504</u>	<u>19,418</u>
<b>Depreciation</b>			
At start of year	6,072	896	6,968
Charge for the year	593	110	703
On disposals	0	0	0
At end of year	<u>6,665</u>	<u>1,006</u>	<u>7,671</u>
<b>Net book value</b>			
At end of year	<u>11,249</u>	<u>498</u>	<u>11,747</u>
At start of year	<u>10,955</u>	<u>491</u>	<u>11,446</u>

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.

St Hugh's College  
Notes to the financial statements  
For the year ended 31 July 2011

11 SECURITIES AND OTHER INVESTMENTS

	2011 £000's	2010 £000's
Group investments		
Valuation at start of year	23,821	20,454
New money invested	1,761	1,452
Amounts withdrawn	(690)	(870)
Reinvested income	279	398
Investment management fees	0	0
Increase in value of investments	2,259	2,387
Group investments at end of year	<u>27,430</u>	<u>23,821</u>
Investment in subsidiaries	70	73
College investments at end of year	<u>27,500</u>	<u>23,894</u>

Group investments comprise:

	Held outside the UK £000's	Held in the UK £000's	2011 Total £000's	2010 Total £000's
Equity investments	6,639	14,010	20,649	16,499
Global multi-asset funds			0	
Property funds		1,482	1,482	1,331
Fixed interest stocks		4,406	4,406	4,949
Alternative and other investments		42	42	55
Fixed term deposits and cash		851	851	987
Total group investments	<u>6,639</u>	<u>20,791</u>	<u>27,430</u>	<u>23,821</u>

12 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in St Hugh's Conferences Limited, a company providing conference and other event services on the College premises.

The results of St Hugh's Conferences Limited at the year end were as follows.

	£000's
Turnover	386
Expenditure	(249)
Donation to College under gift aid	(137)
Result for the year	<u>0</u>
Total assets	98
Total liabilities	(98)
Net funds at the end of year	<u>0</u>



St Hugh's College  
Notes to the financial statements  
For the year ended 31 July 2011

13 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 15 May 2002. The investment return to be applied as income is calculated as 3.5% of the average of the year-end values of the relevant relevant investments in each of the last 5 years. The preserved (frozen) value of the invested endowment capital represents its open market value at 31 July 2002 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £000's	Expendable Endowment £000's	Total £000's
Investment total return			
Income distributions	217	120	337
Capital gains/losses	1,189	734	1,923
Investment management costs	0		0
Total return for the year	<u>1,406</u>	<u>854</u>	<u>2,260</u>
Amount applied as income for spending	<u>(404)</u>	<u>(249)</u>	<u>(653)</u>
Net increase in Unapplied Total Return in the year	1,002		
Unapplied Total Return at start of year	2,069		
Unapplied Total Return at end of year	<u>3,071</u>		
Preserved value of original permanent endowments	<u>10,748</u>		

14 DEBTORS

	2011 Group £000's	2010 Group £000's	2011 College £000's	2010 College £000's
Amounts falling due within one year:				
Trade debtors	288	254	241	223
Amounts owed by College members	1	3	1	3
Amounts owed by Group undertakings	0	0	0	18
Loans repayable within one year	11	13	11	13
Prepayments and accrued income	263	203	261	202
Other Debtors	3	2	3	2
Amounts falling due after more than one year:				
Loans	66	90	66	90
	<u>632</u>	<u>565</u>	<u>583</u>	<u>551</u>

15 CREDITORS: falling due within one year

	2011 Group £000's	2010 Group £000's	2011 College £000's	2010 College £000's
Bank overdrafts	486	261	486	261
Bank loans	250	300	250	300
Obligations under finance leases	0	0	0	0
Trade creditors	511	613	511	613
Amounts owed to College Members	0	0	0	0
Amounts owed to Group undertakings	0	0	48	0
Taxation and social security	106	89	106	85
College contribution	0	0	0	0
Accruals and deferred income	227	77	204	71
Other creditors	364	337	289	317
	<u>1,944</u>	<u>1,677</u>	<u>1,894</u>	<u>1,647</u>

16 CREDITORS: falling due after more than one year

	2011 Group £000's	2010 Group £000's	2011 College £000's	2010 College £000's
Bank loans	4,997	5,213	4,997	5,213
	<u>4,997</u>	<u>5,213</u>	<u>4,997</u>	<u>5,213</u>

The College has three bank loans. One is secured on various of the College's properties, is repayable by 31 March 2023 and bears interest at a rate of 0.5% above LIBOR. The second loan is repayable on 30 September 2019 and bears interest at a rate of 0.5% above LIBOR. The third loan is repayable by 2029 and bears interest at a rate of 0.275% above base rate. The College also has a loan from the University of Oxford for £120,000. This is repayable in 4 installments of £30,000 on the anniversary of the loan and bears interest at one third of the Bristol & West standard variable rate

St Hugh's College  
Notes to the financial statements  
For the year ended 31 July 2011

17 PROVISIONS FOR LIABILITIES AND CHARGES

	2011 Group £000's	2010 Group £000's	2011 College £000's	2010 College £000's
At start of year	0	98	0	98
Charged in the Statement of Financial Activities	49	0	49	0
Settled in the year	(49)	(49)	(49)	(49)
At end of year	0	49	0	49

The above provision relates to pension costs for the Oxford Staff Pension Scheme.

18 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2010 £000's	Incoming resources £000's	Resources expended £000's	Transfers £000's	Gains/ (losses) £000's	At 31 July 2011 £000's
<b>Endowment Funds - Permanent</b>						
Bursaries	374	6		(12)	36	404
Fellowships and lectureships	8,142	380		(259)	777	9,040
General educational purposes	946	32		(36)	67	1,009
Library	242	32		(8)	22	288
Other purposes	1,576	150		(49)	151	1,828
Prizes	115	2		(2)	10	125
Scholarships	1,307	20		(37)	125	1,415
<b>Endowment Funds - Expendable</b>						
Bursaries	91	1		(3)	9	98
Chapel	179	3		(6)	17	193
Fellowships and lectureships	846	30		(32)	86	930
General educational purposes	5,995	95		(193)	574	6,471
Library	31	0		(1)	4	34
Other purposes	137	2		(3)	13	149
Scholarships	334	5		(12)	32	359
<b>Total Endowment Funds</b>	<b>20,315</b>	<b>758</b>	<b>0</b>	<b>(653)</b>	<b>1,923</b>	<b>22,343</b>
<b>Restricted Funds</b>						
Student Support	142		(48)			94
Refurbishment and development of buildings	6					6
Capital projects fund	744	55		(124)		675
China Studies building	1,463	5,337	(67)		16	6,749
Career development fellowships	98	145	(19)			224
Lecture series	50		(7)			43
Bursaries		100				100
<b>Total Restricted Funds</b>	<b>2,503</b>	<b>5,637</b>	<b>(141)</b>	<b>(124)</b>	<b>16</b>	<b>7,591</b>
<b>Unrestricted Funds</b>						
General	5,149	6,609	(7,912)	819	185	4,850
<b>Designated Funds</b>						
Fellowships and lectureships	1,026	16		(33)	97	1,106
General educational purposes	264	4		(9)	26	285
Other purposes	13				1	14
Bursaries	13				1	14
Scholarships	125	2			10	137
<b>Total Unrestricted Funds</b>	<b>6,590</b>	<b>6,631</b>	<b>(7,912)</b>	<b>777</b>	<b>320</b>	<b>6,406</b>
<b>Total Funds</b>	<b>29,408</b>	<b>13,026</b>	<b>(8,053)</b>	<b>0</b>	<b>2,259</b>	<b>36,640</b>

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19 FUNDS OF THE COLLEGE DETAILS

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

<b>Endowment Funds - Permanent:</b>	
Bursaries, Fellowships and Lectureships, Library, Prizes, Scholarships	A consolidation of gifts and donations where income, but not capital, can be used for the payment of bursaries, the cost of fellowships and lectureships, the running costs of the library and for student prizes and scholarships.
General Educational Purposes	Capital balance of past donations where related income, but not the original capital, can be used for the general educational purposes of the charity
Other purposes	A consolidation of gifts and donations where income, but not capital, can be used for a variety of educational purposes such as lectures and student support.
<b>Endowment Funds - Expendable:</b>	
Bursaries, Fellowships and Lectureships, Library, Chapel, Prizes, Scholarships	A consolidation of gifts and donations where either income, or income and capital, can be used for the payment of bursaries, the cost of fellowships and lectureships, the running costs of the library and for student prizes and scholarships.
General Educational Purposes	Capital balance of past donations where related income, or income and capital, can be used for the general educational purposes of the charity
Other purposes	A consolidation of gifts and donations where either income, or income and capital, can be used for a variety of educational purposes such as travel grants, prizes and student support.
<b>Restricted Funds:</b>	
Student support	A consolidation of gifts and donations where both income and capital can be used for student support.
Refurbishment and development of buildings	A consolidation of gifts and donations where both income and capital can be used for the refurbishment and development of buildings.
Capital projects fund	A consolidation of gifts and donations which are being released into unrestricted funds in line with the depreciation of the project that they were raised to finance.
China Studies building	A consolidation of gifts and donations where both income and capital can be used to finance the construction of a China studies building.
Career development fellowships	A consolidation of gifts and donations where both income and capital can be used for career development fellowships.
Lecture series	A gift to be used to provide a series of lectures over a 10 year period.
Bursaries	A gift to be used to provide bursaries.
<b>Designated Funds</b>	
Bursaries, Fellowships and Lectureships, Scholarships	Unrestricted Funds allocated by the Fellows for future costs of bursaries fellowships and lectureships and scholarships.
General educational purposes	Unrestricted Funds allocated by the Fellows for future general educational purposes of the charity
Other purposes	Unrestricted Funds allocated by the Fellows for a variety of future costs such as the gardens, the library, prizes and student hardship.
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	

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total £000's
Tangible fixed assets	10,412	1,335	0	11,747
Property investments	0	0	0	0
Securities and other investments	3,040	2,532	21,928	27,500
Net current assets/(liabilities)	(2,049)	4,024	415	2,390
Bank loans	(4,997)	0	0	(4,997)
	<u>6,406</u>	<u>7,891</u>	<u>22,343</u>	<u>36,640</u>

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21 TRUSTEES' REMUNERATION  
Trustee 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 possible, these salaries are paid on external scales and often are joint arrangements with the University of Oxford.

The remuneration committee reviews the remuneration and conditions of employment of the fellows/trustees.  
Trustees of the college fall into the following categories:

Principal  
Tutorial Fellow  
Professorial Fellow  
Senior Research Fellow  
Additional Fellow  
Senior Tutor  
Bursar

Some trustees, particularly tutorial fellows are eligible for college housing schemes. No trustees live in accommodation owned by the College and have a deduction from salary as 'rent'. Some trustees are eligible for a housing allowance which is disclosed within the salary figures below. 3 trustees live rent-free in college accommodation and therefore do not receive a housing allowance. 11 trustees live in houses owned jointly with the College. 1 such house was bought and none were sold during the year.  
Some trustees receive additional allowances for additional work carried out as part time college officers eg. Dean, computer/IT Fellow.  
The total remuneration and taxable benefits as shown below is £1,228,549 (2009-10 £1,313,827). The total of pension contributions is £166,435 (2009-10 £167,995).

Remuneration paid to trustees

Range	2010-2011		2009-2010	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1-£999	2	1,266	1	771
£1,000-£1,999			1	1,342
£2,000-£2,999	1	2,978	1	2,072
£3,000-£3,999	1	3,224		
£4,000-£4,999	2	9,667		
£5,000-£5,999	1	5,909	1	5,699
£6,000-£6,999			1	6,871
£7,000-£7,999	1	7,618		
£8,000-£8,999	2	16,792		
£9,000-£9,999			1	9,767
£12,000-£12,999			2	24,895
£13,000-£13,999			1	13,783
£16,000-£16,999	1	16,376	2	33,305
£17,000-£17,999	2	34,075	2	35,225
£18,000-£18,999	3	55,455	13	246,157
£19,000-£19,999	14	270,788	1	19,510
£22,000-£22,999			1	22,008
£24,000-£24,999			1	24,388
£25,000-£25,999	1	25,111		
£26,000-£26,999	1	26,405	1	26,021
£28,000-£28,999	1	28,129		
£29,000-£29,999			1	29,058
£30,000-£30,999			1	30,898
£39,000-£39,999			2	79,504
£40,000-£40,999	1	40,145		
£41,000-£41,999	2	83,475	1	41,394
£42,000-£42,999			1	42,936
£43,000-£43,999	1	43,453	1	43,566
£45,000-£45,999	1	45,155		
£46,000-£46,999			1	46,836
£48,000-£48,999	5	243,705	6	289,092
£49,000-£49,999	1	49,038		
£67,000-£67,999	1	67,785	1	67,097
£69,000-£69,999	1	69,858		
£81,000-£81,999			1	81,581
£82,000-£82,999	1	82,142		
£89,000-£89,999			1	89,951

12 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.

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22 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf its staff. Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds.

Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, as required by the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the schemes 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 is due to take 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 latest actuarial valuation of the OSPS was carried out at 31 March 2010 and showed that this scheme had a deficit of approximately £82m. The University, on behalf of all the employers participating in the scheme has agreed with the trustees of OSPS to address this deficit by continuing the employer contribution rate at the previously agreed rate of 21.5% of total pensionable salaries (this being the rate paid by the employer since 1 August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 31 March 2027.

In light of the actuarial deficit, and in order to ensure that the scheme remains sustainable in the long term, the University is working with the participating Colleges and the scheme's trustees to identify what changes need to be made to OSPS.

The pension charge for the year includes contributions payable to the USS of £240,918 (2010 - £240,923) and contributions payable to the OSPS of £149,302 (2010 - £132,844).

23 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.

24 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH FLOW FROM OPERATIONS

	2011 £000's	2010 £000's
Net incoming resources for the year	4,973	847
Elimination of non-operating cash flows:		
- Investment income	(435)	(429)
- Endowment donations	(421)	(766)
- Financing costs	71	71
Depreciation	703	699
Loss on investment	3	13
(Surplus)/loss on sale of fixed assets	0	0
Decrease/(Increase) in stock	(14)	10
Decrease/(Increase) in debtors	(67)	(44)
(Decrease)/Increase in creditors	92	(157)
(Decrease)/Increase in provisions	(49)	(49)
Net cash inflow/(outflow) from operations	4,856	195

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25 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £000's	Cash flow £000's	2011 £000's
Cash at bank and in hand	322	(254)	68
Bank overdrafts	(261)	(225)	(486)
	61	(479)	(418)
Deposits and other short term investments	0	3,500	3,500
Bank loans due within one year	(300)	50	(250)
Bank loans due after one year	(5,213)	216	(4,997)
	<u>(5,452)</u>	<u>3,287</u>	<u>(2,165)</u>

26 FINANCIAL COMMITMENTS

At 31 July the College had annual commitments under non-cancellable operating leases as follows:

	2011 £000's	2010 £000's
Land and buildings		
- expiring within one year	0	0
- expiring between two and five years	87	0
- expiring in over five years	0	0
	<u>87</u>	<u>0</u>
Other		
- expiring within one year	2	4
- expiring between two and five years	10	10
- expiring in over five years	0	0
	<u>12</u>	<u>14</u>

27 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £17,010 (2010 - £112,476)

28 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 trustees had loans outstanding from the College at the start and/or end of the year.

	2011 £000's	2010 £000's
Dr G.S. Garnett (Other)	1	3
Dr M.B. Holland (Other)	0	2

Interest is charged at 5% per annum. All loans are repayable on the departure of the trustee from the College.

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

The cost of the College's share of these properties is:

	2011 £000's	2010 £000's
Professor I.A. Walmsley	36	36
Dr G.S. Garnett	100	100
Professor K.R. Plunkett	150	150
Dr E.J. Emerson	148	148
Dr J. Martin	151	151
Mr R. Ovenden	141	141
Dr N.E.R. Perkins	151	151
Mr G. Loutzenhiser	153	153
Dr S.J. Conway	151	151
Dr C. Capelli	151	151
Dr P. Blunsom	151	0

All joint equity properties are subject to sale on the departure of the trustee from the College.

29 CONTINGENT LIABILITIES

There are no contingent liabilities requiring disclosure. (2010: £NIL).

30 POST BALANCE SHEET EVENTS

There are no post balance sheet events requiring disclosure. (2010: £NIL).