

Wadham College

Annual Report and Financial Statements

Year ended 31 July 2011

Wadham College
Professional Advisors and Senior Staff
Year ended 31 July 2011

INVESTMENT MANAGERS:

Blackrock Investment Management (UK) Limited

12 Throgmorton Avenue
London. EC2N 2DL

Oxford University Endowment Management Limited

King Charles House
Park End Street
Oxford. OX1 1JD

LAND AGENTS:

Carter Jonas

269 Banbury Road
Summertown
Oxford. OX2 7LL

Whirledge & Nott

Maplestead Hall
Little Maplestead
Halstead
Essex. CO9 2SL

SOLICITORS:

Darbys Solicitors

52 New Inn Hall Street
Oxford. OX1 2DN

COLLEGE AUDITORS:

Grant Thornton UK LLP

3140 Rowan Place
John Smith Drive
Oxford Business Park South
Oxford. OX4 2WB

BANKERS:

Lloyds TSB plc

Carfax
Oxford. OX1 4AA

COLLEGE ADDRESS:

Wadham College

Parks Road
Oxford. OX1 3PN

The senior staff to whom the day to day management is delegated is as follows:

Senior Tutor: Dr Caroline Mawson

Development Director: Ms Kirsty MacDonald

Domestic Bursar: Mrs Frances Lloyd

Finance Bursar: Mr Ian Thompson

Further information on the College can be obtained from its website at: www.wadham.ox.ac.uk

The College is registered with the Charity Commission: Registration Number 1139726

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Wadham College

Trustee Report

Year ended 31 July 2011

TRUSTEE REPORT

The Governing Body of Wadham College ("the Charity") present their annual report for the year ended 31st July 2011 under the Charities Act 1963, together with the audited consolidated financial statements for that year.

REFERENCE AND ADMINISTRATIVE DETAILS

Wadham College registered as a charity (reg. no. 1139726) with the Charity Commission on the 6th January 2011. Before this date it was an unregistered charity.

The Governing Body is the Board of Trustees of the charity. Members of the Governing Body act in their capacity as charity trustees. The present Trustees and those who served during the year are given on pages 8-9.

STRUCTURE GOVERNANCE AND MANAGEMENT

Wadham College was founded by Nicholas and Dorothy Wadham in 1610. The Governing Body of the College comprises the Warden and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Bishop of Bath and Wells. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself the responsibilities for the ongoing strategic direction of the College, for its administration and for the management of its finances and assets. It meets regularly under the chairmanship of the Warden and is advised by a range of committees, the principal ones being the Academic Policy Committee (to advise on all academic related issues), the Finance Committee (to advise on all financial matters), the Investment Committee (to advise on investment issues) and the Audit and Risk Committee (to advise on audit and risk issues).

CORPORATE GOVERNANCE

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly. The Governing Body is ultimately responsible for the Risk Assessment and Risk Management of the College. To assist with this process there is an Audit & Risk Committee, chaired by an independent external member. This Committee undertakes regular reviews of the effectiveness of systems in place for the assessment and management of material areas of risk within the College.

INVESTMENT COMMITTEE AND INVESTMENT PERFORMANCE

The Investment Committee is comprised of Fellows and old members of the College with extensive investment experience. The Investment Committee is responsible for advising on and implementing the strategy as agreed by the Trustees. The strategy continues to be to manage the College investments in such a way to ensure the continuance of the College for the foreseeable future. The aim is to balance risk through diversification while at the same time maximising total return through capital appreciation or by income generation. The value of the investments at the year-end was £65.5M (2010: £57.2M). During the year the College invested some £3M net in new investments with funds arising from the appeal and capital receipts. Total return (capital appreciation plus income received) was 10.9%. The investments of the College comprises £29M in equity tracker funds, £24M in property, £10M in the Oxford Endowment Fund (a unitised investment fund) and £1.5M in cash. The Trustees are mindful of the difficult economic background for charity investments and are taking appropriate action where necessary to safeguard the College endowment.

FUNDRAISING

Wadham relies on the generosity of donors – mainly alumni but also friends of the College – not only for supporting the annual running costs of the College but particularly the cost of new initiatives, all of which depend on generous donations. The 2010-11 year has been the best year we have ever had for fundraising with almost £5.5m in cash received. Two donations played major roles in this success – a major bequest from the estate of a former student at Wadham in the 1950's who sadly died in 2009; and a donation of over £1m received (as part of a £1.5m pledge) from a 1971 student to refurbish Staircase 9. Overall giving is on the rise too, and as a result of a rigorous programme of telethons and annual fund mailings, we have increased the percentage of alumni giving in the last year from 16.75% to almost 19%. Underlying all of the fundraising is a programme of communications, including a strong social media presence, 12 UK events and several events in North America, Europe and Hong Kong. The Fellows of the College wish to thank all alumni who have attended events and made personal contributions in order to support the College's aims.

OBJECTIVES

The College provides, in conjunction with the University of Oxford, an education for some 650 undergraduate and graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group tutorials, as well as pastoral, administrative and academic support through its undergraduate and graduate advisory systems and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research through:

- the payment of stipends and allowances to Fellows and others acting on behalf of the College to carry out research;
- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post;
- supporting research work pursued by its Tutorial Fellows through sabbatical leave, special leave and "buy-outs" promoting interaction across disciplines, providing facilities and providing grants for attendance at national and international conferences, research trips and research materials;
- encouraging and sponsoring visits from outstanding academics from other parts of the United Kingdom and abroad; and encouraging the dissemination of research undertaken by members of the College through seminars and lectures and the publication of papers in academic journals or other suitable means.

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The College maintains an extensive Library and Archive (including important special collections), so providing a valuable resource for students and Fellows of the College and others by arrangement,

The College does not consider that there is any detriment or harm that arises from carrying out the College's aims and is not aware of views among others that such detriment or harm might arise.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research.

However, beneficiaries also include: students and academic staff from other Colleges and the University of Oxford more widely, visiting academics from other higher education institutions and visiting schoolchildren and alumni of the College who have an opportunity to attend educational events at the College or use its academic facilities. The general public are also able to attend various educational activities in the College such as concerts, exhibitions and have access to its gardens and historic buildings.

The College admits as students those who have the highest potential for benefiting from the education provided by the College and the University. It recruits as academic staff those who are able to contribute most to the academic excellence of the College and the wider community, regardless of their financial, social, religious or ethnic background.

- There are no geographical restrictions in the College's objects and 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.

The focus of the College is strongly academic and students need to satisfy high academic entry requirements.

PRINCIPAL ACTIVITIES DURING THE YEAR

Outreach Activities:

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. Some 50 schools (including primary schools) participated during the year in organised visits to or visits from the College. Two successful Open Days were run with some 2000 visitors being welcome to the College. A number of admission events were held for teachers, as well as further guidance and information being provided on the College website for prospective applicants. To further strengthen the College's outreach activities, a full-time Access and Outreach Officer was appointed in July 2011 to work with schools in our target regions.

Students Numbers:

In October 2010 the College admitted 130 undergraduates on degree-bearing courses, 79 graduates, and around 30 visiting students. In the December admissions round (for undergraduate entry 2011 or 12) the College considered applications from 704 students,

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interviewing 460 and selecting 123 for admission October 2011. Over Hilary and Trinity terms over 1,700 University exams were sat by Wadham students. The College elected 79 undergraduate scholars, 10 Senior Scholars and, with donor funds, supported half a dozen other named graduate scholarships.

Student Financial Support:

Wadham gives a variety of grants and allowances to students, not all of which are income assessed, last year the college gave over £85,000 in total. Of this amount over £11,000 was provided as discretionary grants for those students facing unforeseen financial difficulties. Some £50,000 was provided to assist with rent and a further £17,000 of rent free accommodation was provided during the holidays. Over £6,000 was also provided to allow students to attend generally extra-curricula academic courses and pursue various academic related projects. Over the years the College is lucky enough to have received a number of generous donations to allow for the endowing of prize funds. During the year, in excess of £23,000 worth of prizes for academic excellence were awarded. Some £12,000 was awarded to assist students with overseas travel in the University vacations. Finally, the College has continued with the decision made over the last few years to give every first year student a £50 book voucher at a total cost of over £8,000 per annum. The College recognises the financial burden that a number of students face and actively fundraises to mitigate these problems wherever possible.

Fellows:

The College has a complement of just over 60 Fellows, 29 Emeritus Fellows, 26 Honorary Fellows & 11 Foundation Fellows. During the year 4 new Fellows were appointed together with one Career Development Fellowship in Russian and a Fellow by Special Election in Biology.

Research Activities:

A total of 584 hours were bought out of Fellowship teaching for the College, for research or departmental duties. The College granted 10 terms of sabbatical leave and 5 terms of special leave taken by Fellows for research purposes.

New Buildings:

The College has entered into capital commitments of £5.9M for the provision of new facilities at its main site. The Blackwells former Music Shop in Holywell Street will be converted into a Graduate Centre and Staircase 9 will be refurbished.

Appointment of New Head of House:

The Fellows of Wadham College announced their intention to elect Lord Macdonald, one of the country's top criminal lawyers and a former Director of Public Prosecutions, as their next Warden.

Alumni achievements:

Important achievements notified during the year included: Professor Candelas, Rouse Ball Professor of Mathematics and Professor Hutson (Chemistry, 1975), Professor of Chemistry and Physics, University of Durham were elected Fellows of the Royal Society. Lord Bragg, (History, 1958) was elected as an Honorary Fellow of the Royal Society. Professor Allen Hill (Chemistry, 1962) was awarded a Royal Society Royal Medal for his pioneering work on protein electrochemistry.

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PUBLIC BENEFIT

The Trustees believe that by putting well over £7M a year into teaching and research, student support and the maintenance of important historic buildings, the Charity provides substantial public benefit. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the College's aims and objectives and in planning future activities.

FINANCIAL REVIEW

Following registration as a charity during the year, the audited accounts have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" Charities SORP 2005. The opening balances and comparatives for 2010, previously prepared in accordance with the Further and Higher Education SORP, have been restated in accordance with the Charity SORP.

Incoming resources and expenditure are detailed in the Statement of Financial Activities (SOFA) and accompanying notes to the accounts.

At 31st July 2011 the College's net assets were £87.6M (2010: £78.2M) an increase of 12.1% for the year. Total resources expended during the year were £8.3M (2010: £8.1M), an increase of 2.5%.

RESERVES POLICY

The Statement of Financial Activities (SOFA) and the Balance Sheet together with supporting notes summarise the movements during the year of the various funds. The balance on the funds is used to support the administrative and operating costs of the charity. At the year-end the amount of Free Reserves (after accounting for un-depreciated Fixed Assets) amounted to £242K.

PLANS FOR THE FUTURE

The Trustees recognise the financial constraints that Higher Education is facing with the continued reduction in public funding. The Trustees believe that the College is able to meet its current level of financial commitments based on its financial strength at the present time. However, the long term financial challenges should not be underestimated. The Trustees are mindful of the need to fundraise to secure teaching posts, provide new facilities and to alleviate where possible unforeseen student debt. The Trustees continue to strive to make the College a centre of excellence both in education and research and have no plans to change this fundamental objective.

PLACITOS ESTATES – the College has an interest in the estates of Peter Placito (deceased March 2009) and that of his brother, Anthony Placito (deceased December 2009). The estates comprise property and investments in the UK, Jersey and Portugal. The College's interest is both direct and indirect via the Peter Placito Fund. The value of the interest can not be fully ascertained at this point in time, given the need to resolve a number of claims made against the estates.

RECRUITMENT AND TRAINING OF NEW TRUSTEES

Appointment to the College's Governing Body is on the basis that those elected are eligible and willing to act as charity trustees. An induction program setting out the responsibilities and duties of being a charity trustee is provided to all new appointees. Each Trustee is seen individually by the College's Head of House to ensure that the obligations of being a charity trustee are fully understood.

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Year ended 31 July 2011

TRUSTEES

The Trustees, all of whom held office from date of registration on 11th January 2011 until year ended 31st July 2011, unless otherwise stated, were:

Prof	Nicholas	Athanasou	
Dr	Michael	Bannon	
Prof	Paul	Beer	
Dr	Alan	Beggs	
Prof	Stephen	Bell	
Dr	Ben	Berks	APC
Prof	David	Bethea	(resigned 28 th January 2011)
Dr	Philip	Bullock	
Dr	Martin	Bureau	
Prof	Philip	Candelas	
Sir	Neil	Chalmers	FC, APC, AR
Dr	Adrian	Chaplin	
Prof	Eric	Clarke	
Prof	Darren	Dixon	
Mr	Simon	Douglas	
Dr	Carolyn	Duttlinger	
Prof	David	Edwards	APC
Dr	Andrew	Farmery	
Prof	Robin	Fiddian	
Dr	Jane	Garnett	FC, APC, AR
Dr	Stephen	Goss	
Dr	Alok	Gupta	(resigned 4 th February 2011)
Dr	Tamas	Hausel	APC
Prof	Edmund	Herzig	
Dr	Stephen	Heyworth	
Dr	Margaret	Hillenbrand	
Dr	Andrew	Hodges	
Prof	Christina	Howells	FC
Ms	Laura	Hoyano	
Dr	Matthew	Kempshall	APC
Prof	Sallie	Lamb	
Ms	Pauline	Linières-Hartley	(resigned 30 th April 2011) FC, AR
Ms	Kirsty	MacDonald	FC
Dr	Muireann	Maguire	
Dr	Paul	Martin	
Dr	Caroline	Mawson	FC, APC
Dr	Ian	Moore	

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Dr	Ankhi	Mukherjee	
Dr	Wanjiru	Njoya	
Mr	Bernard	O'Donoghue	
Dr	Alexander	Paseau	APC
Dr	Claudia	Pazos Alonso	
Prof	Paolo	Radaelli	
Dr	Aribert	Reimann	
Prof	Graham	Ross	
Dr	Nathalie	Seddon	
Prof	Richard	Sharpe	
Dr	Scott	Sturgeon	
Dr	Candadi	Sukumar	
Dr	Christopher	Summerfield	
Dr	Oren	Sussman	
Prof	Michelle	Szkilnik	
Mr	Ian	Thompson	FC, APC, AR
Dr	Mark	Thompson	
Dr	Peter	Thonemann	
Prof	Miltos	Tsiantis	
Prof	Yiannis	Ventikos	
Dr	Mark	Wallace	
Prof	Nick	Woodhouse	FC
Dr	Giulia	Zanderighi	
Mr	Keith	Zimmerman	

TRUSTEE MEMBERSHIP OF COLLEGE COMMITTEES

All Trustees are members of the Governing Body which is advised by a range of committees. The principle ones being Finance Committee (FC), Academic Policy Committee (APC) and Audit & Risk Committee (AR). The above list of Trustee names has been annotated to show their membership of these committees.

TRUSTEE REMUNERATION

Background note

The Oxford colleges are rather different from most charities. Almost all colleges have a large governing body, comprising their fellowship (in most cases over fifty members), which in turn acts as the trustee body. The majority of these trustees are salaried fellows of the college, receiving salaries for the performance of their duties as Fellows rather than for their trusteeship.

As registered charities, the Oxford colleges have agreed to adopt the Charity SORP for their accounts. While this format is best suited to the colleges as charities, one issue has arisen around the application of the SORP to the unique characteristics of the Oxford colleges – the disclosure

of trustee remuneration. While the Charities SORP requires full disclosure of payments being made to trustees, it does not require the same level of disclosure of employee salaries.

The colleges appreciate that there is an interest in the amount of charitable resource that is spent on remuneration and therefore intend to adopt an arrangement whereby, rather than disclose every item of remuneration to fellows serving also as college trustees on an individual basis, remuneration is disclosed on a 'grouped' or 'banded' basis.

Colleges believe that this level of disclosure is appropriate on the following grounds:

Full disclosure of the remuneration of academics (the vast majority of trustees) is not required in any other institution in the higher education sector. A requirement imposed uniquely on the Oxford colleges could have a detrimental effect on academic recruitment and retention; academics elsewhere simply have, as it were, jobs; they do not find themselves also acting as charity trustees by virtue of being Fellows.

Trusteeship in the context of Oxford colleges operates essentially as a condition of employment, rather than a voluntary choice.

Disclosure is normally required line by line because it is not normal for trustees to receive remuneration from charities. However, in an Oxford college, trustees are normally employees, and it is normal practice to pay teaching and research staff. No Oxford college trustees are paid in their role as trustee. A requirement to disclose in this particular context would be likely to raise data protection and human rights concerns, leading to possible litigation.

It is for each college's trustees to prepare its accounts and for each college's auditors to determine whether the college has complied with the requirements of the SORP and whether their accounts present a 'true and fair view'. The Oxford colleges have, therefore, discussed this particular issue with the auditors responsible for auditing the accounts of the majority of the colleges.

The remuneration attached to individual trustees has been disclosed on an anonymised basis within bands of £1000. Expenses are only listed when directly related to trustee duties.

The Trustees of Wadham College have agreed to use the framework set out in note 22 to the accounts for their disclosure of remuneration.

Trustee Remuneration Disclosure

The Trustees of Wadham College comprise the Governing Body, primarily Fellows who are teaching and research employees of the college and who sit on the 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 and allowances under contracts of employment. The College has adopted the University of Oxford's pay grades and an independent Remuneration Committee advises on all issues of pay and allowances for Fellows. The majority of Tutorial Fellows teaching posts are joint appointments with the University.

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The Trustees of the College fall into the following categories: Tutorial Fellows, Professorial Fellows and Career Development fellows. The College's administration is delegated to College Officers who are Professional Fellows. This category includes the Head of House, Finance Bursar, Domestic Bursar, Senior Tutor and Development Director.

Tutorial and Professional Fellows are provided with a Housing Allowance (disclosed within the salary figures below) or can elect to live rent free in College. All Trustees may eat at Common Table free of charge, as can all other employees who are entitled to meals whilst at work. Some Trustees receive additional allowances for work carried out as part-time College Officers. Such posts include: Sub Warden, Dean, Tutor for Graduates, Tutor for Undergraduate, Fellow Librarian, Fellow Computing Officer and Keeper of the Gardens. These amounts are included within the remuneration in Note 22. The total remuneration and taxable benefits are £1,499,812 (2009/2010: £1,489,472). The total of pension contributions paid by the College is £186,508 (2009/2010: £185,962).

During the year there were 62 Trustees who served for all or part of the period during which the College was a registered charity. Of this number, 47 Trustees received remuneration under a contract of employment for work for the College and 15 Trustees received no remuneration.

No Fellow claimed any expenses for work as a Trustee.

Related party Transactions with Trustees

Four Trustees are members of the College's Joint Equity Housing Scheme and one Trustee has a housing loan. Both initiatives are provided by the College in order to assist with the purchase of suitable accommodation in the Oxford area. Housing assistance is not an automatic right. Each application is looked at on its own merits by an independent committee who assess the benefits to the College in providing housing assistance.

Governing Body's Responsibilities Statement

The Governing Body, who are trustees for the purposes of Charity Law, are responsible for preparing the Governing Body' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;

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- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governing Body are responsible for keeping adequate accounting records that are sufficient to show and explain the College's and group's transactions and disclose with reasonable accuracy at any time the financial position of the College and the group and enable them to ensure that the financial statements comply with the Charities Act 1993, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the College and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved on behalf of the Trustees on

Sir Neil Chalmers,

Independent auditor's report to the trustees of Wadham College

We have audited the financial statements of Wadham College for the year ended 31 July 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies and the related notes. 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 Charity's trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under Section 44 of the Act. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 parent Charity's affairs as at 31 July 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 1993.

Wadham College
Statement of Accounting Policies
Year ended 31 July 2011

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 parent Charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
OXFORD

Grant Thornton UK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Wadham College
Statement of Accounting Policies
Year ended 31 July 2011

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments at market rates prevailing at the balance sheet date. The statements are in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (the Charity SORP) issued in 2005. The opening balances at 1st August 2010 (previously prepared in accordance with the Further and Higher Education SORP) have been restated in line with the Charity SORP.

The financial statements consolidate the accounts of the College and its subsidiary undertakings Wadham College Services Limited and Wadham Energy Services on a line by line basis. The accounts of the affiliated student bodies (the Student Union and the Middle Common Room) have not been consolidated because the College does not control these activities.

The College has an investment in an associated undertaking, Boathouse Consortium Limited. This investment is included in the consolidated financial statements using equity accounting.

Incoming resources

Donations, legacies and other forms of voluntary income are accounted for when receivable. Student fee income and charges are accounted for on an accruals basis. The College accounts for its investment income on a total return basis, which allows the College to invest permanent endowments to maximise total return and to make available an appropriate portion of the total return for expenditure each year. Until this power is exercised the total return shall be an 'unapplied total return' and remain as part of the permanent endowment. The College has adopted a 3.5% total return rate, on a three year rolling average.

Resources expended

Costs classified as charitable activities included only direct costs associated with those activities. Investment management costs are allocated to specific funds in proportion to their relative size. All other administrative and overhead costs incurred by the College which are not directly attributable either to fund generation or governance are allocated on the basis of staff involvement in those areas.

Classification of funds

The College's endowed funds are capital funds where normally only the income arising may be applied, in certain cases for restricted purposes. These endowments are either permanent or expendable, depending on whether the trustees have authority to spend the capital.

The College's restricted funds have arisen from restrictions specified by the donors. Both income and capital can be used for restricted purposes.

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

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Statement of Accounting Policies
Year ended 31 July 2011

Tangible fixed assets

Tangible fixed assets are stated at cost and are depreciated on a straight line basis over the following periods:

Freehold buildings	- 50 years
Building improvements	- 50 years
Equipment	- 5 years

Freehold land is not depreciated.

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods.

Certain historic College buildings are included at a net value of £1 as, due to their age, their historic cost would be difficult to ascertain and they would also now be fully depreciated.

The College operates a "de minimis" limit of £5,000 for capitalisation of expenditure on building improvements and for equipment. Works of art and other valuable artefacts that can be regarded as inalienable are not included in the financial statements.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defectives stocks.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of the obligation.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates of exchange or, where there are related forward foreign exchange contracts, at contract rates. The resultant exchange differences are included in the Statement of Financial Activities for the year.

Taxation status

As a charity within the meaning of Schedule 2 of the Charities Act 1993, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by

Wadham College

Statement of Accounting Policies

Year ended 31 July 2011

Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The College is subject to VAT on its non charitable activities.

College Contribution Scheme

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 University's Council and is accounted for in the period to which it relates.

Investments

Investments are stated at market value at the Balance Sheet date. The Statement of Financial Activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals throughout the year.

Recognition of liabilities accounting policy

Liabilities are recognised when there is a legal and constructive obligation committing the College to the expenditure

Pension Costs

Contributions to the pension schemes provided for employees of the College are charged to the Statement of Financial Activities over the period during which the College benefits from the employees' services.

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching and research		5,759	0	0	5,759	5,774
		<u>5,759</u>	<u>0</u>	<u>0</u>	<u>5,759</u>	<u>5,774</u>
Resources from generated funds						
Legacies and donations		479	3,282	1,727	5,488	2,827
Trading income	2	25	0	0	25	20
Investment income	3	3	0	1,935	1,938	1,902
Bank and other interest	4	8	0	0	8	8
		<u>515</u>	<u>3,282</u>	<u>3,662</u>	<u>7,459</u>	<u>4,757</u>
Other incoming resources		0	0	0	0	0
Total Incoming Resources		<u>6,274</u>	<u>3,282</u>	<u>3,662</u>	<u>13,218</u>	<u>10,531</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		622	0	0	622	647
Investment management costs		255	0	0	255	199
		<u>877</u>	<u>0</u>	<u>0</u>	<u>877</u>	<u>846</u>
Charitable activities	5					
Teaching and research		7,163	105	144	7,412	7,261
		<u>7,163</u>	<u>105</u>	<u>144</u>	<u>7,412</u>	<u>7,261</u>
Governance costs	8	26	0	0	26	25
Total Resources Expended		<u>8,066</u>	<u>105</u>	<u>144</u>	<u>8,315</u>	<u>8,132</u>
Net incoming/(outgoing) resources before transfers		(1,792)	3,177	3,518	4,903	2,399
Transfers between funds	19	778	7	(785)	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>(1,014)</u>	<u>3,184</u>	<u>2,733</u>	<u>4,903</u>	<u>2,399</u>
Investment gains		1,337	0	3,147	4,484	4,500
Net movement in funds for the year		<u>323</u>	<u>3,184</u>	<u>5,880</u>	<u>9,387</u>	<u>6,899</u>
Fund balances brought forward	19	18,616	871	58,756	78,243	71,344
Funds carried forward at 31 July	19	<u>18,939</u>	<u>4,055</u>	<u>64,636</u>	<u>87,630</u>	<u>78,243</u>

Wadham College
Consolidated and College Balance Sheets
As at 31 July 2011

	Notes	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
FIXED ASSETS					
Tangible assets	10	18,697	18,637	18,697	18,637
Property investments	11	23,471	21,394	23,471	21,394
Securities and other investments	12	42,028	35,782	42,028	35,782
		84,196	75,813	84,196	75,813
CURRENT ASSETS					
Stocks		436	470	435	470
Debtors	15	965	1,211	1,280	1,210
Cash at bank and in hand		3,487	2,627	3,170	2,626
		4,888	4,308	4,885	4,306
CREDITORS: falling due within one year	16	1,044	1,331	1,041	1,329
NET CURRENT ASSETS		3,844	2,977	3,844	2,977
TOTAL ASSETS LESS CURRENT LIABILITIES		88,040	78,790	88,040	78,790
CREDITORS: falling due after more than one year	17	410	547	410	547
Provisions for liabilities and charges	18	0	0	0	0
NET ASSETS		87,630	78,243	87,630	78,243
FUNDS OF THE COLLEGE					
Endowment funds		64,636	58,756	64,636	58,756
Restricted funds		4,055	871	4,055	871
Unrestricted funds					
General funds		18,939	18,616	18,939	18,616
		87,630	78,243	87,630	78,243

The financial statements were approved and authorised for issue by the Governing Body of Wadham College on 23rd November 2011

Sir Neil Chalmers

Trustee

Ian Thompson

Trustee

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

	Notes	2011 Group £'000	2010 Group £'000
Net cash inflow/(outflow) from operations	25	<u>1,743</u>	<u>(2,729)</u>
Returns on investments and servicing of finance			
Income from investments		1,946	1,910
		<u>1,946</u>	<u>1,910</u>
Capital expenditure and financial investment			
New endowment capital received		1,727	2,827
Payments for tangible fixed assets		(717)	(254)
Payments for investments		(5,206)	(2,816)
Proceeds from sales of investments		61	1,521
		<u>(4,135)</u>	<u>1,278</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		939	0
		<u>939</u>	<u>0</u>
Financing			
New bank loans		0	0
		<u>0</u>	<u>0</u>
Increase/(decrease) in cash in the year		<u>493</u>	<u>459</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		493	459
Transfers to/(from) term deposits and current investments		367	0
Change in net funds		<u>860</u>	<u>459</u>
Net funds at 1 August		2,627	2,168
Net funds at 31 July		<u>3,487</u>	<u>2,627</u>

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

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Teaching and research					
Tuition fees - UK and EU students	2,110	0	0	2,110	2,237
Tuition fees - Overseas students	93	0	0	93	0
Other fees	99	0	0	99	93
Other academic income	402	0	0	402	368
College residential income	2,140	0	0	2,140	2,125
Conference and function income	915	0	0	915	951
	5,759	0	0	5,759	5,774

The above analysis includes £1,809k received from Oxford University under the CFF Scheme, net of College fees received directly (2010 - £1,893k).

2 TRADING INCOME

	2011 £'000	2010 £'000
Other trading income	25	20
	25	20

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Agricultural rent	0	0	221	221	232
Commercial rent	0	0	286	286	280
Other property income	0	0	0	0	19
Equity dividends	3	0	1,427	1,430	1,371
	3	0	1,935	1,938	1,902

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Bank interest	8	0	0	8	8
	8	0	0	8	8

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

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2011 Total £'000	2010 Total £'000
Costs of generating funds					
Fundraising	400	195	26	622	647
Investment management costs	67	185	3	255	199
Total costs of generating funds	467	380	30	877	846
Charitable expenditure					
Teaching and research	3,422	2,536	1,454	7,412	7,261
Total charitable expenditure	3,422	2,536	1,454	7,412	7,261
Governance costs	0	26	0	26	25
Total resources expended	3,889	2,942	1,484	8,315	8,132

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 £60k (2010 - £60k).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2011 Total £'000	2010 Total £'000
Financial and domestic admin	13	500	0	0	513	409
Human resources	7	110	0	0	117	77
IT	10	183	0	0	193	195
Depreciation	0	661	0	0	661	633
Bank interest payable	0	0	0	0	0	60
	30	1,454	0	0	1,484	1,374

Finance, administration, human resources and I.T. 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. Interest and other finance charges are attributed according to the purpose of the related financing.

7 GRANTS AND AWARDS

During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
Scholarships, prizes and grants	181	249	430	402
Bursaries and hardship awards	52	0	52	56
	233	249	482	458

The above costs are included within the charitable expenditure on Teaching and Research. There were no grants awarded to other institutions in the current or prior year.

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

8 GOVERNANCE COSTS

	2011 £'000	2010 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	24	21
Auditor's remuneration - other services	2	4
	<u>26</u>	<u>25</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 £'000	2010 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,734	3,744
Social security costs	264	248
Pension costs	450	406
	<u>4,448</u>	<u>4,398</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	5	5
College residential	61	59
Fundraising	6	5
Support	18	18
Total	<u>90</u>	<u>87</u>

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

University Lecturers	19	19
CUF Lecturers	14	14
Other	26	24
Total	<u>59</u>	<u>57</u>

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

There were no employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) were in excess of £60,000.

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

10 TANGIBLE FIXED ASSETS

Group	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost					
At start of year	0	24,794	0	1,054	25,848
Additions	0	603	0	114	717
At end of year	0	25,397	0	1,168	26,565
Depreciation					
At start of year	0	6,592	0	619	7,211
Charge for the year	0	452	0	205	657
At end of year	0	7,044	0	824	7,868
Net book value					
At end of year	0	18,353	0	344	18,697
At start of year	0	18,202	0	435	18,637
College					
Cost					
At start of year	0	24,794	0	1,054	25,848
Additions	0	603	0	114	717
At end of year	0	25,397	0	1,168	26,565
Depreciation					
At start of year	0	6,592	0	619	7,211
Charge for the year	0	452	0	205	657
At end of year	0	7,044	0	824	7,868
Net book value					
At end of year	0	18,353	0	344	18,697
At start of year	0	18,202	0	435	18,637

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.

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

11 PROPERTY INVESTMENTS

Group and College

	Agricultural £'000	Commercial £'000	Other £'000	2011 Total £'000	2010 Total £'000
Valuation at start of year	12,454	2,413	6,527	21,394	21,637
Additions and improvements at cost	256	0	175	431	49
Disposals net proceeds	(61)	0	0	(61)	(1,521)
Revaluation gains/(losses) in the year	2,053	(218)	(128)	1,707	1,229
Valuation at end of year	14,702	2,195	6,574	23,471	21,394

A formal valuation of the agricultural, commercial and other properties was prepared by the College's external land and property agents (Carter Jonas, Whirlledge & Nott) as at the 31st July 2011.

12 SECURITIES AND OTHER INVESTMENTS

	2011 £'000	2010 £'000
Group investments		
Valuation at start of year		
New money invested/redeemed	35,709	29,933
(Decrease)/increase in value of investments	3,472	2,505
	2,777	3,271
Group investments at end of year	41,958	35,709
Investment in subsidiaries	70	73
College investments at end of year	42,028	35,782

Group investments comprise:

	Held outside the UK £'000	Held in the UK £'000	2011 Total £'000	2010 Total £'000
Global multi-asset funds	0	39,069	39,069	29,904
Property funds	0	1,238	1,238	1,211
Fixed interest stocks	0	0	0	956
Alternative and other investments	0	243	243	230
Fixed term deposits and cash	0	1,408	1,408	3,408
Total group investments	0	41,958	41,958	35,709

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

13 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Wadham College Services Limited, a company providing conference and other event services on the College premises. The College also holds 100% of the issued share capital in Wadham Energy Services Ltd, which has remained dormant throughout the year.

The results of the subsidiaries and their assets and liabilities at the year end were as follows.

	Wadham College Services Ltd £'000	Wadham Energy Supplies Ltd £'000
Turnover	364	0
Expenditure	(328)	0
Donation to College under Gift Aid	(36)	0
Result for the year	<u>0</u>	<u>0</u>
Total assets	396	0
Total liabilities	(396)	0
Net funds at the end of year	<u>0</u>	<u>0</u>

14 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 1st August 2008. The investment return to be applied as income is calculated as 3.5% (plus costs) of the average of the year-end values of the relevant investments in each of the last three years. The preserved (frozen) value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return			
Income distributions	1,676	259	1,935
Capital gains/losses	2,707	440	3,147
Investment management costs	0	0	0
Total return for the year	<u>4,383</u>	<u>699</u>	<u>5,082</u>
Amount applied as income for spending	(495)	(290)	(785)
Net increase in Unapplied Total Return in the year	3,888		
Unapplied Total Return at start of year	19,147		
Unapplied Total Return at end of year	<u>23,035</u>		
Preserved value of original permanent endowments	<u>35,494</u>		

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

15 DEBTORS

	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
Amounts falling due within one year:				
Trade debtors	298	440	232	439
Amounts owed by College members	49	62	49	62
Amounts owed by Group undertakings	0	0	381	0
Other Debtors	517	709	517	709
Amounts falling due after more than one year:				
Loans	101	0	101	0
	<u>965</u>	<u>1,211</u>	<u>1,280</u>	<u>1,210</u>

16 CREDITORS: falling due within one year

	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
Trade creditors	245	309	245	307
Amounts owed to College Members	70	36	70	36
Taxation and social security	119	131	104	131
College contribution	60	60	60	60
Accruals and deferred income	201	694	213	658
Other creditors	349	101	349	137
	<u>1,044</u>	<u>1,331</u>	<u>1,041</u>	<u>1,329</u>

17 CREDITORS: falling due after more than one year

	2011 Group £'000	2010 Group £'000	2011 College £'000	2010 College £'000
Other creditors	410	547	410	547
	<u>410</u>	<u>547</u>	<u>410</u>	<u>547</u>

18 PROVISIONS FOR LIABILITIES AND CHARGES

The College had no provisions for liabilities and charges in the current or prior year.

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

19 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2010 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2011 £'000
Endowment Funds - Permanent						
<i>Teaching Funds</i>						
Dr Wills' Pension Fund	569	19	0	(19)	52	621
Sir Algernon Methuen's Bequest	1,433	0	0	0	131	1,564
Dr David T Wylie's Bequest	680	24	0	(24)	62	742
The Lee Shau Kee Benefaction	482	17	0	(17)	44	526
The Law Fellowship Support Fund	976	37	0	(34)	89	1,068
The Von Bothmer Benefaction	1,799	62	0	(62)	164	1,963
A F Thompson History Fellowship	1,200	83	0	(19)	108	1,372
The Knowles/Williams J R F	706	25	0	(24)	63	770
The Hackney/Stow Law Fellowship	836	245	0	(30)	73	1,124
Forrest/Derow Classics Fellowship	1,654	79	0	(48)	151	1,836
Hutcheson Bequest	519	18	0	(18)	47	566
M Benham Biology Fellowship	608	21	0	(21)	56	664
M Benham Mathematics Fellowship	608	21	0	(21)	56	664
<i>College Buildings & Facilities</i>						
R H Robbins Garden Fund	0	649	0	0	(26)	623
104 other Funds	41,625	1,463	(141)	(158)	1,637	44,426
	53,695	2,763	(141)	(495)	2,707	58,529
Endowment Funds - Expendable						
The General Benefactions Fund	5,009	815	0	(174)	457	6,107
14 other Funds	52	84	(3)	(116)	(17)	0
	5,061	899	(3)	(290)	440	6,107
Total Endowment Funds	58,756	3,662	(144)	(785)	3,147	64,636
Restricted Funds						
Buildings Fund	575	3,145	0	0	0	3,720
15 other Funds	296	137	(105)	7	0	335
Total Restricted Funds	871	3,282	(105)	7	0	4,055
Unrestricted Funds						
General Reserves	18,616	6,274	(8,066)	778	1,337	18,939
Total Unrestricted Funds	18,616	6,274	(8,066)	778	1,337	18,939
Total Funds	78,243	13,218	(8,315)	0	4,484	87,630

The College has agreed to list individually all those Funds with a balance greater than £500k at the year end.
The College also had 10 Funds with a balance between £250k and £499k and 94 Funds with a balance below £250k.

20 FUNDS OF THE COLLEGE DETAILS

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

- Endowment Funds - Permanent:** The above funds listed are to secure teaching posts in a variety of subjects, and to maintain the College Garden.
- Endowment Funds - Expendable:** A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the charity
- Restricted Funds:** The Buildings Fund is the major source of financing for the Graduate Centre and refurbishment of Staircase 9, construction of which is currently underway.
- Unrestricted Funds:** 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

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

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	18,696	0	0	18,696
Property investments	0	0	23,471	23,471
Securities and other investments	0	2,352	39,606	41,958
Net current assets	243	1,703	1,559	3,505
	<u>18,939</u>	<u>4,055</u>	<u>64,636</u>	<u>87,630</u>

22 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees but are paid by either or both of the University and the College for the academic services they provide to the College. No expenses were paid to employees in discharging their duties as Trustees.

Range £	Number of Trustees 2011 Total	Number of Fellows 2010 Total
	2,000-2,999	1
3,000-3,999	1	0
5,000-5,999	0	2
7,000-7,999	1	0
8,000-8,999	0	1
10,000-10,999	1	0
12,000-12,999	1	0
13,000-13,999	1	0
14,000-14,999	2	1
16,000-16,999	0	2
17,000-17,999	6	4
18,000-18,999	2	1
19,000-19,999	6	8
20,000-20,999	2	2
22,000-22,999	2	2
26,000-26,999	1	1
32,000-32,999	0	2
33,000-33,999	1	0
39,000-39,999	0	1
40,000-40,999	2	0
42,000-42,999	1	2
44,000-44,999	2	1
45,000-45,999	1	0
46,000-46,999	1	1
47,000-47,999	0	1
48,000-48,999	3	3
49,000-49,999	3	2
51,000-51,999	2	1
57,000-57,999	1	0
60,000-60,999	0	1
68,000-68,999	0	1
74,000-74,999	0	2
80,000-80,999	0	1
81,000-81,999	2	0
82,000-82,999	0	1
96,000-96,999	1	0
	<u>47</u>	<u>45</u>

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

23 PENSION SCHEMES

1. The pension schemes:

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS'), and the University of Oxford Staff Pension Scheme ('OSPS'). 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, in accordance with the accounting standard FRS 17 "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 the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

However, in OSPS, the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to the employer.

The College will make available a Stakeholder Scheme for individual employees.

The College also has a small number of staff in other pension schemes, including the now closed Employees Pension Scheme ('EPS'). In addition, the College is also contributing to the personal pension arrangements of certain staff who were ineligible to join USS or OSPS.

2. Actuarial valuations

Qualified actuaries periodically value the Schemes. Both USS and OSPS were valued using the "projected unit" method, embracing a market values approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels are shown in the following table.

	USS	OSPS
Date of valuation:	31/03/2008 ^a	31/03/2010
Date valuation results published:	04/02/2009	30/06/2011
Value of liabilities:	£28,135m	£394m
Value of assets:	£28,842m	£312m
Funding Surplus/(Deficit)	£707m ^p	(£82m) ^c
Principal assumptions:		
Rate of interest (past service liabilities)	4.4% pa	-
Rate of interest (future service liabilities)	6.1% pa	-
Rate of interest (periods up to retirement)	-	7.0% pa
Rate of interest (periods after retirement)	-	5.0% pa
Rate of increase in salaries	4.3% pa	4.75% pa
Rate of increase in pensions	3.3% pa	3.7% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	23 yrs	22 yrs
Assumed life expectancy at age 65 (females)	25 yrs	24 yrs
Funding Ratios:		
Technical Provisions basis:	103% ^a	79%
Statutory Pension Protection Funds basis:	107%	86%
"Buy-out" basis:	79%	52%
Estimated FRS 17 basis	104%	77%
Recommended Employer's contribution rate (as % of pensionable salaries):	16% ^e	21.5% ^c
Effective date of next valuation:	31/03/2011 ^a	31/03/2013

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Notes:

- a. USS' actuary will undertake an actuarial valuation of the scheme as at 31 March 2011, the results of which are not expected to be finalised until December 2011, with publication of the final results in 2012.
- b. In the light of the considerable swings in markets since the valuation date, the nature of the demographic and financial assumptions used in the ongoing and solvency valuations, the significant positive cash flows and equity orientated investment strategy, and USS' actuary recommended, and the Trustee agreed, that the small ongoing funding surplus should be carried forward to the next valuation.
- c. OSPS' actuarial valuation as at 31 March 2010 identified a required long-term employer contribution rate of 18.2% of total pensionable salaries, but also a funding deficit of £82.4m. 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 employee since 1 August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 31 March 2027.
- d. Since 31 March 2008, global investment markets have continued to fluctuate and the actuary has estimated the funding level of USS had fallen from 103% at 31 March 2008 to 91% (a deficit of £3,065m) at 31 March 2010. Compared to the previous 12 months the funding has improved from 74% as at 31 March 2009 to 91%. These estimates are based on the funding level at March 2008, adjusted to reflect the fund's actual investment performance over the two years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). On the FRS 17 basis, the actuary estimated that the funding level at 31 March 2010 was 80% and on a buy out basis was approximately 57%.
- e. The USS employer contribution rate for future service benefits alone at the date of the valuation was 16.0% of total pensionable salaries and the Trustee company, on the advice of the actuary, implemented the increase from 14% to 16% on 1 October 2009. The USS Joint Negotiating Committee has discussed the funding position of the Scheme and has proposed a package of changes, including the admission of new members into a Care Average Revalued Earnings section, to be implemented with effect on 1 October 2011. The changes are required to ensure the future sustainability of the Scheme. Further details about the changes may be reviewed on USS' website, www.uss.co.uk.

3. Sensitivity of actuarial valuation assumptions:

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in Assumption	Impact on scheme liabilities		
		USS	OSPS	
Valuation rate of interest	increase /decrease by 0.5%	decrease/ increase by £2.2bn	decrease/ increase by £35m	
Rate of pension increases	increase /decrease by 0.5%	increase/ decrease by £1.5bn	increase/ decrease by £25m	
Rate of salary growth	increase /decrease by 0.5%	increase/ decrease by £0.7bn	increase/ decrease by £5m	
Rate of mortality	more prudent assumption (mortality used at last valuation down by a further year)	increase by £1.6bn	increase by £10m	

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4. Pension charge for the year:

The pension charge recorded by the College during the accounting period was equal to the contributions payable as follows: USS £259k (2010 £204k); OSPS £191k (2010 £202k).

24 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 trading 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.

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

	2011 £'000	2010 £'000
Net incoming resources for the year	4,903	2,399
Elimination of non-operating cash flows:		
- Investment income	(1,946)	(1,906)
- Endowment donations	(1,727)	(2,827)
Depreciation	657	633
Decrease/(Increase) in stock	34	(8)
Decrease/(Increase) in debtors	246	(318)
(Decrease)/Increase in creditors	(424)	(702)
Net cash inflow/(outflow) from operations	1,743	(2,729)

26 ANALYSIS OF CHANGES IN NET FUNDS

	2010 £'000	Cash flow £'000	2011 £'000
Cash at bank and in hand	2,627	860	3,487
	2,627	860	3,487

27 FINANCIAL COMMITMENTS

The College had no financial commitments as at 31 July 2011 or 31 July 2010.

28 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July 2011 for future capital projects totalling £5.9m (2010 - £Nil).

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29 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.

Banding	2011 No. of Trustees	2010 No. of Fellows
£101,000-£101,999	1	1

Interest is charged on the above loan at 3% per annum.

The loan is secured on the Trustee's property and is repayable either on the sale of the property or on the Trustee ceasing to be employed by the College if earlier.

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

Banding	2011 No. of Trustees	2010 No. of Fellows
£125,000-£125,999	0	1
£138,000-£138,999	1	0
£146,000 - £146,999	1	1
£174,000-£174,999	1	0
£175,000-£175,999	0	1
£194,000-£194,999	1	0

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.

30 CONTINGENT LIABILITIES

The College had no contingent liabilities as at 31 July 2011 or 31 July 2010.

31 POST BALANCE SHEET EVENTS

The College had no post Balance Sheet events.