

Charity Registration No. 1143479

# Worcester College

Annual Report and Financial Statements

Year ended 31 July 2011

**WORCESTER COLLEGE**  
**Annual Report and Financial Statements**  
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# WORCESTER 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.

Members		Effective date	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Prof. Jonathan Bate	Provost	01.09.11	•	•		•	•	•	•	•
Prof. Donald Fraser				•		•				
Prof. Paul Ewart						•				•
Dr David Bradshaw						•				
Dr Stephen Williams	Senior Tutor		•		•	•		•	•	
Dr Simon Cowan			•			•				
Prof. John Woodhouse										
Prof. Alan Ware	Garden Master					•	•		•	
Dr Peter Darrah	Dean					•		•	•	
Dr Susan Gillingham					•	•				
Prof. Tony Blakeborough						•				•
Prof. Heather Viles						•				
Dr Kate Tunstall						•	•			
Dr Christopher Brown										
Prof. Roger Heath-Brown					•					
Prof. Robert Saxton						•		•		
Prof. Ernesto Macaro					•					
Mr Donal Nolan						•	•	•		
Dr Nir Vulkan				•		•				
Prof. Judith Freedman										•
Prof. Andrew Carr	Senior Treasurer of Clubs				•				•	
Dr Ben Morgan					•	•				
Dr John Parrington						•		•		
Dr Richard Earl	Tutor for Graduates					•	•		•	
Prof. Fabian Essler			•			•				
Dr Cathryn Costello						•	•	•		
Dr Scott Scullion				•		•				
Dr Deborah Cameron										
Dr Josephine Quinn	Vice-Provost		•	•	•	•	•	•	•	•
Prof. Andreas Willi										
Dr Rory Bowden										
Prof. Julian Roberts										
Prof. Endre Süli						•				
Prof. Robert Gildea										
Dr Grant Ritchie			•		•	•				
Dr Bob Harris						•				
Dr Paul Azzopardi						•				
Prof. Andrew Price										
Dr Mark Howarth			•			•				
Dr David Steinsaltz						•	•			
Dr Conrad Leyser			•			•				
Dr Laura Ashe			•			•				
Dr Jane Gover	Academic Registrar & Admissions Tutor					•	•		•	
Dr Gabriel Stylianides										
Mr Andrew Jardine	Estates Bursar		•	•		•	•	•	•	

## WORCESTER COLLEGE

### Governing Body, Officers and Advisers

Year ended 31 July 2011

Members (continued)		Effective date	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Dr Kim Dora						•				
Dr Antonis Papachristodoulou		01.10.10	•			•				
Dr Maris Köpcke Tinturé		01.09.10				•			•	
Dr Hongseok Yang		01.05.11				•				
Dr Michail Peramatzis		01.10.11				•				
Members who retired or resigned during the year or subsequently										
Mr Richard Smethurst	Provost	31.07.11								
Prof. Arthur Dexter		30.09.10								
Mr Bernard Sufrin		30.09.10								
Dr Sabina Lovibond		30.09.11								
Prof. Douglas Holt		31.12.10								
Dr Elisabeth Dutton		30.09.11								

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

- (1) Finance Committee
- (2) Investment Committee
- (3) Academic Strategy Committee
- (4) Tutors' Committee
- (5) Domus Committee
- (6) External Relations Committee
- (7) Compliance Committee
- (8) Nominating Committee

Committees that are primarily concerned with managing or administering a service, including Chapel Committee, Library Committee, Computing Committee, Housing & Accommodation Committee and Travel Grants Committee are not included, but membership of these Committees is available on request.

The Joint Consultative Committees are also not included, but membership of these Committees is available on request.

In some cases membership of committees is linked to a particular college role, for example the Vice-Provost and Senior Tutor.

#### Notes:

1. Finance – also includes 2 senior members of staff and 1 external member.
2. Investment – also includes 2 senior members of staff and 3 external members
4. Tutors' Committee – also includes Director of Visiting Student Programme, Chaplain, Career Development teaching JRFs, Lecturers with tutorial responsibilities during Fellows' sabbatical leave.
5. Domus – also includes 2 senior members of staff
6. External Relations – also includes 1 senior member of staff
7. Compliance – also includes 2 senior staff and JCR and MCR representatives

The future format of Remuneration and Audit Committees is under discussion.

## WORCESTER COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2011

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### COLLEGE SENIOR STAFF

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

C Day	Director of External Relations
S Dyer	Domestic Bursar
J Gover	Academic Registrar & Admissions Tutor
A Jardine	Estates Bursar
G Jowett	College Accountant
J Parker	Librarian
K Wells	Computing Manager

### COLLEGE ADVISERS

#### Investment managers

To 31 December 2011:  
Cambridge Associates Ltd  
80 Victoria Street  
Cardinal Place  
London  
SW1E 5JL

From 1 July 2011:  
Oxford University Endowment Management Ltd  
King Charles House  
Park End Street  
Oxford  
OX1 1JD

#### Auditor

Everett & Son  
35 Paul Street  
London  
EC2A 4UQ

#### Bankers

National Westminster Bank plc  
32 Cornmarket Street  
Oxford  
OX1 3ES

Royal Bank of Scotland plc  
32 St Giles  
Oxford  
OX1 3ND

## **WORCESTER COLLEGE**

**Governing Body, Officers and Advisers**

**Year ended 31 July 2011**

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### **COLLEGE ADVISERS (continued)**

#### **Bankers (continued)**

Wachovia Bank  
D1118-02D  
PO Box 563966  
Charlotte  
NC 28256-3966  
USA

#### **Surveyors**

Carter Jonas  
Anchor House  
269 Banbury Road  
Summertown  
Oxford, OX2 7LL

#### **College address**

Oxford  
OX1 2HB

#### **College website**

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

## **WORCESTER 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**

The Provost, Fellows & Scholars of Worcester College in the University of Oxford, which is known as Worcester College, ("the College") is an eleemosynary chartered charitable corporation aggregate. It was founded through a legacy of Sir Thomas Cookes Bt. under a Royal Charter of Queen Anne dated 1714. The corporation comprises the Provost and Fellows. The College is an exempt charity under s3 (5a) Charities Act 1993 (as listed in Schedule 2(b) to that Act). Under the Charities Act 2006 this status is ending: registration under the Charity Commission commenced on 1st June 2010, and is now completed. The College registered with the Charities Commission on 19 August 2011 (registered number 1143479).

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 5.

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

##### **Governing documents**

The College is governed by its Statutes dated 21 December 1966. Notice of new Statutes to alter and amend the Statutes of the College, for which amending Statutes having been duly made at General Meetings of the Governing Body, held on 3 February 2010, 5 May 2010 and 26 January 2011 and passed at such Meetings, has been given to the University, which has signified its approval and is now submitted for the approval of Her Majesty in Council.

##### **Governing Body**

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Lord High Chancellor on behalf of the Crown. New Governing Body Fellows are appointed by the existing Trustees, for specified periods of time or until retirement. New members of the Governing Body are elected on the basis of expertise in their particular field.

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 Provost and is advised by eight committees.

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

New Members of the Governing Body are recruited by open application and interview and are inducted into the workings of the College, including Governing Body policy and procedures, by means of the Fellows' Handbook, Charity Commission Guidance Notes and informal discussion with colleagues. The Governing Body has determined that this will be supplemented by formal training in due course. Every Fellow is also given a copy of the College Statutes on appointment.

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

##### **Organisational management**

The members of the Governing Body normally meet six times a year. The work of developing their policies and monitoring the implementation of these is carried out by eight principal Committees:

- **The Tutors' Committee**

This committee considers business related to the academic and teaching aspects of the College including admissions, changes of course, oversight of student progress, requests for student suspensions etc. Meetings take place at 2.00 pm on Wednesday of weeks 1, 4 and 7 in the Linbury Room. The Committee comprises all Fellows with tutorial responsibilities, Career Development Teaching JRFs, College Lecturers

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## WORCESTER COLLEGE

### Report of the Governing Body

Year ended 31 July 2011

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overseeing a subject area, the Director of the Visiting Student Programme, the Academic Registrar/Tutor for Admissions and the Chaplain. Chaired by the Senior Tutor.

- **The Academic Strategy Committee**

This committee has responsibility for monitoring and developing the medium- to long-term academic strategies of the College including the subject balance and decisions about associations with new posts. Meetings usually take place on the Wednesday afternoon of week 5 of each term. Chaired by the Vice-Provost.

- **The Finance Committee (and Investment Sub-committee)**

The Finance Committee is responsible for business related to the financial management of the College, including strategy, monitoring of financial performance and consideration of requests for expenditure. Finance Committee meetings take place on Wednesdays of week 0 and 6 of each term. A separate meeting is held on Wednesday of week 3 in Trinity Term to consider budgets. A Sub-committee of the Finance Committee, the Investment Sub-committee, meets once each term to consider the College's investment strategies. Both meetings are chaired by the Provost.

- **The Domus Committee**

This committee is responsible for business related to the fabric and buildings of the College, and for its general management. Meetings take place on Wednesday of weeks 1 and 5 of each term. Chaired by the Vice-Provost.

- **The External Relations Committee**

The External Relations Committee (formerly the Appeals Committee) is responsible for business related to College fund-raising, alumni relations and conferences. Meetings take place on Wednesday of week 7 in each term. Chaired by the Provost.

- **The Compliance Committee**

The Compliance Committee reviews compliance with equal opportunities and other legislation

- **The Nominating Committee**

The Nominating Committee proposes membership of committees and College Officers

The day-to-day running of the college is delegated to the Provost, supported by the following College Officers: Vice-Provost, Senior Tutor, Tutor for Graduates, Dean, Estates Bursar and Academic Registrar/Tutor for Admissions. The Vice-Provost attends each meeting of the Governing Body's Committees listed above, and all college meetings are attended by one or more of these individuals.

### Group structure and relationships

The College also administers many special trusts, as detailed in Notes 20 to 21 to the financial statements.

The College also has a wholly owned non-charitable subsidiary: Worcester College Enterprises Limited. The financial statements are not consolidated into the accounts of the College because that Company was dormant throughout the year ended 31<sup>st</sup> July 2011.



## **WORCESTER COLLEGE**

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

**Year ended 31 July 2011**

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

#### **Risk management**

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

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, consider the major risks to which the College and its subsidiaries are exposed as appropriate, and work to ensure 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 the advancement of education, religion, learning and research, by the provision of a college in the University of Oxford, for the benefit of the public.

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

The College's aims for the public benefit are:

- to advance education, including extending access;
- to provide bursaries;
- to support impecunious students through hardship funds;
- to support college-funded and independent research;
- to promote the accessibility of the Chapel; and
- to allow public access to the grounds and gardens, currently without charge.

## **WORCESTER COLLEGE**

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

**Year ended 31 July 2011**

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#### **ACHIEVEMENTS AND PERFORMANCE**

The College proved to be a popular choice for undergraduate applicants in 2010 and the field of candidates from which students were selected showed strong academic ability and potential. In addition to those admitted by Worcester College, a number of applicants were also offered places by other colleges as a result of the intercollegiate mechanisms that aim to ensure application outcome is not affected by college choice. The undergraduates performed strongly and Worcester was ranked 6<sup>th</sup> out of 30 in the 2010/11 Norrington Table, which is one measure of relative performance in Finals by each college. Students also achieved excellent results in their First Public Examinations (normally taken in the first year). The graduate community continued to thrive and a very wide range of postgraduate taught and research degrees were successfully completed.

The College has continued to offer support to its students, including for academic provision, hardship, bursaries, study grants and extra-curricular activities. The College has also met its aims for public benefit by arranging events with open attendance, by opening its grounds daily to the public and by admitting members of the public to attend Chapel services. During the year the College has also further enhanced its provision of facilities with new accommodation, an additional seminar room and a number of projects to improve disabled access. These include the widening and resurfacing of paths, improved signage and the installation of ramps to access the Dining Hall and Chapel.

#### **FINANCIAL REVIEW**

The principal funding sources of the College continued to be fees, accommodation charges, conference income and Endowments. Fee income is received from HEFCE, various funding bodies and students.

The College also benefits from the greatly appreciated support of our benefactors.

Overall, the results for the year were very encouraging with net incoming resources of £238k compared to net outgoing resources of £1,456k in 2010. This was achieved with increased Legacies and donations, improved Investment income and the one-off proceeds arising from the sale of two houses in Botley. The result was also an improvement against the Forecast for the year achieved by controlling expenditure and increasing income where possible.

The College's charitable objects and aims - the advancement of education, religion, learning and research - continue to be met with resources expended on charitable activities for the year of £6,501k (2010: £6,349k), with teaching salaries accounting for the increase.

Incoming Resources from charitable activities in the year, principally fees and residential income were £4,398k (2010: £4,302k), with HEFCE funding virtually unchanged. The increase arose from a small rise in the number of visiting students, an escalation in accommodation charges and an improvement in catering income, due, in part, to increased throughput.

The College achieved its public benefit aims and objectives with expenditure on charitable activities of £6,501k exceeding incoming resources from charitable activities of £4,398k, by £2,103k. This deficit was met principally from the College's Endowments, with a contribution towards overheads from Conference income.

Conference income rose 5% to £880k (2010: £835k), despite 2011 being a difficult year due to the late start of the long vacation. The College continues to support the growth in Conference income as it provides a useful source of funds for our key objectives and aims. The income and related expenditure is included in the Consolidated Statement of Financial Activities under the headings Trading Income and Trading Expenditure.

The College continues to monitor all expenditure and make savings where possible with a view to reducing the deficit and drawdown from endowments.

As part of the College's continuing aim to provide first class facilities for students and tutors, the Trustees used the proceeds of the sales of the two residential houses, mentioned above, to fund a major re-development of a building the College owned to create tutorial and seminar facilities, together with six high quality residential units for graduate students.

## **WORCESTER COLLEGE**

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

**Year ended 31 July 2011**

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The College is developing a structured plan to maintain and improve the infrastructure of the buildings and grounds to help provide top quality facilities and preserve them for the future. This will take a number of years and may increase maintenance costs in the short term, but, as in this year, it is hoped that a number of initiatives will be financed by donations.

During the year the College decided to move all its investments into the management of Oxford University Endowment Management Limited (OUEM). On 1 July 2011 the proceeds of disposal of five of our investment funds were invested into the OUEM Oxford Capital Fund, a total of £4,500k. As a result of this decision a further five funds were transferred at value together with £720k cash to OUEM Oxford Endowment Fund on 1 August 2011, a total of £5,450k.

In January 2011 the College initiated a RIBA competition to find an architect to design a scheme for the replacement of the kitchens and construction of a new lecture theatre. An architect was appointed in June and a planning application is being developed. Two substantial donations have been generously provided and these will cover the design, planning and core construction costs of the project.

#### **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 General reserve at the year-end amounted to £7,475k (2010: £7,386k), representing retained unrestricted income reserves and sufficient to fund just under one year's total expenditure.

Designated reserves at the year-end comprised funds for the maintenance of the fabric of the Hall, Chapel & Library and improvement of the fabric and fire precautions of the College as and when required. It is anticipated that some of these funds will be used in conjunction with the structured plan to maintain and improve the infrastructure of the buildings, mentioned above.

#### **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 sub-Committee. At the year end, the College's long term securities totalled £13,245k. The overall total investment return was 11.65% over the year, the MSCI World GDP weighted index for the year was 11.70%.

Under the total return accounting basis, it is the Governing Body's policy to extract as income 4.5% of the value of the relevant invested funds.

The Governing Body will keep the level of drawdown under review to balance the needs and interests of current and future beneficiaries of the College's activities.

## **WORCESTER COLLEGE**

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

**Year ended 31 July 2011**

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#### **FUTURE PLANS**

The College's future plans are as agreed by the Governing Body and its committees, which consider the future plans in their areas of remit, the core elements are:

- to continue excellence in teaching, research and learning to ensure that the College continues to enhance its ability to provide a first class education;
- to provide high quality tuition and student support and to continue to update and enhance facilities;
- to further increase endowment and other income (eg through conferences); and
- to ensure compliance with charity and other relevant legislation

#### **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. The Governing Body confirms that the financial statements comply with statutory requirements.

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 16 November 2011 and signed on its behalf by:

Professor Jonathan Bate

Provost

## **WORCESTER COLLEGE**

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

We have audited the group and charity financial statements of Worcester 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 31. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the College's Governing Body in accordance with section 44 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

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

The Governing Body's responsibilities for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Accounting and Reporting Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993.

We also report if, in our opinion, the information given in the Report of the Governing Body is not consistent with the financial statements, if the College has not kept sufficient accounting records, if the College's financial statements are not in agreement with these accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Report of the Governing Body and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to other information.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion, the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the College's affairs as at 31 July 2011 and of the consolidated incoming resources and application of resources for the year then ended; and
- have been prepared in accordance with the Charities Act 1993.

Everett & Son  
Statutory Auditors  
Chartered Accountants  
London  
16 November 2011

# WORCESTER 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.

The financial statements consolidate the accounts of two trusts, Amphlett of Clent Scholarships Trust and Wilkinson Trust, whose assets are controlled by independent trustees with the income being mainly applied for the benefit of the College. The accounts of Worcester College Society, a charitable company limited by guarantee, are also consolidated as the College is the sole member of the Society.

No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the above, as included in the consolidated income, expenditure and results of the College are disclosed in note 13.

The financial statements do not consolidate the accounts of the College's wholly owned subsidiary undertaking, Worcester College Enterprises Limited, with those of the College because that Company was dormant throughout the year ended 31 July 2011.

The accounts of the affiliated student bodies, Worcester College Clubs, Middle Common Room and Junior Common Room have also not been consolidated because the College does not control these activities.

### 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, less any scholarships, bursaries or other allowances granted by the College, but 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

# WORCESTER COLLEGE

## Statement of Accounting Policies

Year ended 31 July 2011

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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.

### 7. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings together with expenditure on equipment costing more than £2,000 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.

### 8. 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	[50 years]
Equipment	[4 - 10 years]

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

### 9. Impairment Review

The College Surveyors carry out a full valuation of College properties, which considers the general condition, at five yearly intervals with desk top valuations in between. The College is developing a quinquennial plan of scheduled maintenance.

### 10. Investments

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

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. Where necessary, provision is made for obsolete, slow moving and defective stock.

### 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.

## WORCESTER COLLEGE

### Statement of Accounting Policies

Year ended 31 July 2011

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#### 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.

For the carrying value of the preserved (frozen) permanent capital, the Governing Body have taken its open market value as at 1992, except where the original donation can be identified, together with the original gift value of all subsequent endowments received.

#### 14. Fund accounting

The total funds of the College 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 restrictions on 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.



**Worcester College**  
**Consolidated Statement of Financial Activities**  
**including Income & Expenditure Account**  
**For the year ended 31 July 2011**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
<b>INCOMING RESOURCES</b>						
<b>Resources from charitable activities</b>	1					
Teaching and research		4,387	11	0	4,398	4,302
		<u>4,387</u>	<u>11</u>	<u>0</u>	<u>4,398</u>	<u>4,302</u>
<b>Resources from generated funds</b>						
Legacies and donations		285	158	883	1,326	550
Trading income	2	911	14	0	925	885
Investment income	3	189	184	661	1,034	872
Bank and other interest	4	0	0	0	0	0
		<u>1,385</u>	<u>356</u>	<u>1,544</u>	<u>3,285</u>	<u>2,307</u>
<b>Other incoming resources</b>		754	0	0	754	0
<b>Total Incoming Resources</b>		<u>6,526</u>	<u>367</u>	<u>1,544</u>	<u>8,437</u>	<u>6,609</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>	5					
Fundraising		36	0	236	272	268
Trading expenditure		1,315	5	11	1,331	1,342
Investment management costs		55	0	0	55	83
		<u>1,406</u>	<u>5</u>	<u>247</u>	<u>1,658</u>	<u>1,693</u>
<b>Charitable activities</b>	5					
Teaching and research		5,406	215	880	6,501	6,349
		<u>5,406</u>	<u>215</u>	<u>880</u>	<u>6,501</u>	<u>6,349</u>
<b>Governance costs</b>	8	37	3	0	40	23
<b>Total Resources Expended</b>		<u>6,849</u>	<u>223</u>	<u>1,127</u>	<u>8,199</u>	<u>8,065</u>
<b>Net incoming/(outgoing) resources including net income/(expenditure) for the year before transfers</b>		(323)	144	417	238	(1,456)
Transfers between funds	20	0	0	0	0	0
<b>Net incoming/(outgoing) resources before other gains and losses</b>		<u>(323)</u>	<u>144</u>	<u>417</u>	<u>238</u>	<u>(1,456)</u>
Investment gains/(losses)		597	351	411	1,359	1,487
<b>Net movement in funds for the year</b>		<u>274</u>	<u>495</u>	<u>828</u>	<u>1,597</u>	<u>31</u>
Fund balances brought forward	20	11,321	2,460	14,242	28,023	27,992
<b>Funds carried forward at 31 July</b>	20	<u>11,595</u>	<u>2,955</u>	<u>15,070</u>	<u>29,620</u>	<u>28,023</u>

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

	Notes	2011 Consolidated £'000	2010 Consolidated £'000	2011 College £'000	2010 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	24,694	22,619	24,694	22,619
Property investments	11	4,759	6,883	4,759	6,883
Securities and other investments	12	15,793	16,427	13,245	14,234
		<b>45,246</b>	<b>45,929</b>	<b>42,698</b>	<b>43,736</b>
<b>CURRENT ASSETS</b>					
Stocks	15	126	118	126	118
Debtors	16	531	836	604	836
Deposits and other short term investments		0	0	0	0
Cash at bank and in hand		79	62	21	18
		<b>736</b>	<b>1,016</b>	<b>751</b>	<b>972</b>
<b>CREDITORS: falling due within one year</b>	17	<b>(1,362)</b>	<b>(3,922)</b>	<b>(1,359)</b>	<b>(3,880)</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>(626)</b>	<b>(2,906)</b>	<b>(608)</b>	<b>(2,908)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>44,620</b>	<b>43,023</b>	<b>42,090</b>	<b>40,828</b>
<b>CREDITORS: falling due after more than one year</b>	18	<b>(15,000)</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>(15,000)</b>
<b>Provisions for liabilities and charges</b>	19	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET ASSETS</b>		<b>29,620</b>	<b>28,023</b>	<b>27,090</b>	<b>25,828</b>
<b>FUNDS OF THE COLLEGE</b>					
<b>Endowment funds</b>		<b>15,070</b>	<b>14,242</b>	<b>15,070</b>	<b>14,242</b>
<b>Restricted funds</b>		<b>2,955</b>	<b>2,460</b>	<b>425</b>	<b>265</b>
<b>Unrestricted funds</b>					
Designated funds		2,517	2,595	2,517	2,595
General funds		9,078	8,726	9,078	8,726
		<b>29,620</b>	<b>28,023</b>	<b>27,090</b>	<b>25,828</b>

The financial statements were approved and authorised for issue by the Governing Body of Worcester College on 16 November 2011

Professor Jonathan Bate, Provost

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

	Notes	2011 Group £'000	2010 Group £'000
<b>Net cash inflow/(outflow) from operations</b>	26	<u>(2,550)</u>	<u>(1,451)</u>
<b>Returns on investments and servicing of finance</b>			
Income from investments		1,034	872
Finance costs paid		(161)	(173)
		<u>873</u>	<u>699</u>
<b>Capital expenditure and financial investment</b>			
New endowment capital received		883	220
Payments for tangible fixed assets		(2,696)	(44)
Proceeds from sales of tangible fixed assets		36	0
Payments for investments		(5,459)	(2,221)
Proceeds from sales of investments		9,577	2,796
		<u>2,341</u>	<u>751</u>
<b>Management of liquid resources</b>			
Net (additions to) / withdrawals from term deposits		0	0
Net (purchase) / sale of current asset investments		0	0
		<u>0</u>	<u>0</u>
<b>Financing</b>			
New bank loans		0	0
Bank loans repaid		0	0
New lease finance		0	0
Capital element of finance lease payments		0	0
		<u>0</u>	<u>0</u>
<b>Increase/(decrease) in cash in the year</b>		<u>664</u>	<u>(1)</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		664	(1)
Transfers to/(from) term deposits and current investments		0	0
(Increase)/decrease in loan and lease finance		0	0
<b>Change in net funds</b>		<u>664</u>	<u>(1)</u>
<b>Net funds at 1 August</b>		(1,217)	(1,216)
<b>Net funds at 31 July</b>		<u>(553)</u>	<u>(1,217)</u>

**Worcester 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
<b>Teaching and research</b>					
Tuition fees - UK and EU students	1,406	0	0	1,406	1,425
Tuition fees - Overseas students	270	0	0	270	300
Other fees	283	0	0	283	256
Other HEFCE support	453	0	0	453	406
Other academic income	360	11	0	371	365
College residential income	1,615	0	0	1,615	1,550
	<b>4,387</b>	<b>11</b>	<b>0</b>	<b>4,398</b>	<b>4,302</b>

The above analysis includes £1,740k received from Oxford University under the CFF Scheme, net of College fees received directly (2010 - £1,751k)

**2 TRADING INCOME**

	2011 £'000	2010 £'000
Conferences	880	835
Other trading income	45	50
	<b>925</b>	<b>885</b>

**3 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Agricultural rent	0	0	0	0	0
Commercial rent	0	0	0	0	0
Other property income	86	0	0	86	78
Equity dividends	0	0	0	0	0
Income from fixed interest stocks	0	0	0	0	0
Interest on fixed term deposits and cash	0	0	0	0	0
Other investment income	103	184	661	948	794
	<b>189</b>	<b>184</b>	<b>661</b>	<b>1,034</b>	<b>872</b>

**4 BANK AND OTHER INTEREST INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2011 Total £'000	2010 Total £'000
Bank interest	0	0	0	0	0
Other interest	0	0	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Worcester 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
<b>Costs of generating funds</b>					
Fundraising	184	77	11	272	268
Trading expenditure	717	414	200	1,331	1,342
Investment management costs	30	22	3	55	83
<b>Total costs of generating funds</b>	<b>931</b>	<b>513</b>	<b>214</b>	<b>1,658</b>	<b>1,693</b>
<b>Charitable expenditure</b>					
Teaching and research	3,695	1,796	1,010	6,501	6,349
<b>Total charitable expenditure</b>	<b>3,695</b>	<b>1,796</b>	<b>1,010</b>	<b>6,501</b>	<b>6,349</b>
<b>Governance costs</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>40</b>	<b>23</b>
<b>Total resources expended</b>	<b>4,626</b>	<b>2,349</b>	<b>1,224</b>	<b>8,199</b>	<b>8,065</b>

The College is not 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.

	214	1,010	0	0	1,224	1,301
	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2011 Total £'000	2010 Total £'000
Financial and domestic admin	30	252	0	0	282	283
Human resources	1	21	0	0	22	82
IT	10	164	0	0	174	163
Depreciation	173	412	0	0	585	600
Loss/(profit) on fixed assets	0	0	0	0	0	0
Bank interest payable	0	135	0	0	135	135
Other finance charges	0	26	0	0	26	38
	<b>214</b>	<b>1,010</b>	<b>0</b>	<b>0</b>	<b>1,224</b>	<b>1,301</b>

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

**7 GRANTS AND AWARDS**

	Unrestricted Funds £'000	Restricted Funds £'000	2011 Total £'000	2010 Total £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	5	61	66	334
Bursaries and hardship awards	246	14	260	17
Grants to other institutions	0	0	0	0
	<b>251</b>	<b>75</b>	<b>326</b>	<b>351</b>

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

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

**8 GOVERNANCE COSTS**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	23	12
Auditor's remuneration - other services	5	11
Legal and other fees on constitutional matters	12	0
Other governance costs	0	0
	<b>40</b>	<b>23</b>

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**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	4,184	4,179
Social security costs	288	290
Pension costs	581	574
	<b>5,053</b>	<b>5,043</b>

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

	<b>2011</b>	2010
Tuition and research	21	19
College residential	72	75
Fundraising	3	3
Support	15	15
Total	<b>111</b>	<b>112</b>

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

	<b>2011</b>	2010
University Lecturers	16	16
CUF Lecturers	10	10
Other teaching and research	13	10
Other	3	3
Total	<b>42</b>	<b>39</b>

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

The following information relates to the employees of the College excluding the College Trustees. Details of the remuneration and reimbursed expenses of the College Trustees is included as a separate note in these financial statements.

There were no employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) exceeded £60k during 2011 or 2010.

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

**10 TANGIBLE FIXED ASSETS**

<b>Consolidated and College</b>	<b>Leasehold land and buildings £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Plant and Machinery £'000</b>	<b>Fixtures, Fittings and Equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
At start of year	0	25,722	0	1,121	26,843
Additions	0	2,689	0	6	2,695
Disposals	0	(58)	0	0	(58)
<b>At end of year</b>	<b>0</b>	<b>28,353</b>	<b>0</b>	<b>1,127</b>	<b>29,480</b>
<b>Depreciation</b>					
At start of year	0	3,301	0	923	4,224
Charge for the year	0	503	0	81	584
On disposals	0	(22)	0	0	(22)
<b>At end of year</b>	<b>0</b>	<b>3,782</b>	<b>0</b>	<b>1,004</b>	<b>4,786</b>
<b>Net book value</b>					
At end of year	0	24,571	0	123	24,694
At start of year	0	22,421	0	198	22,619

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.

**11 PROPERTY INVESTMENTS**

<b>Consolidated and College</b>	<b>Agricultural £'000</b>	<b>Commercial £'000</b>	<b>Other £'000</b>	<b>2011 Total £'000</b>	<b>2010 Total £'000</b>
Valuation at start of year	0	0	6,883	6,883	6,865
Additions and improvements at cost	0	0	1	1	4
Disposals net proceeds	0	0	(2,282)	(2,282)	(353)
Revaluation gains/(losses) in the year	0	0	157	157	367
<b>Valuation at end of year</b>	<b>0</b>	<b>0</b>	<b>4,759</b>	<b>4,759</b>	<b>6,883</b>

A formal valuation of the College properties was prepared by Mr M Lunt BSc (Hons) MRICS of Carter Jonas as at 31 July 2010. This valuation was updated to 31 July 2011 with a desk top review carried out by Carter Jonas, Chartered Surveyors.

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

**12 SECURITIES AND OTHER INVESTMENTS**

	<b>2011</b>	2010
	<b>£'000</b>	£'000
<b>Consolidated investments</b>		
Valuation at start of year	16,427	15,095
New money invested	720	0
Amounts withdrawn	(7,293)	(2,081)
Reinvested income	4,738	1,947
Investment management fees	0	0
Increase in value of investments	1,201	1,466
<b>Consolidated investments at end of year</b>	<b>15,793</b>	<b>16,427</b>
Investment in subsidiaries	2,548	2,193
<b>College investments at end of year</b>	<b>13,245</b>	<b>14,234</b>

<b>Consolidated investments comprise:</b>	Held outside	Held in	<b>2011</b>	2010
	the UK	the UK	<b>Total</b>	Total
	£'000	£'000	<b>£'000</b>	£'000
Equity investments	5,533	1,185	6,718	9,216
Global multi-asset funds	2,117	0	2,117	626
Property funds	664	99	763	646
Fixed interest stocks	1,188	1,769	2,957	3,009
Alternative and other investments	0	268	268	451
Fixed term deposits and cash	0	2,970	2,970	2,479
<b>Total consolidated investments</b>	<b>9,502</b>	<b>6,291</b>	<b>15,793</b>	<b>16,427</b>

**Material Investments**

Investments valued at more than 10% of the portfolio at the year end:

	Percentage of Portfolio	Market Value 2011 £'000
Oxford University Endowment Management - Capital Fund	28.40%	4,489
Nyes Ledge Capital Horizon Fund	11.40%	1,805
GMO Emerging Markets	10.90%	1,721



**Worcester 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 Worcester College Enterprises Limited, a dormant company.  
The College is the sole member of Worcester College Society, a company limited by guarantee.  
The College is the main beneficiary of two trusts, whose assets are controlled by independent trustees

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

	Worcester College Society	Amphlett of Clent Scholarships Trust	Wilkinson Trust
	£'000	£'000	£'000
Income & Gain	38	339	34
Grants payable to College	(37)	(33)	(3)
Grants	0	0	0
Governance	(3)	0	0
Result for the year	<u>(2)</u>	<u>306</u>	<u>31</u>
Total assets	227	1,802	504
Total liabilities	(3)	0	0
Net funds at the end of year	<u>224</u>	<u>1,802</u>	<u>504</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 November 2003. The investment return to be applied as income is calculated as 4.5% of the brought forward values of the relevant investments. The preserved (frozen) value of the invested endowment capital represents its open market value in 1992, except where the original donation can be identified, together with the original gift value of all subsequent endowments.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
<b>Investment total return</b>			
Income distributions	253	408	661
Capital gains/losses	149	262	411
Investment management costs			0
Total return for the year	<u>402</u>	<u>670</u>	<u>1,072</u>
Amount applied as income for spending	(207)	(920)	(1,127)
Net increase in Unapplied Total Return in the year	195		
Unapplied Total Return at start of year	2,331		
<b>Unapplied Total Return at end of year</b>	<u>2,526</u>		
<b>Preserved value of original permanent endowments</b>	<u>2,924</u>		

**15 STOCK**

	2011 Consolidated £'000	2010 Consolidated £'000	2011 College £'000	2010 College £'000
Stock	<u>126</u>	<u>118</u>	<u>126</u>	<u>118</u>

Stocks comprise goods for resale and goods for use in College

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

**16 DEBTORS**

	2011 Consolidated £'000	2010 Consolidated £'000	2011 College £'000	2010 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	24	60	24	60
Amounts owed by College members	48	75	48	75
Amounts owed by Group undertakings	0	40	76	40
Loans repayable within one year	0	175	0	175
Prepayments and accrued income	0	30	0	30
Other Debtors	438	435	435	435
<b>Amounts falling due after more than one year:</b>				
Loans	21	21	21	21
	<b>531</b>	<b>836</b>	<b>604</b>	<b>836</b>

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

	2011 Consolidated £'000	2010 Consolidated £'000	2011 College £'000	2010 College £'000
Bank overdrafts	632	1,279	632	1,279
Bank loans	0	0	0	0
Obligations under finance leases	0	0	0	0
Trade creditors	190	107	190	107
Amounts owed to College Members	189	166	189	166
Amounts owed to Group undertakings	0	0	0	0
Taxation and social security	131	115	131	115
College contribution	0	0	0	0
Accruals and deferred income	2	1	2	1
Other creditors	218	2,254	215	2,212
	<b>1,362</b>	<b>3,922</b>	<b>1,359</b>	<b>3,880</b>

**18 CREDITORS: falling due after more than one year**

	2011 Consolidated £'000	2010 Consolidated £'000	2011 College £'000	2010 College £'000
Bank loans	15,000	15,000	15,000	15,000
Obligations under finance leases	0	0	0	0
Other creditors	0	0	0	0
	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>	<b>15,000</b>

The bank loans, for £10,000k and £5,000k, are repayable on 31 December 2013, with an interest rate of 0.4% over base rate. They are secured against the Canal Building, Franks Building and Beaumont Street properties, 5,6,7 and 24.

**19 PROVISIONS FOR LIABILITIES AND CHARGES**

	2011 Consolidated £'000	2010 Consolidated £'000	2011 College £'000	2010 College £'000
At end of year	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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**20 MOVEMENTS OF THE COLLEGE FUNDS**

	At 1 August 2010 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2011 £'000
<b>Endowment Funds - Permanent</b>						
Permanent 1	1,321	59	(26)	0	38	1,392
Permanent 2	1,063	77	(83)	0	31	1,088
Permanent 3	699	32	(22)	0	20	729
Permanent 4	508	23	(5)	0	15	541
10 further Permanent Funds	1,585	141	(71)	0	45	1,700
<b>Endowment Funds - Expendable</b>						
Expendable 1	3,086	177	(266)	0	89	3,086
Expendable 2	1,209	54	(55)	0	35	1,243
Expendable 3	0	720	0	0	0	720
88 further Expendable Funds	4,771	261	(599)	0	138	4,571
<b>Total Endowment Funds</b>	<b>14,242</b>	<b>1,544</b>	<b>(1,127)</b>	<b>0</b>	<b>411</b>	<b>15,070</b>
<b>Restricted Funds</b>						
Restricted 1	0	136	(48)	0	0	88
Restricted 2	52	2	(1)	0	1	54
Restricted 3	24	6	0	0	1	31
Restricted 4	16	23	(10)	0	0	29
34 further Restricted Funds	174	164	(121)	0	6	223
<b>Total Restricted Funds</b>	<b>266</b>	<b>331</b>	<b>(180)</b>	<b>0</b>	<b>8</b>	<b>425</b>
<b>Unrestricted Funds</b>						
General Reserve	7,386	6,517	(6,709)	(263)	544	7,475
Revaluation Reserve	1,340			263		1,603
Fixed asset designated Fund	2,011	0	(46)	0	0	1,965
Designated Reserves	584	9	(94)	0	53	552
<b>Total Unrestricted Funds</b>	<b>11,321</b>	<b>6,526</b>	<b>(6,849)</b>	<b>0</b>	<b>597</b>	<b>11,595</b>
	<b>25,829</b>	<b>8,401</b>	<b>(8,156)</b>	<b>0</b>	<b>1,016</b>	<b>27,090</b>
<b>Subsidiaries</b>	<b>2,194</b>	<b>36</b>	<b>(43)</b>	<b>0</b>	<b>343</b>	<b>2,530</b>
<b>Total Funds</b>	<b>28,023</b>	<b>8,437</b>	<b>(8,199)</b>	<b>0</b>	<b>1,359</b>	<b>29,620</b>

The transfers between General Reserve and Revaluation Reserve represent unrealised gains on College investments.

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**21 DETAILS OF THE COLLEGE FUNDS**

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

**Endowment Funds - Permanent:**

Permanent 1	A donation where income, but not capital, can be used to support a Fellowship in Architectural History
Permanent 2	A consolidation of donations where income, but not capital, can be used towards the endowment of a Law Fellowship
Permanent 3	A bequest where income, but not capital, can be used to conserve a donated collection
Permanent 4	A bequest where income, but not capital, can be used to support students from Trinidad in particular
10 further Permanent Funds	Donations and bequests where income, but not capital, can be used to support specific Fellowships or Scholarships

**Endowment Funds - Expendable:**

Expendable 1	A consolidation of benefactions and donations where either income, or income and capital, can be used for the general purposes of the College
Expendable 2	A donation where either income, or income and capital, can be used for the general purposes of the College
Expendable 3	A donation where the income and capital can be applied to support a number of Fellowships in conjunction with the University of Oxford
88 further Expendable Funds	A diverse group of donations and bequests where either income, or income and capital, can be used for specific purposes including support for fellowships, scholarships, student activities and maintenance of historic buildings, gardens and grounds

**Restricted Funds:**

Restricted 1	Income generated from a trust controlled by independent trustees to provide scholarships grants and bursaries to students of the College
Restricted 2	Donations to fund a Fellows research
Restricted 3	Donations to provide hardship grants and loans to students of the College
Restricted 4	Donations and income generated to support the Library
34 further Restricted Funds	A diverse group of income and donations to support student activities, fellowships, the Library, building projects and an architects competition

**Designated Funds**

Fixed asset designated	Unrestricted Funds which are represented by fixed assets of the College and therefore not available for expenditure on the College's general purposes
Designated 2	Unrestricted Funds allocated by the Fellows for future costs of maintaining the fabric and furnishings of the College

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

The transfer between General Reserve and Revaluation Reserve represents the unrealised gains on investments.

**22 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	24,694	0	0	24,694
Property investments	0	0	4,759	4,759
Securities and other investments	0	0	13,245	13,245
Net current assets	(13,099)	425	(2,934)	(15,608)
	<u>11,595</u>	<u>425</u>	<u>15,070</u>	<u>27,090</u>

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**23 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 future format of the Remuneration Committee is under discussion.

Trustees of the college fall into the following categories:

Provost  
Tutorial Fellow  
Professorial Fellow  
Supernumerary Fellow  
Official Non-Tutorial Fellow

There are three trustees, the Provost, Estates Bursar and Academic Registrar & Tutor for Admissions who work full time on management and fundraising.

Some trustees, tutorial fellows, are eligible for college housing schemes. Eight trustees live in properties owned by the college and do not receive housing allowance. Others may be eligible for a housing allowance which is disclosed within the salary figures below. Five trustees live in houses owned jointly with the College, as detailed in Note 30, no such houses were bought and one was sold during the year.

Some trustees receive additional allowances for additional work carried out as part time college officers, for example, Senior Tutor and Dean. These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,396k (2009-10 £1,371k). The total of pension contributions is £182k (2009-10 £165k).

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**Remuneration paid to trustees**

Range	2010-2011		2009-2010	
	Number of trustees / fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees / fellows	Gross remuneration, taxable benefits and pension contributions £
£1-£999	1	975		
£1,000-£1,999			1	1,075
£2,000-£2,999	1	2,250		
£3,000-£3,999	1	3,182		
£6,000-£6,999	1	6,935		
£7,000-£7,999			1	7,063
£8,000-£8,999			1	8,555
£10,000-£10,999	3	32,518	2	21,859
£11,000-£11,999	2	22,509	4	45,514
£12,000-£12,999	1	12,931	2	24,431
£13,000-£13,999	2	27,172	1	13,333
£14,000-£14,999	2	29,255	1	14,593
£19,000-£19,999	4	78,158	5	98,546
£20,000-£20,999	1	20,253	3	60,958
£21,000-£21,999	1	21,130		
£23,000-£23,999			1	23,943
£24,000-£24,999	1	24,314	2	48,347
£26,000-£26,999			1	26,999
£36,000-£36,999			1	36,692
£38,000-£38,999			1	38,362
£39,000-£39,999	1	39,028	1	39,870
£40,000-£40,999	2	81,179	1	40,750
£41,000-£41,999	1	41,700		
£42,000-£42,999	1	42,111		
£43,000-£43,999	1	43,832	2	87,243
£44,000-£44,999	1	44,276	2	89,374
£48,000-£48,999	3	146,026	1	48,655
£49,000-£49,999	2	98,912	1	49,032
£50,000-£50,999	1	50,564	1	50,201
£53,000-£53,999			1	53,245
£55,000-£55,999			1	55,565
£57,000-£57,999	1	57,466		
£66,000-£66,999			1	66,943
£67,000-£67,999	1	67,098	1	67,001
£69,000-£69,999			1	69,585
£70,000-£70,999	1	70,677		
£73,000-£73,999	1	73,517		
£75,000-£75,999	1	75,571		
£83,000-£83,999	1	83,405	1	83,053
£99,000-£99,999	1	99,396		
£100,000-£100,999			1	100,413

Thirteen trustees are not employees of the college and do not receive remuneration.

All employed trustees, together with other senior employees, are eligible for private health insurance as part of their package of 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.

**Other transactions with trustees**

During the year the partner of a trustee was paid for providing singing lessons to a student of the College

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**24 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 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 from 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](http://www.uss.co.uk).

The latest actuarial valuation of the OSPS was carried out at 31 March 2010 and 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 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 College has made available a Stakeholder Scheme for individual employees.

The College continues to make a small and diminishing number of supplementation payments to retired members and dependents of former members of the Federated System for Superannuation in Universities (FSSU) and 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.

The College also participates in the Church of England Funded Pensions Scheme and employs one member of the Scheme out of a total membership of approximately 10,000 active members. The Scheme is a defined benefit scheme but the College is unable to identify its share of the underlying assets and liabilities - each employer in the Scheme pays a common contribution rate.

The pension charge for the year includes contributions payable to the USS of £235k (2010 - £218k), contributions payable to the OSPS of £332k (2010 - £340k) and contributions to other arrangements of £14k (2010 - £16k).

**25 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 from the Conference income.

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

	2011 £'000	2010 £'000
<b>Net incoming resources for the year</b>	<b>238</b>	<b>(1,456)</b>
Elimination of non-operating cash flows:		
- Investment income	(1,034)	(872)
- Endowment donations	(883)	(220)
- Financing costs	161	173
Depreciation	584	599
(Surplus)/loss on sale of fixed assets	0	0
Decrease/(increase) in stock	(8)	(11)
Decrease/(increase) in debtors	305	(4)
(Decrease)/Increase in creditors	(1,913)	340
(Decrease)/Increase in provisions	0	0
<b>Net cash inflow/(outflow) from operations</b>	<b>(2,550)</b>	<b>(1,451)</b>

**27 ANALYSIS OF CHANGES IN NET FUNDS**

	2010 £'000	Cash flow £'000	2011 £'000
Cash at bank and in hand	62	17	79
Bank overdrafts	(1,279)	647	(632)
	(1,217)	664	(553)
Deposits and other short term investments	0	0	0
Bank loans due within one year	0	0	0
Bank loans due after one year	(15,000)	0	(15,000)
Finance lease obligations due within one year	0	0	0
Finance lease obligations due after one year	0	0	0
	(16,217)	664	(15,553)

**28 FINANCIAL COMMITMENTS**

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

	2011 £'000	2010 £'000
<b>Land and buildings</b>		
- expiring within one year	0	0
- expiring between two and five years		
- expiring in over five years		
	0	0
<b>Other</b>		
- expiring within one year	0	0
- expiring between two and five years		
- expiring in over five years		
	0	0

**29 CAPITAL COMMITMENTS**

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



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**30 RELATED PARTY TRANSACTIONS**

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

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

The following trustee had a loan outstanding from the College at the start of the year.

	<b>2011</b>	2010
	<b>£'000</b>	£'000
Dr C Leyser	<b>0</b>	175

No interest was charged but the trustee did not receive Housing Allowance.

Five properties are owned under joint equity agreements between the trustee, named below, 50% and the College, 50%.

Full market values of the properties, following a desk top review carried out by Carter Jonas:	<b>2011</b>	2010
	<b>£'000</b>	£'000
Dr S Cowan	<b>480</b>	480
Dr J Parrington	<b>600</b>	620
Dr J Quinn	<b>462</b>	440
Dr G Ritchie	<b>360</b>	360
Dr B Harris	<b>560</b>	560

All joint equity properties are subject to sale on the departure of the trustee from the College. The trustees do not receive Housing Allowance.

**31 CONTINGENT LIABILITIES**

There were no known contingent liabilities.

**32 POST BALANCE SHEET EVENTS**

Investments and cash totalling £5,450k were transferred into the management of Oxford Endowment Management Limited on 1 August 2011

**33 ULTIMATE CONTROLLING PARTY**

The trustees believe that the College does not have an Ultimate Controlling Party.