

Annual Report and Financial Statements

Year ended 31 July 2012

Christ Church

OXFORD OX1 1DP

Christ Church
Annual Report and Financial Statements
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Report of the Governing Body
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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 during the year or subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Dean:								
The Very Reverend Dr. C.A. Lewis		•	•	•	•	•	•	•
Canons:								
The Reverend Canon E.J. Newell			•					•
Professor G. Ward	(appointed 1 October 2012)	•						
The Reverend Professor G.L. Pattison		•						•
The Venerable J.R.H. Hubbard	(resigned 9 October 2011)							•
The Reverend Professor N.J. Biggar			•					•
Professor S.R.I. Foot								•
Students:								
Mr P.J. Conrad	(retired 30 September 2011)							
Professor J.F. Ryan								
Professor J. Pallot					•		•	
Dr R.B. Rutherford								
Professor J. Cartwright			•			•		
Dr S.M. Darlington			•		•	•		
Dr D.J. Hine			•		•			
Dr R.L. Judson			•	•		•		
Dr C.C.L. Andreyev			•	•				•
Professor D. Nowell		•	•	•	•		•	
Dr I.M.C. Watson		•	•	•	•	•		
Mr E.J.F. Simpson		•	•	•	•	•		
Dr S.D. Howison							•	
Professor H.G.M. Williamson								
Dr M.J. Edwards								
Dr M.D. McCulloch								
Dr M.C. Grossel		•						
Dr D. Obbink								
Professor S.L. Rowland-Jones								
Dr B.E. Jack								
Dr D.P. McDonald								
Professor S. Neubauer								
Dr B. Parkinson			•					
Dr E.M.C. Tandello-Cooper								
Dr D.P. Moran				•				
Professor G. Wilkinson								
Professor R.L. Davies								
Professor Sir J.I. Bell								
Professor S.E. Randolph	(Retired 20 September 2012)							
Dr G.A. Johnson				•				
Professor J.G.E. Cross								
Dr A.J. Clark								
Dr B.W. Young		•			•		•	•
Dr J.J. Davis				•	•			
Professor C.B.R. Pelling								
Dr. J Thanassoulis				•				
Dr. M.C.A Bose			•					
Dr J. Yee				•				
Mr J.C.F.S. Lawrie		•	•		•			•

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Dr A. Kuhn								
Dr D. Aarts					•		•	
Dr S.J. Cragg					•			
Dr R. Wade-Martins								
Mr M.W. Kwiatkowski		•			•			
Professor B.S. Javorcik			•					
Dr J. Schear								
Dr E.G.W. Keene		•						
Professor T. Zariphopoulou								
Dr T. Khaitan	(resigned 31 July 2012)							
Dr S.C. Mortimer								
Professor D.M. Upton		•					•	
Dr S. Ratcliffe	(resigned 30 September 2012)							
Dr T. Cass	(resigned 11 September 2011)							
Dr K. McGerty		•						
Mr K. Sternberg								
Ms P.A. Linières-Hartley		•	•		•			
Dr G. Bérczi	(appointed 1 October 2011)							
Ms L Elder	(appointed 9 November 2011)							
Dr S. Dadson	(appointed 1 January 2012)							
Mr B. Spagnolo	(appointed 1 October 2012)							

During the year the policies of the Governing Body were developed and implemented through seven principal committees. The current membership of these committees is shown above for each Student.

- (1) House Committee
- (2) Finance Committee
- (3) Academic Committee
- (4) Development Committee
- (5) Salaries Board
- (6) Grants Committee
- (7) Benefices Committee

External members sit on the Finance Committee and the Salaries Board. The external members over the academic year were:

Finance Committee: Mr J. Curtis, Mr D. McDougall

Salaries Board: Dr I. Asquith, Sir Hugo Brunner, Mr H. Crisp.

COLLEGE SENIOR STAFF

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

A The Dean	<i>The Very Reverend Christopher Lewis</i>
B The Senior Censor	<i>Dr Ian Watson</i>
C The Junior Censor	<i>Professor David Nowell</i>
D The Treasurer	<i>Mr James Lawrie</i>
E The Steward	<i>Ms Pauline Linières-Hartley</i>

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HOUSE ADVISERS

Investment managers

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

Oxford Investment Partners Limited
Christ Church, St Aldates, Oxford, OX1 1DP

BlackRock Advisers (UK) Limited
12 Throgmorton Avenue, London, EC2N 2DL

Investment property managers and principal surveyor

Savills (L&P) Limited Chartered Surveyors
Wytham Court, 11 Westway, Oxford, OX2 0QL

Auditor

Critchleys LLP
Geyfriars Court, Paradise Square, Oxford, OX1 1BE

Bankers

Barclays Bank plc
Business Banking, 4th Floor, Apex Plaza, Forbury Road, Reading, Berkshire, RG1 1AX

Solicitors

Blake Lapthorn
Harbour Court, Compass Road, North Harbour, Portsmouth, Hampshire, PO6 4ST

Mills & Reeve LLP
Francis House, 112 Hills Road, Cambridge, CB2 1PH

Address

Christ Church, St Aldate's, Oxford, OX1 1DP

Website

www.cbch.ox.ac.uk

Christ Church
Report of the Governing Body
Year ended 31 July 2012

The Members of the Governing Body present their Annual Report for the year ended 31 July 2012 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Christ Church is a joint foundation – of a college in the University of Oxford and of the Cathedral Church of the Diocese of Oxford – supported by a single corporate endowment, which is known as Christ Church (“the House”). The present collegiate foundation was established by King Henry VIII in 1546. Statutes were conferred by the Christ Church Oxford Act, 1867 and these, as modified subsequently by Oxford University Commissions and by Order of Her Majesty in Council, govern its affairs. The government of the foundation vests in the Governing Body formed of the Dean, certain of the Canons and the elected Students.

The House registered with the Charities Commission on 17 August 2011 (registered number 1143423).

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 House, are given on pages 2 to 3.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The House is governed by its Statutes, dated 16 March 2011.

Governing Body

The Governing Body is constituted and regulated in accordance with the House’s Statutes, the terms of which are enforceable ultimately by the Visitor, who is Her Majesty, The Queen. Membership of the Governing Body is associated (automatically in most cases) with appointment or election to certain posts in the joint foundation, as outlined below, and lapses in the event of resignation or retirement from those posts.

The Governing Body consists of the Dean, Canons (as defined in Statute Id(i)) and Students (as stated in Statute XIII) of Christ Church. The Students may be (i) tutorial fellows, appointed to joint posts with the University; (ii) University Professors or holders of equivalent posts or University Readers; (iii) senior administrative officers of the House, including the Treasurer and the Steward; and (iv) other persons of distinction whose election to the Governing Body in the opinion of the Governing Body will advance the interests of education and learning in the House or will broaden its expertise.

The Governing Body determines the strategic direction of the House and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Dean and is advised by a number of committees, the most important of which are detailed below.

Recruitment and training of Members of the Governing Body

As membership of Governing Body is dependent on the holding of other posts, recruitment depends on the procedures normal for those posts. The Dean, Sub-Dean and Regius Professors are appointed by the Crown. Other academic appointments are by appointment committees; these are university committees in the case of Professors (other than the Regius Professors) and joint university/college committees in other cases. The Archdeacon is appointed by the Bishop of Oxford in consultation with the Chapter of the Cathedral. Senior administrative posts are filled on the advice of specially formed committees reporting to Governing Body. Other persons of distinction may be invited to take up Studentships which give them membership of Governing Body.

New members of Governing Body are inducted by current college officers, typically the Censors and the Treasurer. Induction topics include the role of the Governing Body in the Joint Foundation and responsibilities of its members. Members of the Governing Body attend external trustee training and information courses to keep them informed on current issues in the sector and on regulatory requirements.

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Organisational management

The Governing Body meets ordinarily nine times a year. The work of developing policies and monitoring implementation is carried out by seven principal Committees:

- The House Committee considers questions involving the domestic finances, management and organisation of the House, accommodation and the use of space, and other domestic matters.
- The Finance Committee considers matters relating to the property and investments of the House, and questions involving the overall financial policy of the House.
- The Academic Committee considers matters relating to the teaching, research and educational activities of the House.
- The Development Committee considers matters concerned with alumni relations and with fund-raising for the purposes of the House, and advises the Development Director and the Development Adviser.
- The Salaries Board considers questions relating to the salaries and expenses of those engaged in teaching members of the House and to other expenses connected with such teaching.
- The Grants Committee considers questions of reasonable charitable donations under Stat. XXXI.3.(v) and of grants for members of the Governing Body, Lecturers, Junior Research Fellows and Senior Scholars.
- The Benefices Committee exercises the Governing Body's right to present to vacant benefices in the gift of the House.

The day-to-day running of the House is delegated to the Dean and Censors, and other college officers notably the Treasurer and the Steward. The Dean and Censors attend all meetings of the principal committees except that the Junior Censor does not attend the Salaries Board, the Senior Censor does not attend the Grants Committee and neither Censor attends the Benefices Committee.

Under Clause 5(a) of the House's statutes, certain powers are reserved to the Dean and Chapter in respect of:

- (1) the Cathedral Church and its fabric and appurtenances, including the Chapter House; and
- (2) the Cathedral Chaplains, Organist, Lay Clerks, and Choristers, and other officers of the Cathedral Church; and
- (3) the residentiary houses assigned for occupation by the Dean and the Canons together with Cloister House.

Members of Chapter form the Board of Governors of Christ Church Cathedral School ("CCCS"), which is chaired by the Dean. CCCS occupies buildings provided by the House which from time to time provides financial support for the school including choral scholarships.

Group structure and relationships

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

The House also has four wholly-owned non-charitable subsidiaries: Christ Church Library Charity Limited, which operates the House's Libraries, Christ Church Oxford Trading Limited, whose annual profits are donated to the College under the Gift Aid Scheme, Christ Church Developments Limited, which undertakes major building projects, and Christ Church (Evesham) Limited, which holds agricultural land with long term development potential. The trading activities of Christ Church Oxford Trading primarily comprise revenue from conference activities and letting of the facilities when not in use by the House. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

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

Risk management

The House is continually engaged in risk assessment. When it is not able to address risk issues using internal resources, the House takes advice from experts external to the House with specialist knowledge. Policies and procedures within the House are reviewed by the relevant House committee, chaired by the Dean. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Group, a sub-group of the Finance Committee. In addition, the Steward and staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

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

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The Objects of the Charity are as follows:

A) The advancement of religion, education and learning, in particular but not exclusively by:

- (i) the provision, support, conduct and maintenance of Christ Church Cathedral as the Cathedral of the Diocese of Oxford, together with its Choir;
- (ii) the provision, support, conduct and maintenance of Christ Church as a college within the University of Oxford; and
- (iii) the promotion of research in any branch of learning.

B) In so far as it is not incompatible with the objects set out in (A) above, the advancement of the arts, culture, heritage and science, in particular but not exclusively by:

- (i) the preservation and conservation of collections of articles of historical, aesthetic or scientific interest;
- (ii) the preservation and conservation of the Cathedral and its appurtenances including the Chapter House; and
- (iii) the preservation and conservation of the other buildings of the House and its curtilage including the Meadow.

Public Benefit

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2011. 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 House provides public benefit by achieving its objects notably through the following activities:

- the advancement of religion by providing and maintaining the Cathedral of the Diocese of Oxford which is home to an active congregation and a world famous Cathedral Choir;
- the advancement of education and learning by providing higher education for some 400 undergraduate and 250 postgraduate students within Oxford University, the students being selected by academic merit;
- the provision of bursaries for students of modest means;
- the facilitation of research in a range of topics by providing access to its libraries, Picture Gallery and other collections to its undergraduates, graduates, fellows and members of the Governing Body undertaking research and, on a discretionary basis, to non-members of Christ Church undertaking appropriate research;
- the further advancement of education and learning and provides public benefit through the activities of the Cathedral School;
- the advancement of the arts, culture, heritage and science by the preservation and conservation of collections of articles of historical, aesthetic or scientific interest;
- the making available of certain articles to researchers and/or the public;

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- the advancement of the arts, culture and heritage by the preservation and conservation of the Cathedral and its appurtenances including the Chapter House, and by the preservation and conservation of the other buildings of the House and its curtilage including the Meadow, for the benefit of current and future members of the House and of the general public;
- the advancement of the arts, culture and heritage by the maintenance of its choral foundation, one of the oldest in England.
- The aims set for the House's subsidiaries are to help finance the achievement of the House's aims as above.

The House is particularly committed to the provision of student support, in the form of both bursaries and support for current students in financial difficulty, with a view to ensuring that those of sufficient academic ability should be able to attend the college irrespective of family wealth.

ACHIEVEMENTS AND PERFORMANCE

421 undergraduate students were resident during the academic year. Of these, 117 were finalists who completed their degree courses. 107 bursaries were awarded to undergraduate students.

221 graduate students were following courses of study during the academic year. Of these, 52 completed Masters degrees and 21 completed doctorates.

The Cathedral offered daily public worship and acted as a chapel for all members of Christ Church. It also offered a venue for special services for the Diocese of Oxford and other outside organisations.

The Cathedral also provided a range of educational activities for schools and other groups, and functioned as a venue for public concerts and other events.

Pupil numbers at the Cathedral School remained stable at around 156, as has the number of Cathedral Choristers. A total of nine scholarships were gained by this year's leavers. The Cathedral Choir undertook a tour of China for the first time during the summer vacation.

FINANCIAL REVIEW

Income

The House's total income increased by £2,971k to £21,937k in 2011-12, an increase of 16%. Income from charitable activities of £8,488k was 5% higher, this comprised fee income of £2,246k, which was 3% lower than the previous year, college residential income of £3,801k which was 10% higher and combined income from the Cathedral and Cathedral School of £2,127k which was 5% higher.

Fundraising income (which includes both income and capital donations) was £5,968k, 61% higher than 2010-11. Capital donations of £5,050k were up from £2,567k while income donations of £918k were down from £1,135k in 2010-11.

Trading and tourism income increased by 20% on last year to £2,732k, including income from tourism of £1,914k in the year (2010-11: £1,633k).

Income from investment assets of £4,371k was 6% higher than the previous year.

Expenditure

The House's total expenditure increased by £384k to £22,275k in 2011-12. Expenditure on charitable activities of £17,997k was 4% higher than the previous year.

The cost of generating funds was £4,237k in 2011-12, £269k lower than the previous year. £161k represented higher direct costs arising from increased trading and tourism activity. Investment management costs were £441k lower than last year, due mainly to lower repair and refurbishment costs of investment properties. Fundraising costs of £478k were 2% higher than 2010-11.

Result for the year

The consolidated increase in funds for the year was £9,923k (2010-11 : £20,469k) of which £501k was attributable to unrestricted funds, £680k to restricted funds and £8,742k to endowment funds, and includes the total investment gain in the year of £10,261k (2010-11 : £23,394k).

Reserves policy

The House'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 to allow the House to be managed efficiently and to provide a buffer to ensure uninterrupted services.

The House's free reserves at the year-end amounted to -£4,271k (2010-11: -£5,230k), representing retained unrestricted income reserves excluding an amount of £5,723k for the book value of fixed assets less associated funding arrangements. Governing Body has set a target reduction of this deficit of £500k pa in the 5-year plan.

Designated reserves at the year end comprised £207k for unexpended Annual Fund projects which are projected to be spent over the next two years and £85k designated to fund the depreciation of the Cathedral boiler over the next five years.

Investment policy, objectives and performance

The House'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 cashflow to support expenditure; and
- delivering these objectives within acceptable levels of risk.

To meet these objectives the House'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 House's statutes allow the House to invest permanent endowment to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

Investment strategy, policy and performance is monitored by the Investment Group. At the year end, the House's long term investments, combining securities and property investments, totalled £310.4m. The overall total investment return, after spending, was +4.3% (2010-11: +8.7%) over the year.

Under total return accounting, it is the Governing Body's policy to spend 3.25% (plus investment management costs) of the value of the relevant investments net of investment management costs. However to smooth and moderate the amounts withdrawn, this 3.25% is calculated on the average of such year end values in each of the preceding five years.

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

FUTURE PLANS

The House seeks to continue to fulfil its core purposes. To this end, its policies in all areas are reviewed regularly by the committees set out on page 6, and by the Governing Body. The House has identified as its most urgent need the requirement to increase its endowment to assure the future funding of academic teaching posts and to provide for bursaries and fee remission to guarantee continuing access under the new university funding regime. Two main strands of its development campaign are therefore the 'in perpetuity' scheme which encourages donations to support the teaching enterprise, and the 'bursaries' scheme to provide funding for enhanced student support.

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.

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Under charity law the Governing Body must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the House 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 judgements 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 House will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the House's transactions and disclose with reasonable accuracy at any time the financial position of the House and enable it to ensure that the financial statements comply with the Charities Act 2011. It is also responsible for safeguarding the assets of the House 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 28 November 2012 and signed on its behalf by:

The Very Reverend Christopher Lewis
Dean

Christ Church

Independent Auditor's Report to the Members of the Governing Body of Christ Church

We have audited financial statements of Christ Church for the year ended 31 July 2012 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and House Balance Sheets, the Consolidated Cash Flow Statement and the related notes numbered 1 to 32. 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 House's Governing Body in accordance with section 154 of the Charities Act 2011. 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 House 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

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 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 (United Kingdom and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements. We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the House's affairs as at 31 July 2012 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 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 2011 requires us to report to you if, in our opinion:

- the information given in the Report of the Governing Body is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Critchleys LLP

Statutory Auditor

Oxford

29 November 2012

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

1. Scope of the financial statements

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

2. Basis of accounting

The financial statements have been prepared under the Charities Act 2011 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, Higher Education Funding Council for England (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 House, 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 House 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 House is credited to unrestricted funds.

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

5. Investment income

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

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

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

6. Expenditure

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

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

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

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

7. Leases

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

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

8. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £20,000 together with expenditure on equipment costing more than £20,000 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 SOFA as incurred.

9. Depreciation

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

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

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

Properties held under a Shared Equity House Purchase scheme are held at the original cost of the House's share and are not depreciated.

10. Investments

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

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

Gains and losses arising on the investments are credited or charged to the SOFA and are allocated to the appropriate fund according to the "ownership" of the underlying assets.

11. Stocks

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

12. Foreign currencies

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

13. Total Return investment accounting

The House's Statutes authorise the House to adopt a 'total return' basis for the investment of its permanent endowment. The House can invest its permanent endowment 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 House 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 has taken its open market value as at 1 August 2002, together with the original gift value of all subsequent permanent endowments received.

14. Fund accounting

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

Unrestricted funds can be used in furtherance of the objects of the House 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 House. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restricted the use of that income, in which case it will be accounted for as a restricted fund.

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

15. Pension costs

The costs of retirement benefits provided to employees of the House 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 House's contributions to these schemes are charged in the period in which the salaries, to which the contributions relate, are payable.

Christ Church
Consolidated Statement of Financial Activities
For the year ended 31 July 2012

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research and residential		6,361	0	0	6,361	6,090
Cathedral		210	143	6	359	386
Cathedral School		1,768	0	0	1,768	1,645
		<u>8,339</u>	<u>143</u>	<u>6</u>	<u>8,488</u>	<u>8,121</u>
Resources from generated funds						
Legacies and donations		267	651	5,050	5,968	3,702
Trading & tourism income	2	2,732	0	0	2,732	2,285
Investment income	3	0	0	4,371	4,371	4,113
Bank and other interest	4	171	87	0	258	277
		<u>3,170</u>	<u>738</u>	<u>9,421</u>	<u>13,329</u>	<u>10,377</u>
Other incoming resources		30	90	0	120	468
Total Incoming Resources		<u>11,539</u>	<u>971</u>	<u>9,427</u>	<u>21,937</u>	<u>18,966</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		478	0	0	478	467
Trading & tourism expenditure		1,824	0	0	1,824	1,663
Investment management costs		105	0	1,830	1,935	2,376
		<u>2,407</u>	<u>0</u>	<u>1,830</u>	<u>4,237</u>	<u>4,506</u>
Charitable activities	5					
Teaching and research		12,121	2,230	0	14,351	13,776
Other charitable activities		0	503	0	503	503
Cathedral		1,175	123	0	1,298	1,198
Cathedral School		1,845	0	0	1,845	1,874
		<u>15,141</u>	<u>2,856</u>	<u>0</u>	<u>17,997</u>	<u>17,351</u>
Governance costs	8	41	0	0	41	34
Total Resources Expended		<u>17,589</u>	<u>2,856</u>	<u>1,830</u>	<u>22,275</u>	<u>21,891</u>
Net incoming/(outgoing) resources before transfers		(6,050)	(1,885)	7,597	(338)	(2,925)
Transfers between funds	20	6,551	2,565	(9,116)	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>501</u>	<u>680</u>	<u>(1,519)</u>	<u>(338)</u>	<u>(2,925)</u>
Investment gains		0	0	10,261	10,261	23,394
Net movement in funds for the year		<u>501</u>	<u>680</u>	<u>8,742</u>	<u>9,923</u>	<u>20,469</u>
Fund balances brought forward	20	4,905	6,281	301,642	312,828	292,359
Funds carried forward at 31 July	20	<u>5,406</u>	<u>6,961</u>	<u>310,384</u>	<u>322,751</u>	<u>312,828</u>

Christ Church
Consolidated and College Balance Sheets
As at 31 July 2012

	Notes	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
FIXED ASSETS					
Tangible assets	10	12,960	13,634	9,130	9,878
Property investments	11	95,227	86,617	95,127	86,617
Securities and other investments	12	215,221	215,025	214,925	212,084
Investment in subsidiary undertakings	13	0	0	100	0
		<u>323,408</u>	<u>315,276</u>	<u>319,282</u>	<u>308,579</u>
DEBTORS: falling due after more than one year	16	194	319	4,165	4,272
CURRENT ASSETS					
Stocks		504	481	499	476
Debtors	15	2,893	2,802	2,600	2,341
Deposits and other short term investments		5,002	596	5,002	596
Cash at bank and in hand		8,555	10,409	7,788	10,078
		<u>16,954</u>	<u>14,288</u>	<u>15,889</u>	<u>13,491</u>
CREDITORS: falling due within one year	17	7,037	6,643	6,015	6,142
NET CURRENT ASSETS/(LIABILITIES)		<u>9,917</u>	<u>7,645</u>	<u>9,874</u>	<u>7,349</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		333,519	323,240	333,321	320,200
CREDITORS: falling due after more than one year	18	10,000	10,000	10,000	10,000
Provisions for liabilities and charges	19	768	412	768	412
NET ASSETS		<u>322,751</u>	<u>312,828</u>	<u>322,553</u>	<u>309,788</u>
FUNDS OF THE COLLEGE					
Endowment funds	20	310,384	301,642	310,052	298,701
Restricted funds		6,961	6,281	6,740	6,189
Unrestricted funds					
Designated funds		513	536	459	486
Revaluation reserve		3,954	3,954	0	0
General funds		939	415	5,302	4,412
		<u>322,751</u>	<u>312,828</u>	<u>322,553</u>	<u>309,788</u>

The financial statements were approved and authorised for issue by the Governing Body of Christ Church on 28 November 2012.

The Very Reverend Christopher Lewis

Dean

Mr. James Lawrie

Treasurer

Christ Church
Consolidated Cash Flow Statement
For the year ended 31 July 2012

	Notes	2012 Group £'000	2011 Group £'000
Net cash outflow from operations	26	<u>(8,198)</u>	<u>(9,539)</u>
Returns on investments and servicing of finance			
Income from investments		4,629	4,390
Finance costs paid		(500)	(498)
		<u>4,129</u>	<u>3,892</u>
Capital expenditure and financial investment			
New endowment capital received		5,050	2,567
Payments for tangible fixed assets		(181)	(824)
Proceeds from sales of tangible fixed assets		297	0
Payments for investments		(17,963)	(7,283)
Proceeds from sales of investments		19,418	9,521
		<u>6,621</u>	<u>3,981</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		0	0
Net purchase of current asset investments		(4,406)	0
		<u>(4,406)</u>	<u>0</u>
Financing			
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>
Decrease in cash in the year		<u>(1,854)</u>	<u>(1,666)</u>
Reconciliation of net cash flow to movement in net funds			
Decrease in cash in the year		(1,854)	(1,666)
Transfers to term deposits and current investments		4,406	0
(Increase)/decrease in loan and lease finance		0	0
Change in net funds		<u>2,552</u>	<u>(1,666)</u>
Net funds at 1 August		<u>1,005</u>	<u>2,671</u>
Net funds at 31 July		<u>3,557</u>	<u>1,005</u>

Christ Church
Notes to the financial statements
For the year ended 31 July 2012

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Teaching, research and residential					
Tuition fees - UK and EU students	1,385	0	0	1,385	1,688
Tuition fees - Overseas students	409	0	0	409	414
Other fees	57	0	0	57	57
Other HEFCE support	395	0	0	395	153
Other academic income	314	0	0	314	320
College residential income	3,801	0	0	3,801	3,458
	<u>6,361</u>	<u>0</u>	<u>0</u>	<u>6,361</u>	<u>6,090</u>
Cathedral and School					
Cathedral	210	143	6	359	386
Cathedral School	1,768	0	0	1,768	1,645
	<u>1,978</u>	<u>143</u>	<u>6</u>	<u>2,127</u>	<u>2,031</u>

The above analysis includes £2,189k received from Oxford University under the Collegiate Funding Formula scheme, net of college fees received directly (2011 - £1,817k).

2 TRADING AND TOURISM INCOME

	2012 £'000	2011 £'000
Subsidiary company trading income	781	611
Other trading and tourism income	1,951	1,674
	<u>2,732</u>	<u>2,285</u>

3 INVESTMENT INCOME

	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2012 Total £'000	2011 Total £'000
Agricultural rent	0	0	481	481	472
Commercial rent	0	0	2,684	2,684	2,454
Other property income	0	0	1,070	1,070	1,149
Equity dividends	0	0	0	0	9
Other investment income	0	0	136	136	29
	<u>0</u>	<u>0</u>	<u>4,371</u>	<u>4,371</u>	<u>4,113</u>

Christ Church
Notes to the financial statements
For the year ended 31 July 2012

4 BANK AND OTHER INTEREST INCOME

	Unrestricted funds £'000	Restricted funds £'000	Endowed funds £'000	2012 Total £'000	2011 Total £'000
Bank interest	158	0	0	158	163
Other interest	13	87	0	100	114
	<u>171</u>	<u>87</u>	<u>0</u>	<u>258</u>	<u>277</u>

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2012 Total £'000	2011 Total £'000
Costs of generating funds					
Fundraising	308	117	53	478	467
Trading expenditure	925	685	214	1,824	1,663
Investment management costs	33	1,797	105	1,935	2,376
Total costs of generating funds	<u>1,266</u>	<u>2,599</u>	<u>372</u>	<u>4,237</u>	<u>4,506</u>
Charitable expenditure					
Teaching, research and residential	5,336	7,152	1,863	14,351	13,776
Other charitable expenditure	0	503	0	503	503
Cathedral	0	1,298	0	1,298	1,198
Cathedral School	0	1,845	0	1,845	1,874
Total charitable expenditure	<u>5,336</u>	<u>10,798</u>	<u>1,863</u>	<u>17,997</u>	<u>17,351</u>
Governance costs	<u>0</u>	<u>41</u>	<u>0</u>	<u>41</u>	<u>34</u>
Total resources expended	<u>6,602</u>	<u>13,438</u>	<u>2,235</u>	<u>22,275</u>	<u>21,891</u>

The House is liable to be assessed for College 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. College Contribution is calculated annually in accordance with regulations made by the Council.

Teaching and research costs include College Contribution payable of £345k (2010-11 : £367k).

Christ Church
Notes to the financial statements
For the year ended 31 July 2012

6 SUPPORT COSTS

	Generating funds £'000	Teaching, research and residential £'000	2012 Total £'000	2011 Total £'000
Financial administration	158	291	449	453
Domestic administration	206	343	549	536
IT	8	171	179	127
Depreciation	0	558	558	546
Bank interest payable	0	500	500	498
	<u>372</u>	<u>1,863</u>	<u>2,235</u>	<u>2,160</u>

Finance and administration, domestic and IT 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

	Unrestricted funds £'000	Restricted funds £'000	2012 Total £'000	2011 Total £'000
During the year the House funded research awards and bursaries to students from its restricted and unrestricted funds as follows:				
Scholarships, prizes and grants	0	152	152	276
Bursaries and hardship awards	5	525	530	406
	<u>5</u>	<u>677</u>	<u>682</u>	<u>682</u>

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

8 GOVERNANCE COSTS

	2012 £'000	2011 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	34	30
Auditor's remuneration - other services	0	0
Legal and other fees on constitutional matters	7	4
Other governance costs	0	0
	<u>41</u>	<u>34</u>

No amount has been included in Governance costs for the direct employment costs or reimbursed expenses of the Students on the basis that these payments relate to the Students' involvement in the House's charitable activities.

Details of the remuneration of the Students' and their reimbursed expenses are included as a separate note within these financial statements.

Christ Church
Notes to the financial statements
For the year ended 31 July 2012

9 STAFF COSTS

	2012 £'000	2011 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	5,807	5,811
Social security costs	435	432
Pension costs	884	878
Other benefits	453	458
	<u>7,579</u>	<u>7,579</u>

Staff costs of £650k (2010-11 : £688k) included in total Cathedral costs and £1,400k (2010-11 : £1,364k) included in total Cathedral School costs are not included in the aggregate payroll costs shown above.

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

	2012	2011
Tuition and research	47	45
College residential	98	98
Trading and tourism	16	22
Cathedral	17	17
Cathedral School	59	59
Fundraising	7	7
Support	72	71
Total	<u>316</u>	<u>319</u>

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

	2012	2011
University Lecturers	22	23
CUF Lecturers	14	15
Faculty Lecturer	1	1
Other teaching and research	7	7
Other	8	9
Total	<u>52</u>	<u>55</u>

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

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

The number of employees (excluding members of Governing Body) during the year whose gross pay and benefits (excluding employer NI and pension contributions) falling within the following band was:

£60,001-£70,000	1	0
£70,001-£80,001	1	2
£80,001-£90,001	1	0
	<u>3</u>	<u>2</u>

The number of the above employees with retirement benefits accruing was as follows:

In defined benefits schemes	3	2
In defined contribution schemes	0	0
	<u>3</u>	<u>2</u>

The House's contributions to defined contribution pension schemes totalled

Nil	Nil
<u>Nil</u>	<u>Nil</u>

Christ Church
Notes to the financial statements
For the year ended 31 July 2012

10 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Plant and equipment, fixtures and fittings £'000	Total £'000
Cost			
At start of year	9,595	5,881	15,476
Additions	0	181	181
Disposals	(297)	0	(297)
At end of year	9,298	6,062	15,360
Depreciation			
At start of year	913	929	1,842
Charge for the year	332	226	558
On disposals	0	0	0
At end of year	1,245	1,155	2,400
Net book value			
At end of year	8,053	4,907	12,960
At start of year	8,682	4,952	13,634
College			
Cost			
At start of year	8,747	2,392	11,139
Additions	0	0	0
Disposals	(297)	0	(297)
At end of year	8,450	2,392	10,842
Depreciation			
At start of year	702	559	1,261
Charge for the year	315	136	451
On disposals	0	0	0
At end of year	1,017	695	1,712
Net book value			
At end of year	7,433	1,697	9,130
At start of year	8,045	1,833	9,878

The House has substantial long-held historic assets all of which are used in the course of the House's teaching and research activities. These comprise listed buildings on the House's site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. As a result of their age and, in many cases, unique nature, reliable historic 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.

Christ Church
Notes to the financial statements
For the year ended 31 July 2012

11 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Residential £'000	2012 Total £'000	2011 Total £'000
Valuation at start of year	37,004	26,355	23,258	86,617	86,159
Additions and improvements at cost	102	23	4,475	4,600	0
Disposals net proceeds	(2,442)	0	(174)	(2,616)	(5,318)
Revaluation gains/(losses) in the year	3,882	1,578	1,166	6,626	5,776
Valuation at end of year	<u>38,546</u>	<u>27,956</u>	<u>28,725</u>	<u>95,227</u>	<u>86,617</u>

A formal valuation of the agricultural, commercial and residential properties was prepared by Savills (L&CP) Limited as at 31 July 2012.

12 SECURITIES AND OTHER INVESTMENTS

	2012 £'000	2011 £'000
Group investments		
Valuation at start of year	215,025	196,037
New money invested	10,062	30
Amounts withdrawn	(16,802)	(5,912)
Increase/(decrease) in cash held	3,301	7,251
Reinvested income	0	0
Investment management fees	0	0
(Decrease)/increase in value of investments	3,635	17,619
Group investments at end of year	<u>215,221</u>	<u>215,025</u>

College investments		
Valuation at start of year	212,084	193,636
New money invested	10,062	30
Amounts withdrawn	(15,491)	(5,912)
Increase/(decrease) in cash held	4,633	6,839
Reinvested income	0	0
Investment management fees	0	0
(Decrease)/increase in value of investments	3,637	17,491
College investments at end of year	<u>214,925</u>	<u>212,084</u>

Group investments comprise:	Held in the UK £'000	2012 Total £'000	2011 Total £'000
Equity investments	11,202	11,202	12,582
Diversified investment funds	185,466	185,466	187,240
Fixed term deposits and cash	18,553	18,553	15,203
Total group investments	<u>215,221</u>	<u>215,221</u>	<u>215,025</u>

Christ Church
Notes to the financial statements
For the year ended 31 July 2012

13 SUBSIDIARY UNDERTAKINGS

The House holds 100% of the issued share capital in Christ Church Developments Limited, a company providing design and build construction services to the House, and 100% of the issued share capital in Christ Church Oxford Trading Limited, a company providing conference and other event services on the House's premises, and 100% of the issued share capital of Christ Church (Evesham) Limited, a company holding agricultural land in Evesham. Christ Church is also the ultimate parent company of Christ Church Library Charity Limited, a company limited by guarantee which provides library facilities to the House.

	2012 Total £'000	2011 Total £'000
Investment in subsidiaries at start of year	0	0
New investments in the year	100	0
Investment in subsidiaries at end of year	100	0

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

	Christ Church (Evesham) Limited £'000	Christ Church Developments Limited £'000	Christ Church Oxford Trading Limited £'000	Christ Church Library Charity Limited £'000
Turnover	0	3	783	482
Expenditure	0	(2)	(765)	(886)
Donation to the House under gift aid	0	(1)	(18)	0
Result for the year	0	0	0	(404)
Total assets	100	64	307	3,949
Total liabilities	(100)	(47)	(307)	(4,039)
Net funds at the end of year	0	17	0	(90)

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the House's investment returns with effect from 1 August 2001. The investment return to be applied as income is calculated as 3.25% (plus costs) of the average of the year-end values of the relevant investments in each of the preceding five years net of management costs. The preserved 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	109	4,262	4,371
Capital gains/losses	256	10,005	10,261
Investment management costs	(44)	(1,786)	(1,830)
Total return for the year	321	12,481	12,802
Amount applied as income for spending	(157)	(9,037)	(9,194)
Net increase in Unapplied Total Return in the year	164		
Unapplied Total Return at start of year	996		
Unapplied Total Return at end of year	1,160		
Preserved value of original permanent endowments	4,020		

Christ Church
Notes to the financial statements
For the year ended 31 July 2012

15 DEBTORS: Amounts falling due within one year

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Trade debtors	1,348	1,419	1,133	1,137
Amounts owed by House members	250	265	250	265
Amounts owed by Group undertakings	0	0	551	302
Taxation and social security	468	406	0	0
Prepayments and accrued income	827	712	666	637
	<u>2,893</u>	<u>2,802</u>	<u>2,600</u>	<u>2,341</u>

16 DEBTORS: Amounts falling due after more than one year:

Housing funding for House members	194	319	194	319
Amounts owed by Group undertakings	0	0	3,971	3,953
	<u>194</u>	<u>319</u>	<u>4,165</u>	<u>4,272</u>

17 CREDITORS: Amounts falling due within one year

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Trade creditors	1,674	2,093	1,491	1,791
Amounts owed to Group undertakings	0	0	42	256
Taxation and social security	349	401	298	350
College Contribution	360	375	360	375
Accruals and deferred income	4,654	3,774	3,824	3,370
Other creditors	0	0	0	0
	<u>7,037</u>	<u>6,643</u>	<u>6,015</u>	<u>6,142</u>

18 CREDITORS: Amounts falling due after more than one year

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Bank loans	10,000	10,000	10,000	10,000
	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

In 2008 the House took out a £10m, 30-year floating rate loan with a matching interest rate swap providing funds at a fixed rate of 4.99% per annum. The loan is repayable and the swap matures in 2038.

19 PROVISIONS FOR LIABILITIES AND CHARGES

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
At start of year	412	604	412	604
Charged in the Statement of Financial Activities	447	(97)	447	(97)
Settled in the year	(91)	(95)	(91)	(95)
At end of year	<u>768</u>	<u>412</u>	<u>768</u>	<u>412</u>

The above provision relates to pension liabilities for pensions payable to ex-employees by the House and not funded through external pension schemes.

Christ Church
Notes to the financial statements
For the year ended 31 July 2012

20 FUNDS OF THE HOUSE MOVEMENTS

	At 1 August 2011 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2012 £'000
Endowment Funds - Permanent						
Student Support Funds	2,451	857	(19)	(74)	109	3,324
Academic Posts Funds	2,745	1,590	(25)	(77)	143	4,376
Library Funds	38	0	0	(1)	1	38
	<u>5,234</u>	<u>2,447</u>	<u>(44)</u>	<u>(152)</u>	<u>253</u>	<u>7,738</u>
Endowment Funds - Expendable						
Heyman-Moritz Benefaction	29,425	421	(171)	(908)	987	29,754
Dr South (3/5ths)	18,983	265	(108)	(572)	621	19,189
Lee Benefaction	6,907	99	(40)	(213)	232	6,985
Mercury Fund (5/7ths)	6,305	90	(37)	(195)	212	6,375
Buildings Funds	2,944	42	(17)	(91)	99	2,977
Gardens & Grounds Funds	291	4	(2)	(9)	10	294
Library Funds	1,539	71	(9)	(47)	53	1,607
Picture Gallery Funds	242	3	(1)	(7)	8	245
Academic Posts Funds	13,216	468	(79)	(367)	453	13,691
Student Support Funds	5,086	1,668	(39)	(156)	224	6,783
Cathedral & Chorister Support Funds	4,760	112	(73)	(44)	147	4,902
Benefices Funds	11,470	164	(67)	(354)	385	11,598
Other Funds	3,181	94	(19)	(75)	108	3,289
General Endowment Funds	<u>192,059</u>	<u>3,479</u>	<u>(1,124)</u>	<u>(5,926)</u>	<u>6,469</u>	<u>194,957</u>
Total Endowment Funds	<u>301,642</u>	<u>9,427</u>	<u>(1,830)</u>	<u>(9,116)</u>	<u>10,261</u>	<u>310,384</u>
Restricted Funds						
Student Support Funds (Permanent)	139	73	(92)	73	0	193
Library Funds (Permanent)	5	0	0	(1)	0	4
Academic Posts Funds (Permanent)	5	3	(85)	77	0	0
Sub-total Restricted income (Permanent)	<u>149</u>	<u>76</u>	<u>(177)</u>	<u>149</u>	<u>0</u>	<u>197</u>
Heyman-Moritz Benefaction	0	0	(908)	909	0	1
Dr South (3/5ths)	490	19	(484)	572	0	597
Lee Benefaction	27	0	(162)	206	0	71
Mercury Fund (5/7ths)	9	0	(163)	195	0	41
Gardens & Grounds Funds	0	0	(1)	1	0	0
Library Funds	0	72	(58)	46	0	60
Picture Gallery Funds	6	0	(5)	3	0	4
Academic Posts Funds	206	5	(282)	312	0	241
Student Support Funds	451	9	(176)	232	0	516
Cathedral & Chorister Support Funds	119	144	(130)	55	0	188
Benefices Funds	72	1	(19)	13	0	67
Other Funds	69	1	(56)	64	0	78
Sub-total Restricted income (Expendable)	<u>1,449</u>	<u>251</u>	<u>(2,444)</u>	<u>2,608</u>	<u>0</u>	<u>1,864</u>
Buildings Funds	4,219	301	(7)	(82)	0	4,431
Library Funds	58	58	(56)	(3)	0	57
Picture Gallery Funds	138	17	(11)	0	0	144
Academic Posts Funds	0	30	(30)	0	0	0
Student Support Funds	210	199	(53)	(105)	0	251
Cathedral & Chorister Support Funds	50	39	(59)	(21)	0	9
Other Funds	8	0	(19)	19	0	8
Sub-total Restricted income funds	<u>4,683</u>	<u>644</u>	<u>(235)</u>	<u>(192)</u>	<u>0</u>	<u>4,900</u>
Total Restricted Funds	<u>6,281</u>	<u>971</u>	<u>(2,856)</u>	<u>2,565</u>	<u>0</u>	<u>6,961</u>
Unrestricted Funds						
General	415	11,338	(17,475)	6,661	0	939
Revaluation reserve	3,954	0	0	0	0	3,954
Designated	536	201	(114)	(110)	0	513
Total Unrestricted Funds	<u>4,905</u>	<u>11,539</u>	<u>(17,589)</u>	<u>6,551</u>	<u>0</u>	<u>5,406</u>
Total Funds	<u>312,828</u>	<u>21,937</u>	<u>(22,275)</u>	<u>0</u>	<u>10,261</u>	<u>322,751</u>

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21 FUNDS OF THE HOUSE DETAILS

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

Endowment Funds - Permanent:

Grouped funds for restricted purposes A consolidation of capital balances of past donations where related income, but not the original capital, can be used for the restricted purposes of the charity as indicated in the grouped headings.

Endowment Funds - Expendable:

1. Heyman-Moritz Benefaction Capital balance of past donations where related income, or income and capital, can be used for the restricted purposes of the charity. This is a mixed use fund supporting the costs of Joint Academic posts, the cost of up to four Career Development Fellow Scientists, graduate bursaries and undergraduate financial support and contribution to major building development projects.

2. Dr South (3/5ths) Capital balance of past donations where related income, or income and capital, can be used for the restricted purposes of the charity towards the augmentation of small Benefices in the patronage of the Dean and Chapter and to award annual grants to Incumbents of the 12 Livings specified in Dr South's will, extended to include two further Livings by Court Order dated 29 May, 1869 and as subsequently extended.

3. Lee Benefaction Capital balance of past donations where related income, or income and capital, can be used for the restricted purposes of paying the stipend and incidental expenses of the Lee Readers in Anatomy, Chemistry and Physics, and in the case of accumulated revenue of the furtherance of any branch of medical or scientific teaching or research.

4. Mercury Fund (5/7ths) Capital balance of past donations where related income, or income and capital, can be used for the restricted purpose of the advancement of learning, science or education with particular reference to the preservation and development of the tutorial system.

5. Grouped funds for restricted purposes A consolidation of capital balances of past donations where related income, or income and capital, can be used for the restricted purposes of the charity as indicated in the grouped headings.

6. General Endowment Funds 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:

Restricted income from Permanent Income generated from Permanent Endowment not spent and available for future costs on the restricted purposes of the charity as indicated in the grouped headings.

Restricted income from Expendable Income generated from Expendable Endowments 1 to 5 not spent and available for future costs of of the restricted purposes applicable to the endowment funds.

Restricted income funds A consolidation of gifts and donations where both income and capital can be used for the restricted purposes of the charity as indicated in the grouped headings.

Designated Funds

Designated Funds Unrestricted Funds allocated by Governing Body for future costs of designated and therefore are not available for expenditure on the House's general purposes.

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

22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total £'000
Tangible fixed assets	12,959	0	0	12,959
Property investments	0	0	95,227	95,227
Securities and other investments	0	0	196,669	196,669
Bank loan due after more than one year	(10,000)	0	0	(10,000)
Net current assets	2,447	6,961	18,488	27,896
	<u>5,406</u>	<u>6,961</u>	<u>310,384</u>	<u>322,751</u>

23 TRUSTEES' REMUNERATION

The trustees of the House comprise the Governing Body, primarily Students who are teaching and research employees of the House 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 House receive salaries for their work as employees. Where possible, these salaries are paid on external scales and are often joint arrangements with the University of Oxford.

The Salaries Board makes recommendations relating to the remuneration of Members of Governing Body as well as to other members of the College's academic staff who are not members of Governing Body and a small number of other members of staff. The Board initiates proposals relating to remuneration and also considers recommendations initiated by other committees. The Board has five internal members and three external members. The Statutes of Christ Church provide (a) that the Board can only make recommendations relating to remuneration of all or any members of Governing Body if it has been approved, not only by a majority of the Board as a whole, but also by a majority of the three external members; (b) that in determining any question relating to the remuneration of its members, the Governing Body cannot approve any arrangement which would confer on any of its members a greater benefit than that recommended in relation to those members by the Salaries Board.

Composition of the Salaries Board:

Internal members - the Dean, the Senior Censor, the Secretary of the Salaries Board and two Official Students to be elected annually

External members - three persons who are not members of Governing Body and who do not receive remuneration from Christ Church are to be elected annually

Trustees employed by the House fall into the following categories:

- Official Students
- Fixed Term Students
- Ordinary Students
- Research Students
- Canon Professors

There are also five trustees, the Dean, the Sub Dean, the Treasurer, the Steward and the Development Director who are employed full time on management and/or fundraising.

Some trustees are eligible for college housing schemes. 11 trustees live in houses owned by the House. Others may be eligible for a housing allowance which is disclosed within the salary figures below. Nine trustees live in houses owned jointly with the House under the Shared Equity House Purchase Scheme, in which case the housing allowance is reduced accordingly. There were no such properties purchased in the year. One trustee purchased the House's interest in such a property during the year.

Some trustees receive further allowances for additional work carried out as part time college officers, e.g. Senior and Junior Censors, Librarian, Tutor for Admissions, Tutor for Graduates and Development Advisor. These amounts are included within the remuneration figures below.

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The total remuneration and taxable benefits as shown below is £1,575k (2010-11 : £1,651k). The total of pension contributions is £229k (2010-11 : £245k).

Remuneration paid to trustees

Range	2011-2012		2010-2011	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1-£4,999	5	8,848	5	5,911
£5,000-£9,999	4	30,106	3	26,123
£10,000-£14,999	7	87,708	6	73,267
£15,000-£19,999	3	54,569	6	100,216
£20,000-£24,999	10	228,865	11	244,060
£25,000-£29,999	4	108,551	2	53,575
£30,000-£34,999	4	132,142	5	169,322
£35,000-£39,999	2	75,552	1	35,047
£40,000-£44,999	1	40,740	3	124,909
£45,000-£49,999	5	232,603	5	234,023
£50,000-£54,999	2	107,598	3	158,755
£55,000-£59,999	4	225,504	4	226,139
£60,000-£64,999	0	0	2	124,834
£65,000-£69,999	2	133,927	1	68,734
£70,000-£74,999	0	0	0	0
£75,000-£79,999	1	79,360	1	79,213
£80,000-£84,999	1	80,491	1	80,047
£85,000-£89,999	1	85,338	0	0
£90,000-£94,999	1	92,416	1	92,175
Total	57	1,804,318	60	1,896,350

Nine trustees are not employees of the House and do not receive remuneration.

All 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 Trustee claimed any expenses for work as a trustee.

Other transactions with trustees

There are no other material transactions with trustees to disclose.

24 PENSION SCHEMES

24.1 The pension schemes

The House participates in three principal pension schemes for its staff - the Universities Superannuation Scheme ("the USS"), the University of Oxford Staff Pension Scheme ("the OSPS") and the Church of England Funded Pension Scheme ("the CEFPS"). All three 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 the three schemes are each held in separate trustee-administered funds.

The three schemes are multi-employer schemes and the House 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 FRS17 "Retirement Benefits", the House accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the SOFA represents the contributions payable to the schemes in respect of the accounting period.

In September 2005, the Government introduced legislation whereby 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.

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24.2 Actuarial valuations

The latest actuarial valuation of the USS was carried out at 31 March 2011. This valuation identified a funding deficit of £2,910m, the scheme assets representing 92% of the scheme liabilities at that date. The USS Joint Negotiating Committee has proposed, and USS has implemented with effect from 1 October 2011, a package of changes, including the admission of new members into a Career Revalued Benefits section. The changes are required to ensure the future sustainability of the Scheme. Further details about the changes may be reviewed on the USS' website, www.uss.co.uk. After allowing for those changes, the actuary established a long term employer contribution rate of 12.6% of total pensionable salaries for the 2011-12 year, reducing over time. USS agreed with Universities UK, on behalf of all the employers participating in the scheme, to address the deficit by continuing the employer contribution rate at the previously agreed rate of 16% of total pensionable salaries (this being the rate paid by employers since 1 October 2009) until 31 March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer future service cost of accruals. The actuary has certified that the additional contribution should eliminate the deficit by 31 March 2021. The next actuarial valuation of the USS is due to take place at 31 March 2014 and should be published early in 2015.

The latest actuarial valuation of the OSPS, carried out 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 employer since 1 August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 31 March 2027. In addition, the University has agreed to close the scheme to future final salary accrual, transferring all members onto a Career Revalued Benefits structure with effect from 1 January 2013. Further details may be seen on the Schemes' website, www.admin.ox.ac.uk/finance/pensions/osps/.

The latest actuarial valuation of the CEEPS, carried out at 31 December 2011, identified a funding deficit of £484m, with assets of £772m and a funding target of £1,256m, a funding level of 61%. The employer contribution rate has been set at 38.2% with effect from 1 January 2011 (it had been 45.0% since 1 January 2010). The next valuation is due to take place as at 31 December 2012.

24.3 Pension charge for the year

	2012 £'000	2011 £'000
The pension charge recorded by the House for the year includes contributions payable as follows:		
Universities Superannuation Scheme	342	340
University of Oxford Staff Pension Scheme	556	551
Church of England Funded Pension Scheme	8	8
	<u>906</u>	<u>899</u>

24.4 College pensions

Christ Church also has obligations to provide for pensions payable to certain former members of staff.

The present value of such pension liabilities is £768k (2011 : £761k) and the major assumptions used in valuing this liability were:

	2012	2011
Discount rate	3.9% pa	5.3% pa
Inflation	2.1% pa	3.2% pa
Pension increases	2.1% pa	3.2% pa
	£'000	£'000
Total market value of assets		
Index-linked gilts	0	943
Cash	768	0
Less: gilts not required for pensions	<u>0</u>	<u>(182)</u>
	768	761
Present value of College pension liabilities	<u>768</u>	<u>761</u>
	£'000	£'000
The total of £768k in respect of pension liabilities is made up as follows:		
Liability	768	761
Less: excess of market value over book value of hedging assets	<u>0</u>	<u>(349)</u>
	<u>768</u>	<u>412</u>

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25 TAXATION

The House 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 House's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the House 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.

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

	2012 £'000	2011 £'000
Net incoming resources for the year	(338)	(2,925)
Elimination of non-operating cash flows:		
- Investment income	(4,629)	(4,390)
- Endowment donations	(5,050)	(2,567)
- Financing costs	500	498
Depreciation	558	546
(Surplus)/loss on sale of fixed assets	0	0
Decrease/(increase) in stock	(23)	(58)
Decrease/(increase) in debtors	34	76
(Decrease)/increase in creditors	394	(531)
(Decrease)/increase in provisions	356	(188)
Net cash inflow/(outflow) from operations	(8,198)	(9,539)

27 ANALYSIS OF CHANGES IN NET FUNDS

	2011 £'000	Cash flow £'000	2012 £'000
Cash at bank and in hand	10,409	(1,854)	8,555
Bank overdrafts	0	0	0
Deposits and other short term investments	10,409	(1,854)	8,555
Bank loans due within one year	596	4,406	5,002
Bank loans due after one year	0	0	0
Finance lease obligations due within one year	(10,000)	0	(10,000)
Finance lease obligations due after one year	0	0	0
	0	0	0
	1,005	2,552	3,557

28 FINANCIAL COMMITMENTS

At 31 July 2011 the House had annual commitments under non-cancellable operating leases as follows:

	2012 £'000	2011 £'000
Land and buildings		
- expiring within one year	-	-
- expiring between two and five years	-	-
- expiring in over five years	-	-
	0	0
Other		
- expiring within one year	8	9
- expiring between two and five years	7	21
- expiring in over five years	-	0
	15	30

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29 CAPITAL COMMITMENTS

The House had no contracted commitments at 31 July 2012 for future capital projects (2010-11: £nil).

30 RELATED PARTY TRANSACTIONS

The House is part of the collegiate University of Oxford. Material interdependencies between the University and of the House 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 House and related parties as defined by FRS 8, receive remuneration and facilities as employees of the House. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

The House may make a property loan to an Official Student or Officer of the House under Statute XXVII(4). The following trustees had loans outstanding from the House at the start and/or end of the year.

	2012 £'000	2011 £'000
Dr M Edwards	0	125
Mr E Simpson	204	211

Interest is charged on the above loans at 1% per annum. On each anniversary of the loan the capital balance outstanding is adjusted by reference to the increase in the Joint Maximum Stipend. All loans are repayable within 40 years or on the departure of the trustee from the House, if earlier.

The House may enter into equity sharing arrangements with an Official Student, Officers of the House or other persons employed by the House under Statute XXVII(5). The House has properties with the following net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the House.

	2012 £'000	2011 £'000
Dr A Kuhn	274	274
Dr B Young	190	190
Mr J Lawrie	274	274
Mr M Kwiatkowski	173	173
Dr D Obbink	0	297
Dr D Aarts	233	233
Dr B Jack	270	270
Dr B Parkinson	310	310
Dr J Schear	311	311
Dr E Keene	311	311

All joint equity properties are subject to sale on the departure of the trustee from the House. The trustees pay an occupation fee of £500pa to the House on the House owned share of the properties.

At the balance sheet date Christ Church held an 18.5 per cent. (2011: 18.5 per cent.) interest in Oxford Investment Partners Limited (OXIP) a fund management company. The Treasurer of Christ Church was a non-executive director of that company until his resignation on 24 January 2012. He was replaced by Dr J Thanassoulis on 31 January 2012, who is also a member of Governing Body. Christ Church held an investment valued in its balance sheet at £62,647k (2011: £59,022k) in a fund of funds managed by OXIP.

31 CONTINGENT LIABILITIES

There are no obligations arising from events occurring before the date of the balance sheet whose existence will be confirmed only by the occurrence of events not wholly within Christ Church's control.

32 POST BALANCE SHEET EVENTS

There are no material post balance sheet events that require disclosure.