

# Green Templeton College

Annual Report and Financial Statements

Year ended 31 July 2012



**GREEN TEMPLETON COLLEGE**  
**Annual Report and Financial Statements**  
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# GREEN TEMPLETON COLLEGE

## Governing Body, Officers and Advisers

Year ended 31 July 2012

### 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 trustees during the year or subsequently are detailed below.

Fellow		Date of joining / leaving	(1)	(2)	(3)	(4)	(5)	(6)
Professor Sir David Watson	Principal		X	X	X			X
Mr Jonathan Anelay						X	X	
Dr Jeffrey Aronson								X
Mr Stephen Barclay	Barclay Fellow		X	X				
Dr Kunal Basu								
Professor Dame Valerie Beral								
Professor Shoumo Bhattacharya			X					X
Professor Sir Rory Collins		Retired March 2012						
Dr David Cranston								
Dr Richard Cuthbertson			X		X			
Dr Catherine Dolan								X
Professor Sue Dopson	Dean		X					
Mr Michael Dudley	Bursar		X	X				
Professor Peter Friend			X					
Dr Xiaolan Fu								
Professor John Furlong								X
Dr Richard Gibbons			X		X		X	
Mr Richard Greenhalgh	Barclay Fellow		X				X	
Dr Linda Hands								
Dr Stephen Harris	Secretary to the Governing Body							
Professor Mark Harrison						X		
Professor Keith Hawton								
Dr Carolyn Hoyle								
Dr Elisabeth Hsu								
Dr Gerd Islei								
Dr David Kay								
Dr Stephen Kennedy								
Dr Ian Kessler					X			
Dr Laurence Leaver					X			
Dr David Levy			X					
Professor Ingrid Lunt	Vice Principal	From October 2011	X		X			X
Professor Mark McCarthy		Retired June 2012						
Sir Bruce MacPhail	Barclay Fellow							
Professor Richard McManus		From June 2012						
Dr Jose Martinez								
Dr Paul Montgomery			X	X				
Dr Niall Moore								
Professor Tim Morris								
Professor Neil Mortensen								
Professor Michael Noble								

# GREEN TEMPLETON COLLEGE

## Governing Body, Officers and Advisers

Year ended 31 July 2012

Professor Sir Richard Peto								
Professor Fiona Powrie								
Dr Rafael Ramirez								
Dr Felix Reed-Tsochas								X
Dr Jonathan Reynolds			X			X		
Professor Stein Ringen								
Professor David Rogers		Retired August 2011						
Professor Peter Rothwell		Retired October 2011						
Dr Jeff Sampler								
Mr John Sanders	Barclay Fellow		X	X			X	
Dr Chris Sauer	Senior Tutor		X		X			X
Professor Linda Scott								
Professor Martin Seeleib-Kaiser								
Dr Rebecca Surender			X				X	
Mr John Templeton Jr	Barclay Fellow							
Dr Marc Thompson	Academic Tutor				X			
Dr Stephen Tucker			X					
Professor Robert Walker								
Dr Andrew White								
Professor Kathryn Wood								X
Professor Stephen Woolgar							X	
Professor Paul Wordsworth								
Dr James Worrell	Admissions Tutor				X			
Dr Marshall Young	Vice-Principal	To September 2011	X					X

During the year the activities of the Governing Body were carried out through 12 committees. The membership of 6 of these committees for the year, as listed below, is as indicated above. Note that Barclay Fellows are drawn from the ranks of those who are or have been active in the fields of business, government, education, the professions or public affairs, and provide a degree of externality to the Governing Body.

- (1) General Purposes Committee
- (2) Investment Committee
- (3) Academic Committee
- (4) Risk and Scrutiny Committee
- (5) Remuneration Committee
- (6) Fellowship Committee

## **GREEN TEMPLETON COLLEGE**

**Governing Body, Officers and Advisers**

**Year ended 31 July 2012**

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### **COLLEGE SENIOR STAFF**

The senior staff of the College to whom day to day management is delegated are the Principal and Bursar, as identified above.

### **COLLEGE ADVISERS**

#### **Auditor**

Critchleys LLP  
Greyfriars Court  
Paradise Square  
Oxford, OX1 1BE

#### **Bankers**

Barclays Bank  
Oxford Corporate Group  
Oxford, OX1 3DD

#### **Solicitors**

Darbys Solicitors LLP  
52 New Inn Hall Street  
Oxford, OX1 2DN

#### **Investment property managers**

Jones Lang LaSalle  
40 Berkeley Square  
Bristol, BS8 1HU

#### **College address**

Green Templeton College  
43 Woodstock Road  
Oxford, OX2 6HG

#### **Website**

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

## **GREEN TEMPLETON COLLEGE**

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

**Year ended 31 July 2012**

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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**

The College is registered with the Charities Commission with registration number 1142297.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing documents**

The College is governed by its Charter and Statutes and Regulations. The Principal, Fellows and Students of Green Templeton College in the University of Oxford, known as Green Templeton College ("the College"), is incorporated under a Royal Charter granted 11 April 1995, subject to amendments by Orders in Council dated 9 July 2008 and 8 June 2011.

### **Governing Body**

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

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the College Visitor. The Governing Body is self-appointing, typically for renewable terms of 7 years, or, if the appointment is to run co-terminously with an academic appointment at the University, until that University appointment is terminated. Appointments are by election, subject to a two-thirds majority of those present and voting at a quorate meeting of Governing Body.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised by 12 committees.

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

New members of the Governing Body are elected on the basis of the recommendations of Fellowship Committee. This meets periodically, but at least once a year, to review the composition of Governing Body to identify any gaps in the academic disciplines represented and to consider any other expertise that would be more generally desirable on Governing Body. Its recommendations as to Governing Body Fellowship are then submitted to Governing Body for its consideration and election as above.

### **Organisational management**

The Governing Body meets at least 6 times a year. The work of developing policies and monitoring the implementation of these is carried out by the College Committees, including, with duties:

- The General Purposes Committee: to advise the Governing Body on all financial, practical and operational matters affecting the running of the College unless these fall within the terms of reference of another committee of the Governing Body;
- The Investment Committee: to make recommendations to the Governing Body on Investment Strategy, to monitor the performance of the College's investments and to advise the Governing Body on the financial aspects of the purchase or sale of property or land;
- The Academic Committee: to arrange a programme of academic activities for the College within a budget approved by the Governing Body, and to consider proposals for College-based research and other academic activities;

## **GREEN TEMPLETON COLLEGE**

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

**Year ended 31 July 2012**

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- The Risk and Scrutiny Committee: to review the effectiveness of the financial and other internal controls systems of the College, including a report to Governing Body on the audit of the annual accounts, the effectiveness of the General Purposes Committee and to consider the management of risk;
- The Remuneration Committee: to advise Governing Body on the remuneration of the Principal, College Officers and such other staff of the College as the Governing Body may specify from time to time. No member of the Committee shall be involved in any decision as to his or her own remuneration; and
- The Fellowship Committee: to make recommendations to Governing Body of the names of persons who might be considered suitable for election to fill vacancies in the Fellowship.

The other Committees report to Governing Body via one or more of the above.

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

The College has one wholly owned non-charitable subsidiary: Green Templeton Services Limited, whose annual profits, if any, are donated to the College under the Gift Aid Scheme, and which provides maintenance and related services to the College. The subsidiary's aims, objectives and achievements are covered in the relevant sections of this report.

The College also administers a number of special trusts, as detailed in Notes 17 and 18 to the financial statements.

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. Financial risks are assessed by the General Purposes Committee and investment risks are monitored by the Investment Committee. In addition, the Bursar and relevant 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.

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

## **OBJECTIVES AND ACTIVITIES**

### **Charitable Objects and Aims**

The College's Objects are to further study, learning, education and research within the University of Oxford and to be a College wherein men and women may carry out advanced study or research particularly in management studies, medical and life sciences, social sciences and a range of other subject areas as approved by its Governing Body.

The Governing Body is mindful of the 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 by providing higher education for postgraduate students within Oxford University;

## **GREEN TEMPLETON COLLEGE**

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

**Year ended 31 July 2012**

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- to support the research of academics that have already shown outstanding promise in their chosen field of research through the appointment of stipendiary Research Fellowships for a period of up to three years to enable them to concentrate solely on their topic of research; and
- to support research undertaken by its Fellows, by making grants available to fund research and other academic initiatives that are undertaken outside of a University Department.

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

The College has an extensive programme of scholarship and bursary support, as set out below.

#### **Public benefit**

The College remains committed to the aim of providing public benefit in accordance with its founding principles. The College advances education by providing higher education for postgraduate students within Oxford University.

The College provides public benefit by offering higher education to its clinical medical students through the Doll Fellowship teaching programme, which provides them with the opportunity to meet with and be taught by a range of healthcare professionals on a weekly basis during the course of their studies.

Graduate funding is available for some studies and for the most able there are a number of scholarship funds available that graduates may apply for, which are administered by the University, the College or other sources. Funding is available from such bodies as the Rhodes Trust, Medical Research Council, Arts and Humanities Research Council and the Clarendon Fund, and currently approximately 5% of graduates at the College are in receipt of funding from one of these or other funding bodies.

The College also operates a number of funds which make grants and bursaries to students on the basis of academic merit and needs. In the last year, the College has awarded grants from these funds totalling £360,000.

A number of academic prizes are available to students at the College. Prizes are awarded on the basis of academic excellence and they serve to encourage academic endeavour at the College.

All students are eligible for learning grants from the College, to support study through, for example, attendance at academic conferences. £52,000 was awarded for this purpose to students by the College in the last year.

The College has awarded grants totalling £135,000 for the academic year 2011/12 to fund research and other academic initiatives that are undertaken by College Fellows, and also funds 3 stipendiary Junior Research Fellowships.

#### **ACHIEVEMENTS AND PERFORMANCE**

The College has a distinctive academic profile, specialising in subjects relating to human welfare and social, economic and environmental well-being in the 21st century, including medical sciences, management, and a broad range of social sciences, including education, environmental sciences and social policy.

Friendly and informal, the diverse and international College community forms the backdrop for a lively academic and social scene. College academic initiatives include the Future of Work programme, the Oxford Health Experiences Institute and an annual, student-led Human Welfare Conference. A programme of regular lectures hosting well-known speakers, including the Green Templeton Lecture series, takes place throughout the year.

Collaboration and interaction between students and Fellows is actively encouraged and supported, and is symbolised by a single common room and dining room.

## **GREEN TEMPLETON COLLEGE**

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

**Year ended 31 July 2012**

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#### **FINANCIAL REVIEW**

The College generated net (outgoing)/incoming resources for the year of £(0.9) million (2011: £27.9 million). The College is the result of a merger between Green College, a Society of the University, and Templeton College, that was effective on 1 October 2008. Discussions leading to the transfer to the College of certain assets held by the University on behalf of Green College were concluded during the year ended 31 July 2011, giving rise to a substantial inflow to the College in that year. The results for the year ended 31 July 2012 reflect activity relating to those assets.

#### **Reserves policy**

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

The College's free reserves at the year-end amounted to £1,019,000 (2011: £1,028,000), representing retained unrestricted income reserves, excluding an amount of £18.2 million designated to provide for future depreciation of the remaining net book value of fixed assets.

Other designated reserves at the year-end comprised £49,000 (2011: £71,000) for academic support.

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

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

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

The investment strategy, policy and performance is monitored by the Investment Committee. At the year end, the College's long term investments, combining securities, property and other investments, totalled £21,228,000 (2011: £20,486,000). Note that this includes the investment assets transferred from the University made at the end of the financial year 2011, from which no income arose in the accounts of the College during that year. Excluding the effect of this transfer on the investment asset balance, the overall total investment return was 2.1% over the year.

#### **FUTURE PLANS**

The core elements of the College's plans for the future are:

- to continue provide an outstanding educational experience to its students;
- to maintain the excellent reputation of its medical teaching programme;
- to increase financial support for students through scholarships, bursaries and other awards;
- to seek to enhance the College facilities in support of the above objectives.

## **GREEN TEMPLETON COLLEGE**

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

**Year ended 31 July 2012**

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

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

Charity law requires the Governing Body to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net income 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 2011. 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 18 October 2012 and signed on its behalf by:

Professor Sir David Watson

Principal

## **GREEN TEMPLETON COLLEGE**

### **Independent Auditors' Report to the Members of the Governing Body of Green Templeton College**

We have audited the financial statements of Green Templeton College for the year ended 31 July 2012 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 27. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body in accordance with section 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 College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

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

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

We have been appointed as auditor under section 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 (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 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**  
Statutory Auditor  
Oxford  
Date:

**LLP**

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

# **GREEN TEMPLETON COLLEGE**

## **Statement of Accounting Policies**

**Year ended 31 July 2012**

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### **1. Scope of the financial statements**

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

### **2. Basis of accounting**

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

The transfer of assets from the University to the College pursuant to the merger of Green College and Templeton College on 1 October 2008 was accounted for consistent with the provisions of FRS6, Acquisitions and Mergers.

### **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, and including contributions received from restricted funds, are accounted for in the period in which the related service is provided.

### **4. Incoming resources from donations and legacies**

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

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

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

### **5. Investment income**

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

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

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

### **6. Expenditure**

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

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

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

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

## **GREEN TEMPLETON COLLEGE**

### **Statement of Accounting Policies**

**Year ended 31 July 2012**

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

#### **8. Tangible fixed assets**

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £1,000 together with expenditure on equipment costing more than £1,000 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
Equipment	4 - 10 years

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

#### **10. Investments**

Investment properties are included at valuation. Valuations are carried out by external valuers at least once every 5 years, which valuation is considered by the trustees at the balance sheet date and adjusted if appropriate. 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.

Gains and losses arising on 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 SOFA.

## **GREEN TEMPLETON COLLEGE**

### **Statement of Accounting Policies**

**Year ended 31 July 2012**

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#### **13. Fund accounting**

The total funds of the College and its subsidiary 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.

#### **14. 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.

**Green Templeton College**  
**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
<b>INCOMING RESOURCES</b>						
<b>Resources from charitable activities</b>						
Teaching and research	1	2,585	0	0	2,585	2,789
		<u>2,585</u>	<u>0</u>	<u>0</u>	<u>2,585</u>	<u>2,789</u>
<b>Resources from generated funds</b>						
Legacies and donations	17	55	485	0	540	28,768
Trading income	2	115	0	0	115	167
Investment income	3	1,058	0	0	1,058	829
Bank and other interest	4	23	0	0	23	53
		<u>1,251</u>	<u>485</u>	<u>0</u>	<u>1,736</u>	<u>29,817</u>
Other incoming resources		16	0	0	16	0
<b>Total Incoming Resources</b>	17	<u>3,852</u>	<u>485</u>	<u>0</u>	<u>4,337</u>	<u>32,606</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>						
Fundraising	5	(405)	0	0	(405)	(300)
Trading expenditure	5	(53)	0	0	(53)	(83)
		<u>(458)</u>	<u>0</u>	<u>0</u>	<u>(458)</u>	<u>(383)</u>
<b>Charitable activities</b>						
Teaching and research	5	(3,559)	(686)	(477)	(4,722)	(4,322)
		<u>(3,559)</u>	<u>(686)</u>	<u>(477)</u>	<u>(4,722)</u>	<u>(4,322)</u>
Governance costs	8	(28)	0	0	(28)	(12)
<b>Total Resources Expended</b>	5	<u>(4,045)</u>	<u>(686)</u>	<u>(477)</u>	<u>(5,208)</u>	<u>(4,717)</u>
<b>Net (outgoing)/incoming resources before transfers</b>		(193)	(201)	(477)	(871)	27,889
Transfers between funds	17	(2)	(2)	4	0	0
<b>Net (outgoing)/incoming resources before other gains and losses</b>		<u>(195)</u>	<u>(203)</u>	<u>(473)</u>	<u>(871)</u>	<u>27,889</u>
Investment (losses)/gains	17	(7)	0	0	(7)	16
<b>Net movement in funds for the year</b>		<u>(202)</u>	<u>(203)</u>	<u>(473)</u>	<u>(878)</u>	<u>27,905</u>
Fund balances brought forward	17	20,306	2,069	27,695	50,070	22,165
<b>Funds carried forward at 31 July</b>	17	<u>20,104</u>	<u>1,866</u>	<u>27,222</u>	<u>49,192</u>	<u>50,070</u>

**Green Templeton College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2012**

	Notes	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	29,167	29,574	29,167	29,574
Property investments	11	12,650	12,650	12,650	12,650
Securities and other investments	12	8,578	7,836	8,578	7,836
		<u>50,395</u>	<u>50,060</u>	<u>50,395</u>	<u>50,060</u>
<b>CURRENT ASSETS</b>					
Stocks		36	26	36	26
Debtors	14	415	620	487	692
Cash at bank and in hand		102	270	30	198
		<u>553</u>	<u>916</u>	<u>553</u>	<u>916</u>
<b>CREDITORS: falling due within one year</b>	15	(1,696)	(816)	(1,696)	(816)
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(1,143)</u>	<u>100</u>	<u>(1,143)</u>	<u>100</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>49,252</b>	<b>50,160</b>	<b>49,252</b>	<b>50,160</b>
<b>CREDITORS: falling due after more than one year</b>	16	(60)	(90)	(60)	(90)
<b>NET ASSETS</b>		<u><b>49,192</b></u>	<u><b>50,070</b></u>	<u><b>49,192</b></u>	<u><b>50,070</b></u>
<b>FUNDS OF THE COLLEGE</b>					
Endowment funds	17	27,222	27,695	27,222	27,695
Restricted funds	17	1,866	2,069	1,866	2,069
Unrestricted funds					
Designated funds	17	19,085	19,278	19,085	19,278
General funds	17	1,019	1,028	1,019	1,028
	19	<u>49,192</u>	<u>50,070</u>	<u>49,192</u>	<u>50,070</u>

*The financial statements were approved and authorised for issue by the Governing Body of Green Templeton College*

on 18 October 2012

Prof. Sir David Watson

Mr. Mike Dudley

**Green Templeton College**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 July 2012**

	Notes	2012 Group £'000	2011 Group £'000
Net cash inflow/(outflow) from operations	23	(640)	(510)
Returns on investments and servicing of finance			
Income from investments and interest received		1,081	882
		<u>1,081</u>	<u>882</u>
Capital expenditure and financial investment			
New endowment and restricted funds received		485	28,714
Less non-cash element of endowments received		0	(23,048)
Payments for tangible fixed assets		(349)	(457)
Payments for investments		(1,000)	(10)
		<u>(864)</u>	<u>5,199</u>
Increase/(decrease) in cash in the year		<u>(423)</u>	<u>5,571</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		(423)	5,571
(Increase)/decrease in loan and lease finance		30	(120)
Change in net funds		<u>(393)</u>	<u>5,451</u>
Net funds at 1 August		7,779	2,328
Net funds at 31 July	24	<u>7,386</u>	<u>7,779</u>

**Green Templeton College**  
**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 and research					
Tuition fees - UK and EU students	399	0	0	399	439
Tuition fees - Overseas students	717	0	0	717	674
Other HEFCE support	67	0	0	67	158
Other Academic income	25	0	0	25	0
College residential income	1,377	0	0	1,377	1,518
	<u>2,585</u>	<u>0</u>	<u>0</u>	<u>2,585</u>	<u>2,789</u>

The above analysis includes £358k received from Oxford University under the Collegiate Funding Formula scheme, net of College fees received directly (2011 - £349k)

**2 TRADING INCOME**

	2012 £'000	2011 £'000
Other trading income	115	167
	<u>115</u>	<u>167</u>

**3 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Commercial rent	1,058	0	0	1,058	822
Equity dividends	0	0	0	0	7
	<u>1,058</u>	<u>0</u>	<u>0</u>	<u>1,058</u>	<u>829</u>

**4 BANK AND OTHER INTEREST INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Bank interest	23	0	0	23	53
	<u>23</u>	<u>0</u>	<u>0</u>	<u>23</u>	<u>53</u>

**Green Templeton College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2012**

**5 ANALYSIS OF RESOURCES EXPENDED**

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2012 Total £'000	2011 Total £'000
<b>Costs of generating funds</b>					
Fundraising	227	96	82	405	300
Trading expenditure	0	45	8	53	83
Investment management	0	0	0	0	0
<b>Total costs of generating funds</b>	<b>227</b>	<b>141</b>	<b>90</b>	<b>458</b>	<b>383</b>
<b>Charitable expenditure</b>					
Teaching and research	1,172	2,100	1,450	4,722	4,322
<b>Total charitable expenditure</b>	<b>1,172</b>	<b>2,100</b>	<b>1,450</b>	<b>4,722</b>	<b>4,322</b>
<b>Governance costs</b>	<b>0</b>	<b>28</b>	<b>0</b>	<b>28</b>	<b>12</b>
<b>Total resources expended</b>	<b>1,399</b>	<b>2,269</b>	<b>1,540</b>	<b>5,208</b>	<b>4,717</b>

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The College Contribution Fund is used to make grants and loans to colleges on the basis of need. The College is in receipt of a loan from the Fund (see notes 15 and 16). Contribution is calculated annually in accordance with regulations made by the Council.

The teaching and research costs include College Contribution payable of £nil (2011 - £nil).

**6 SUPPORT COSTS**

	Generating Funds £'000	Trading Activity £'000	Teaching and Research £'000	2012 Total £'000	2011 Total £'000
Financial and domestic admin	57	6	523	586	499
Human resources	8	1	61	70	54
IT	17	1	114	132	130
Depreciation	0	0	752	752	709
	<b>82</b>	<b>8</b>	<b>1,450</b>	<b>1,540</b>	<b>1,392</b>

Finance and administration, human resources and IT costs are attributed according to expenditure. Depreciation costs are attributed fully to charitable activities.

**7 GRANTS AND AWARDS**

	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 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	208	152	360	321
Bursaries and hardship awards	0	9	9	32
	<b>208</b>	<b>161</b>	<b>369</b>	<b>353</b>

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

**Green Templeton College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2012**

**8 GOVERNANCE COSTS**

	2012	2011
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	28	12
Auditor's remuneration - other services	0	0
	<u>28</u>	<u>12</u>

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

Auditor's remuneration for 2012 includes an adjustment of £14k for fees not accrued in prior years.

**9 STAFF COSTS**

	2012	2011
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	1,582	1,453
Social security costs	125	115
Pension costs	199	215
	<u>1,906</u>	<u>1,783</u>

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

	2012	2011
Tuition and research	11	10
College residential	25	22
Fundraising	3	3
Support	8	7
Total	<u>47</u>	<u>42</u>

The average number of employed College Trustees during the year was:

	<u>4</u>	<u>5</u>
--	----------	----------

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

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

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

£70,001-£80,000	<u>1</u>	<u>0</u>
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The number of employees with retirement benefits accruing was as follows:

In defined benefits schemes	0	0
In defined contribution schemes	<u>40</u>	<u>43</u>

The College contributions to defined contribution pension schemes totalled £190,000 (2011: £215,000).

**Green Templeton College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2012**

**10 TANGIBLE FIXED ASSETS**

Group	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>Cost</b>					
At start of year	101	30,366	0	700	31,167
Additions	0	129	0	218	347
Disposals	0	0	0	(2)	(2)
<b>At end of year</b>	<b>101</b>	<b>30,495</b>	<b>0</b>	<b>916</b>	<b>31,512</b>
<b>Depreciation</b>					
At start of year	26	1,233	0	334	1,593
Charge for the year	2	610	0	140	752
On disposals	0	0	0	0	0
<b>At end of year</b>	<b>28</b>	<b>1,843</b>	<b>0</b>	<b>474</b>	<b>2,345</b>
<b>Net book value</b>					
At end of year	73	28,652	0	442	29,167
At start of year	75	29,133	0	366	29,574
<b>College</b>					
	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>Cost</b>					
At start of year	101	30,366	0	700	31,167
Additions	0	129	0	218	347
Disposals	0	0	0	(2)	(2)
<b>At end of year</b>	<b>101</b>	<b>30,495</b>	<b>0</b>	<b>916</b>	<b>31,512</b>
<b>Depreciation</b>					
At start of year	26	1,233	0	334	1,593
Charge for the year	2	610	0	140	752
On disposals	0	0	0	0	0
<b>At end of year</b>	<b>28</b>	<b>1,843</b>	<b>0</b>	<b>474</b>	<b>2,345</b>
<b>Net book value</b>					
At end of year	73	28,652	0	442	29,167
At start of year	75	29,133	0	366	29,574

**Green Templeton College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2012**

**11 PROPERTY INVESTMENTS**

Group and College	Commercial £'000	2012 Total £'000	2011 Total £'000
Valuation at start and end of year	12,650	12,650	12,650

A formal valuation of the College's commercial office investment property was prepared by an independent firm of Chartered Surveyors as at 12 January 2012, on the basis of open market value on existing use. The trustees are satisfied that this value remains valid as at 31 July 2012.

**12 SECURITIES AND OTHER INVESTMENTS**

	2012 £'000	2011 £'000
Group investments		
Valuation at start of year	7,836	2,038
New money invested	1,000	6,318
Amounts withdrawn	(251)	(543)
Reinvested Income	0	7
(Decrease)/increase in value of investments	(7)	16
Group investments at end of year	8,578	7,836
Investment in subsidiaries (see note 13)	0	0
College investments at end of year	8,578	7,836

**Group investments comprise:**

	Held in the UK £'000	2012 Total £'000	2011 Total £'000
Equity investments	169	169	166
Alternative and other investments	1,035	1,035	41
Fixed term deposits and cash	7,374	7,374	7,629
Total group investments	8,578	8,578	7,836

**Green Templeton College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2012**

**13 SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in Green Templeton Services Limited ("GTSL"), a company providing property management and related services.

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

	GTSL £'000
Turnover	79
Expenditure	(79)
Result for the year	<u>0</u>
Total assets	72
Total liabilities	(72)
Net funds at the end of year	<u>0</u>

**14 DEBTORS**

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Amounts falling due within one year:				
Trade debtors	119	312	119	312
Amounts owed by College members	172	160	172	160
Amounts owed by Group undertakings	0	0	72	72
Deferred costs	0	0	0	0
Prepayments and accrued income	121	133	121	133
Other Debtors	3	15	3	15
	<u>415</u>	<u>620</u>	<u>487</u>	<u>692</u>

**Green Templeton College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2012**

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

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Trade creditors	934	218	934	218
Taxation and social security	72	69	72	69
Other loans	30	30	30	30
Accruals and deferred income	397	315	397	315
Other creditors	263	184	263	184
	<u>1,696</u>	<u>816</u>	<u>1,696</u>	<u>816</u>

Other loans comprise the current portion of a loan outstanding from the College Contributions Fund, repayable over 4 years.

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

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Other loans	60	90	60	90
	<u>60</u>	<u>90</u>	<u>60</u>	<u>90</u>

The College has a loan with the College Contributions Fund, repayable over 4 years.

**Green Templeton College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2012**

**17 FUNDS OF THE COLLEGE - MOVEMENTS**

	At 1 August 2011 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2012 £'000
<b>Endowment Funds -</b>						
Permanent						
Student and Academic support funds	893	0	0	0	0	893
Expendable						
Green College and Morris Trust	26,720	0	(475)	0	0	26,245
Endowment						
Other	82	0	(2)	4	0	84
<b>Total Endowment Funds</b>	<b>27,695</b>	<b>0</b>	<b>(477)</b>	<b>4</b>	<b>0</b>	<b>27,222</b>
<b>Restricted Funds</b>						
Student support funds	167	74	(27)	0	0	214
Other academic support funds	1,745	345	(580)	0	0	1,510
Other funds	157	66	(79)	(2)	0	142
<b>Total Restricted Funds</b>	<b>2,069</b>	<b>485</b>	<b>(686)</b>	<b>(2)</b>	<b>0</b>	<b>1,866</b>
<b>Unrestricted Funds</b>						
General reserves	1,028	3,849	(3,743)	(108)	(7)	1,019
Fixed asset revaluation reserve	800	0	0	0	0	800
Fixed asset designated	18,407	0	(277)	106	0	18,236
Other designated	71	3	(25)	0	0	49
<b>Total Unrestricted Funds</b>	<b>20,306</b>	<b>3,852</b>	<b>(4,045)</b>	<b>(2)</b>	<b>(7)</b>	<b>20,104</b>
<b>Total Funds</b>	<b>50,070</b>	<b>4,337</b>	<b>(5,208)</b>	<b>0</b>	<b>(7)</b>	<b>49,192</b>

18 FUNDS OF THE COLLEGE - DETAILS

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

<b>Endowment Funds - Permanent:</b>	
Student and academic support	A consolidation of gifts and donations to the College, where the income but not the capital must be used in support of students and academic activities within College.
<b>Endowment Funds - Expendable:</b>	
Green College and Morris Trust Endowment	A consolidation of gifts and donations to the College, 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.
<b>Restricted Funds:</b>	
Student support funds	A consolidation of gifts and donations where both income and capital can be used in support of student scholarship and bursary provision.
Other academic support funds	A consolidation of gifts and donations where both income and capital can be used in support of academic initiatives undertaken within the general purposes of the College.
Other funds	A consolidation of gifts and donations where both income and capital can be used in support of College building projects.
<b>Designated Funds</b>	
Fixed asset designated funds	Unrestricted Funds which are represented by fixed assets of the College and which are therefore not available for expenditure on the College's general purposes.
Other designated funds	Unrestricted funds allocated by the Governing Body for future costs of student and academic support.

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

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	6,386	0	22,781	29,167
Property investments	12,650	0	0	12,650
Securities and other investments	2	1,866	6,710	8,578
Net current assets	(1,143)	0	0	(1,143)
Loans due more than one year	(60)	0	0	(60)
Loan from endowment	2,269	0	(2,269)	0
	<u>20,104</u>	<u>1,866</u>	<u>27,222</u>	<u>49,192</u>

The College has borrowed from its endowment funds to finance the purchase of student accommodation. The loan is being repaid over no more than 25 years, and more quickly as resources and College objectives permit.

**Green Templeton College**  
**Notes to the Financial Statements**  
**For the year ended 31 July 2012**

**20 TRUSTEES' REMUNERATION**

**Trustee remuneration**

The trustees of the college comprise the Governing Body, primarily fellows who are teaching and research employees of the University of Oxford 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. Three trustees are employed by the College.

The College has a Remuneration Committee, one function of which is to advise Governing Body on the remuneration of the Principal, College Officers and such other staff of the College as the Governing Body may specify from time to time. No member of the Committee shall be involved in any decision as to his or her own remuneration. Governing Body consider this function to be an adequate independent monitor of the conflict of interest inherent in payments to trustees.

Two trustees (the College Principal and Bursar) are full-time employees of the College and work on College management and administration. The College Senior Tutor is a part-time employee of the College. No other trustees are employed by the College.

Certain trustees receive allowances in recognition of work carried out as part time college officers (namely, the Vice-Principal, the Dean, the Secretary to the Governing Body, the Admissions Tutor and the Academic Tutor). The Senior Doll Medical Teaching Fellow is a partner in a doctors' General Practice, which is compensated for the time spent by that Fellow in running the College's medical teaching programme. A number of Fellows receive academic-related expense allowances of up to £1000 or up to £3000.

All of these amounts are included below. The total remuneration (gross remuneration, taxable benefits and pension contributions) as shown below is £278,203 (2011 - £322,143). The total of pension contributions is £25,432 (2011 - £31,732).

**Remuneration paid to trustees**

Range	2011-2012		2010-2011	
	Number of trustees	Total remuneration £	Number of trustees	Total remuneration £
£1-£999	0	0	10	6,468
£1,000-£1,999	1	1,284	3	4,063
£2,000-£2,999	1	2,195	3	7,124
£4,000-£4,999	0	0	1	4,913
£7,000-£7,999	1	7,885	2	14,500
£14,000-£14,999	0	0	1	14,426
£17,000-£17,999	0	17,095	1	17,425
£22,000-£22,999	1	22,255	0	0
£34,000-£34,999	0	0	1	35,100
£36,000-£36,999	1	36,675	0	0
£66,000-£66,999	0	0	1	66,353
£73,000-£73,999	0	0	1	73,518
£78,000-£78,999	0	0	1	78,253
£81,000-£81,999	1	81,241	0	0
£89,000-£89,999	1	89,130	0	0
	<b>8</b>	<b>257,760</b>	<b>25</b>	<b>322,143</b>

58 trustees, who are not employees of the college, did not receive any remuneration from the College during the year.

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

**Trustee expenses**

No trustee claimed any expenses for work as a trustee (2011: £nil).

**Other transactions with trustees**

There were no other transactions with trustees during the year (2011: £nil).

21 PENSION SCHEMES

1. The pension schemes:

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

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

[ The College has made available a Stakeholder Scheme for individual employees. ]

[ The College is also contributing to the personal pension arrangements of certain staff who were ineligible to join USS or OSPS. ]

2. Actuarial valuations

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

	USS	OSPS
Date of valuation:	31/03/2011	31/03/2010
Date valuation results published:	15/06/2012	30/06/2011
Value of liabilities:	£35,344m	£394m
Value of assets:	£32,434m	£312m
Funding Surplus/(Deficit):	(£2,910m) a	(£82m) b
Principal assumptions:		
Rate of Interest (past service liabilities)	6.1% pa	-
Rate of Interest (future service liabilities)	6.1% pa	-
Rate of Interest (periods up to retirement)	-	7.0% pa
Rate of Interest (periods after retirement)	-	5.0% pa
Rate of Increase in salaries	4.4% pa	4.7% pa
Rate of Increase in pensions	3.4% pa c	3.7% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	23.7 yrs	22 yrs
Assumed life expectancy at age 65 (females)	25.6 yrs	24 yrs
Funding Ratios:		
Technical Provisions basis:	92%	79%
Statutory Pension Protection Fund basis:	93%	86%
"Buy-out" basis:	57%	52%
Estimated FRS17 basis	82%	77%
Recommended Employer's contribution rate (as % of pensionable salaries):	16% d	21.5% e
Effective date of next valuation:	31/03/2014	31/03/2013

Notes:

a. USS' actuarial valuation as at 31st March 2011 identified a funding deficit of £2,910m. The USS Joint Negotiating Committee has proposed, and USS has implemented with effect from 1st 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 USS' website, [www.uss.co.uk](http://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 the employers since 1st October 2009) until 31st 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 31st March 2021.

b. OSPS' actuarial valuation as at 31st 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 1st August 2008). The actuary has certified that additional contribution should eliminate the deficit by 31st 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 1st January 2013. Further details may be seen on the Schemes' website, [www.admin.ox.ac.uk/finance/pensions/osps/](http://www.admin.ox.ac.uk/finance/pensions/osps/).

c. USS' actuary has assumed that pension increases will be 3.4% a year for the three years to 31st March 2014, then 2.6% a year thereafter.

d. As noted above (note a.), the USS employer contribution rate required for future service benefits alone at the date of the previously agreed rate of 16% of total pensionable salaries (this being the rate paid by the employers since 1st October 2009) until 31st March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer future service cost of accruals.

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e. As noted above (note b.), the OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 18.2% of total pensionable salaries. It was agreed that employers should continue to contribute at the previously agreed rate of total pensionable salaries (this being the rate paid by the employers since 1st August 2008).

**3. Sensitivity of actuarial valuation assumptions:**

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

Assumption	Change in assumption	Impact on scheme liabilities		
		USS	OSPS	NHSPS
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £3.2bn	decrease / increase by £35m	Neutral
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £2.0bn	increase / decrease by £25m	Not disclosed
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £1.2bn	increase / decrease by £5m	increase / decrease in employer's contribution rate by 2.5% of pay
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £0.8bn	increase by £10m	increase in employer's contribution rate by 1.5% of pay

**4. Pension charge for the year:**

The pension charge recorded by the College during the accounting period was equal to the contributions payable as follows:

Scheme	2012 £m	2011 £m
Universities Superannuation Scheme		
University of Oxford Staff Pension Scheme		
NHS pension Scheme		
Other Schemes - contributions		
Supplementation payments f		
<b>Total:</b>		

**Notes**

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

**22 TAXATION**

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

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

	2012 £'000	2011 £'000
Net incoming resources for the year	(871)	27,889
Elimination of non-operating cash flows:		
- Investment income	(1,081)	(882)
- Endowment and restricted fund donations	(485)	(28,714)
Depreciation	752	709
Decrease/(Increase) in stock	(10)	(24)
Decrease/(Increase) in debtors	205	307
(Decrease)/Increase in creditors	850	205
<b>Net cash inflow/(outflow) from operations</b>	<b>(640)</b>	<b>(510)</b>

**24 ANALYSIS OF CHANGES IN NET FUNDS**

	2011 £'000	Changes £'000	2012 £'000
Cash at bank and in hand	270	(168)	102
Endowment and restricted funds cash	7,629	(255)	7,374
	7,899	(423)	7,476
Bank and other loans due within one year	(30)	0	(30)
Bank and other loans due after one year	(90)	30	(60)
	7,779	(393)	7,386

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**25 FINANCIAL AND CAPITAL COMMITMENTS**

As at 31 July 2012, the College had no commitments under non-cancellable operating leases (2011: £nil) and no contracted capital commitments (2011: £nil).

**26 RELATED PARTY TRANSACTIONS**

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. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS8 ("Related party disclosures").

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

**27 CONTINGENT LIABILITIES**

The College had no contingent liabilities as at 31 July (2011: £nil).

