

# St Anne's College

Annual Report and Financial Statements

Year ended 31 July 2012



**St Anne's College**  
**Annual Report and Financial Statements**  
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# St Anne's 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.

		(1)	(2)	(3)	(4)	(5)
Mr T D Gardam	Principal	•	•		•	
Dr. J Abeler	Appointed 1 September 2011					
Prof. J Baird	Appointed 1 September 2011					
Prof. D Banister		•				
Dr. M Barnett	Resigned 15 August 2012					
Dr. D Belieav	Appointed 1 September 2011					
Dr. N Bowles	Resigned 30 September 2011					
Prof G A D Briggs						
Dr. R Chard						
Dr. H C Christian	-			•		
Prof. A Cocks						
Prof. R S Crisp			•			
Dr./ G B Davies						
Prof. P J Donnelly						
Dr. R Firth						
Prof. B Flyvbjerg						
Mrs C Foard	Retired April 2012			•		
Mr P Ghosh						
Dr. A Goodwin				•		
Dr. I Goold				•		
Prof. G Gottlob	Resigned January 2012					
Dr. S Gronlie						
Prof. C R M Grovenor					•	
Dr. B M Hambly						
Prof. N Harnew						
Dr. D A Harris	Vice-Principal	•		•		
Dr. M Harry						
Dr. G Hazbun						
Prof. H Hotson						
Prof. P Irwin						
Mr. M L Jackson	Domestic Bursar	•	•			
Prof. P J Jeavons						
Dr. F Johnston				•		
Dr. A Klevan						
Dr. T Lancaster						
Dr. L Lazarus		•				
Prof. M G L Leigh		•				
Prof. T J Lyons					•	
Prof. S N MacFarlane						
Prof. N Marzari	Resigned 30 <sup>th</sup> September 2011					
Prof. P McGuinness				•		
Dr. A W Mullen	Senior Tutor	•		•		
Prof. D W Murray		•				
Dr. T J O'Shaughnessy			•		•	
Dr. D R Porcelli						
Prof. H A Priestley	Retired 30 <sup>th</sup> September 2011					
Prof D Pyle			•			

# St Anne's College

## Governing Body, Officers and Advisers

Year ended 31 July 2012

		(1)	(2)	(3)	(4)	(5)
Dr. M Reynolds						
Dr. B Rosic						
Prof. S Shuttleworth		•				
Mr. M Sibly			•			
Dr. D F Smith		•		•		
Dr. M R Speight						
Prof. K Sutherland						
Dr F Szele						
Prof. P Vyas						
Prof. S Talmon	Resigned 30 <sup>th</sup> September 2011					
Dr. S Waters					•	
Dr. K Watkins						
Mr. C G Wigg                      Treasurer		•	•		•	
Dr. P R Wilshaw						
-						
<b>Non trustee committee members</b>						
Ms. F Cairncross	External					•
Mr. P Donovan	External				•	
Mr. D Hopkinson	External				•	
Mr. J Korner	External					•
Mr. W Mather	External				•	•
Ms. R Radcliffe	External					•
Mr. C Rodgers	External				•	
Mr. R Sommers	External					•
Mr. N Talbot-Rice	External					•
Ms H Weir	External				•	

Current membership of these committees is shown above for each Fellow.

- (1) Council
- (2) Finance and Development Committee
- (3) Academic Committee
- (4) Investment Committee
- (5) Remuneration Committee

The statutes require the Investment Committee to have, as well as the members of Governing Body noted above, at least two members who are experienced and carrying on business in investment matters. These external members are supplemented by four other external members who are co-opted to the Committee.

A new remuneration committee to review and approve the remuneration of members of the Governing Body was established during the year consisting of six independent members; the Principal and Treasurer are in attendance except for matters concerning their own remuneration.

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**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 as follows.

The Principal	Mr T D Gardam
The Vice-Principal	Dr D A Harris
The Treasurer	Mr. C G Wigg
The Senior Tutor	Dr. A W Mullen
The Domestic Bursar	Mr M L Jackson

**COLLEGE ADVISERS**

**Investment managers**

Newton Investment Management Limited

**Advisory Board** -

Although not required in the College Statutes, the Governing Body has created an Advisory Board which comprises seven external members with relevant experience, and includes alumnae of the College; The Principal, Vice-Principal, Senior Tutor, Treasurer and Domestic Bursar attend meetings as non-voting members.

The Board meets twice a year and reports to Governing Body. It has no formal responsibility for the College's governance and its remit is to offer independent advice to Governing Body on a range of issues, including financial and risk management, capital project planning, administrative effectiveness, College structures, and key priorities.

**Auditor**

Grant Thornton UK LLP

**Bankers**

Yorkshire Bank Limited

Royal Bank of Scotland PLC

**Solicitors**

Blake Lapthorn

**College address**

Woodstock Road

Oxford OX2 6HS

**Website**

[www.st-annes.ox.ac.uk](http://www.st-annes.ox.ac.uk)

## **St Anne's 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**

St Anne's College in the University of Oxford, which is known as St Anne's College ("the College"), is a charity incorporated by royal charter which was granted in 1952.

The College registered with the Charities Commission on 30<sup>th</sup> June 2011 (registered number 1142660).

St Anne's College traces its origin to the Association for the Education of Women in Oxford which was founded in 1878. In 1898 the name was changed to the Society for Home Students which endured until 1942 when it became St Anne's Society. Until 1921 activities were governed by a Council and the Delegacy for Women Students of the University. From 1921 the Society was governed by its own Delegacy of the University until 1952 when, with the grant of a Royal Charter, it was admitted to full college status in the University as St Anne's College. The statutes adopted in 1952 provided for a Council to control and oversee the organisation and in 1958 an amendment to the statutes replaced the Council with the Governing Body which is described in this report.

Further amendments to the statutes in 1977 allowed the appointment of men to the Governing Body and the admission of male students and the first male undergraduates arrived in 1979. St Anne's College is now one of the largest colleges for both undergraduate and post graduate students and is committed to furthering intellectual emancipation by attracting a wide range of students from different cultures and backgrounds.

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 two to four.

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

##### **Governing documents**

The College is governed by its Charter and Statutes.

##### **Governing Body**

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Bishop of Oxford. The Governing Body appoints the Principal, Fellows, Tutors, Lecturers, Librarian and such administrative and other Officers as the Governing Body thinks necessary from time to time. The Governing Body appoints Committees and delegates to them such powers as it thinks fit, again subject to the Statutes.

The Governing Body has such powers as are conferred on it by its Charter and shall subject thereto and to the Statutes, have the entire direction and management of the affairs of the College. The Governing Body determines the 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 five main committees.

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

New Members of the Governing Body are recruited by competitive application for advertised vacancies and inducted into the workings of the College, including Governing Body policy and procedures, by meetings with College officers and reference to operating manuals.

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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**Report of the Governing Body**  
**Year ended 31 July 2012**

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**Organisational management**

The members of the Governing Body meet a minimum of four times a year. The work of developing their policies and monitoring the implementation of these is carried out by five main Committees:

- The Council. The Principal, The Vice-Principal, The Senior Tutor, The Treasurer, and The Domestic Bursar are ex officio members of Council. There are also six elected Governing Body Fellows, engaged in full time academic employment, normally representing each of the academic divisions as defined by the University, and normally including at least one Professorial Fellow.

Council reports to Governing Body and meets ten times a year; it has the responsibilities of a General Purposes Committee to which Governing Body delegates certain responsibilities of decision making and College management, consistent with Governing Body's own responsibilities as the College's sovereign body as set out in the Statutes.

- The Finance and Development Committee: The Principal, The Treasurer, The Domestic Bursar, and The Development Director are ex officio members of the Finance and Development Committee. There are four other members of the committee, of whom at least three should be academic Fellows.

Finance and Development committee meets six times a year and is responsible for keeping the financial position of the College under review and to review the Medium Term Financial and Risk Management Strategies and to recommend any action deemed to be necessary or desirable consequent upon these.

- The Investment Committee: The Principal and The Treasurer are ex officio members of the committee and there are three further Governing Body members and five external members who are experienced in investment matters.

It meets four times a year, reports to Finance and Development Committee and it oversees the effective management of all the College's endowment funds in pursuit of the College's strategic objectives. The Principal stood down as Chairman of the committee in 2007/8 following his appointment as a non-executive director of Ofcom. He is a member of the committee but is not present for any part of the meetings which deals with the details of the College's shareholdings.

- The Academic Committee: The Principal, The Senior Tutor (acting also as The Tutor for Admissions and The Tutor for Graduates), The Librarian, and The College Secretary are ex officio members and there are five other academic members of the Governing Body.

Academic Committee reports to the Council and meets six times a year. It oversees the academic activities of the College and in particular makes recommendations to Council on all new or replacement academic appointments and on undergraduate and graduate admissions policy. The Vice-Principal chaired the committee during the year as the Principal took on the role of Chairman of Conference of Colleges, the organisation which represents all colleges in the University of Oxford.

- The Remuneration Committee: A remuneration committee reviews and approves the remuneration of employees who are also members of the Governing Body and consists of six independent members; the Principal and Treasurer are in attendance except for matters concerning their own remuneration. The committee meets at least once a year.

The day-to-day running of the College is delegated to the College Senior Staff noted above.

**Group structure and relationships**

The College also administers many special trusts, as detailed in Notes 17 to 18 to the financial statements.

The College also has two wholly owned non-charitable subsidiaries: St Anne's College Services Company Limited, whose annual profits are donated to the College under the Gift Aid Scheme, and St Anne's College Developments Limited, which undertakes certain College building works and is currently not trading. The trading activities of St Anne's College Services primarily comprises of the letting of the College facilities when



**St Anne's College**  
**Report of the Governing Body**  
**Year ended 31 July 2012**

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not in use by the College. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

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

**Risk management**

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

The Governing Body, which has ultimate responsibility for managing any risks faced by the College, has given consideration to the major risks to which the College and its subsidiaries are exposed and have 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 Object and aims**

The College's Charitable Object as stated in the Charter is "the advancement of learning, education and research and to be a College within the University of Oxford where women and men may carry out academic study and research".

The College's aims for the public benefit are:

- To provide teaching facilities and individual or small-group tuition, as well as pastoral, administrative and academic support through its tutorial and graduate mentoring systems;
- To provide social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at St Anne's; and
- To support research work pursued by its Fellows through promoting interaction across disciplines, providing facilities and providing grants for national and international conferences, research trips and research materials; granting sabbatical leave from teaching duties on a regular basis, and encouraging Fellows to apply for grants from University and external bodies to support them in pursuing their research for longer periods. Where Fellows gain grants for research leave the College normally releases them from teaching for that period of time.

The aims set for the College's subsidiaries are to help finance the achievement of the College's aims as above.

**Activities and objectives of the College**

The College's principal activity, as described above is the advancement of learning, education and research by being a College in the University of Oxford. Each year St Anne's admits undergraduate and postgraduate students to study for degree courses. The core objectives to achieve this are:

- Students: to ensure that undergraduate and graduate students of potential academic excellence, whoever they are and wherever they come from, can study here and perform to the best of their ability.
- Research: to attract, reward and retain the best academic minds to work here, to create a world class academic research community that in turn supports the tutorial system and graduate development.

## **St Anne's College**

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

**Year ended 31 July 2012**

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- **Environment:** to provide buildings and infrastructure of the quality to meet the needs of its academics and students and its supporting activities.
- **Finance:** to improve financial security at the same time as maintaining graduate and undergraduate academic experience and performance.

Specific development plans have been agreed for the separate departments within the College to ensure that the College continues to enhance its ability to provide a first-class education.

#### **Public benefit**

The College remains committed to the aim of providing public benefit in accordance with its founding principles. The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research.

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

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

- there are no geographical restrictions in the College's objects and students and academic staff of the College are drawn from across the UK and internationally;
- there are no age restrictions in the College's objects but students of the College are predominantly between 18 and 24 years old; and
- there are no religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

#### **Financial support for students.**

The College charges the following fees:

- College fees at externally regulated rates to undergraduates entitled to Student Support and to graduate students (with those undergraduate fees being paid by grant funding through arrangements approved by the Government), and a fee determined by the College annually to International undergraduates and any Home/EU undergraduates not entitled to Student Support; and
- Accommodation and meal charges at reasonable rates.

In order to assist undergraduates entitled to Student Support, the College provides through a scheme operated in common with the University and other Colleges bursary support for those of limited financial means. For the academic year 2011/12, the number of awards made was 115, out of a Home/EU undergraduate population of 391; 60 of the awards were at the maximum value of £3,225; and the average value of the awards was £2,383. The scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement.

To support the costs of graduate students, the College provides financial support including a number of scholarships each year to fund fees and living costs, and access to support and travel grants to meet costs involved in research, fieldwork and presenting papers at conferences. The College also offers Graduate Development Scholarships to doctoral students who, under guidance of Tutorial Fellows, take responsibility for some undergraduate teaching.

The College also supports all students through a support and travel grant scheme to assist with the purchase of books and equipment, attendance at conferences, and travel grants.

## **St Anne's College**

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

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In addition to its other programmes the College operates several hardship funds, for which all students incurring unexpected financial hardship are eligible.

The College operates an outreach programme to raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the college. This programme includes visits by schools to the College, open days, and admissions seminars for teachers as well as guidance and information on the College website for prospective applicants. The College also assists and participates in the access and outreach activities of the University and as part of this takes especial responsibility as the point of contact for schools in Newcastle and the north east of England and the London Borough of Hillingdon. College activities are supported by the generous benefaction of The Drapers Company.

### **ACTIVITIES AND PERFORMANCE**

In the year of the Queen's diamond jubilee St Anne's celebrated 60 years of full college status and the granting of its Royal Charter on 19<sup>th</sup> May 1952. This was one of the very early documents to which Queen Elizabeth put her seal, after her accession but before her coronation. A Royal Charter celebration was held on 19<sup>th</sup> May; some 400 past and present members of College enjoyed a programme of seminars, talks and music with a lunch in the presence in the Chancellor of the University. The Vice Lord Lieutenant of Oxfordshire read a message from Her Majesty the Queen.

St Anne's is the second largest college in the University offering mixed undergraduate and post graduate courses with a total of 744 students registered for the 2011/12 academic year. This number includes post graduates who have finished research and are writing up their papers and visiting students from abroad who follow a one year undergraduate course. Post graduate registrations have increased in recent years in line with University policy while undergraduate numbers remained constant. On average over 90% of undergraduates obtain first or upper second degree awards.

Tutorial fellows continued to receive grants and awards in the sciences and humanities; St Anne's offers one of the widest ranges of courses in the University and this is reflected in the teaching staff. Details of many of the awards, grants and interests of the Fellows can be found in the Annual Review published in hard copy and on the College website. A record total of six junior research fellows were funded by the college; these are young academics at the start of their careers and as well as pursuing research they develop teaching skills and make a valuable contribution to the intellectual life of the College.

The Principal began a two year appointment as Chairman of Conference of Colleges which is the organisation where the 44 colleges and permanent private halls of the University of Oxford come together to deal with matters of shared interest and common purpose. He was therefore well placed to lead the College through the new regime in Government funding and access requirements which started in October 2012 and the consultation about future changes. Despite the increase in tuition fees to £9,000 for UK students the number of applicants for undergraduate places was slightly higher than the previous year. Oxford has the most generous financial support package of all the Russell Group universities for students from poorer families.

Bursaries feature strongly in the financial support package and their provision was one of the principal objectives during a very successful year for fundraising. The telethon in January was to be matched by a generous benefactor and as a result a record total of £262k was raised. This was then matched by Mike Danson (a student at St Anne's in 1982) as part of a much larger gift of £1.5m which was received in August 2012, after the year end, and will appear in next year's accounts. The gift will establish the Mike Danson Bursary Fund to provide bursaries and support to deserving students from disadvantaged backgrounds who would not naturally think of studying at Oxford University. The Danson programme will also offer mentoring and internships opportunities. The object of this magnificent donation is exactly in line with the aims of St Anne's College and will significantly enhance its ability to achieve them.

Raising money to endow tutorial fellowships and teaching was another theme and a legacy from Margaret Hubbard, former Fellow in Classics, realised £2.2m in the year for the endowment of a fellowship in Classics. A fellowship in Earth Sciences was also endowed from generous donations made to College and University with the assistance of the University Teaching Fund which links gifts between colleges and departments. A campaign has also been successfully launched to fund a fellowship in Philosophy.

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**Report of the Governing Body**  
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The overall fundraising objective is to build up endowment funds to a level which allows the tutorial system to flourish and students to be admitted with adequate support when levels of income to the college are not adequate to do this alone. The success with fellowships and bursaries so far is very encouraging and should see the endowment exceed £30m by 31<sup>st</sup> July 2013.

Buildings are a major asset for the College and improvements essential to ensure standards are maintained and usage adapts to current requirements. The new kitchen and dining hall refurbishment project which commenced construction in July 2011; the kitchen was completed in time for the Royal Charter event on 19<sup>th</sup> May, although full usage had to wait until September 2012 when the refurbishment of the dining hall was completed. The dining hall, built in 1959, was the first dining hall for the College and represented a major advance in the establishment of a residential community of women students. Construction of the new kitchen and demolition of the temporary kitchen inevitably caused disruption to normal operations. The catering and support staff worked with consummate professionalism and both College members and conference clients were able to conduct normal business and were very complimentary. The project has also enabled the College to restore its main quad to its original aspect.

Financial security of the College requires a sustainable annual operating surplus (defined as net incoming resources before legacies and donations for restricted purposes) of at least £100k, combined with successful fundraising for the Endowment. The financial results for the year and fundraising activity represent good progress but there are uncertainties ahead in the economy and the impact on student numbers of the changes in government funding of higher education which present major challenges in maintaining this position.

#### **FINANCIAL REVIEW**

Overall income at £12,646k (2010/11: £10,279k) is significantly ahead of last year due to the success of fundraising and in particular a legacy of £2.2m referred to above. Excluding the increase in fundraising, income was 2% or £210k ahead of last year; total expenditure of £9,446k (2010/11: £9,271k) was £175k or 1.9% ahead of last year, half of this increase was extra cost of fundraising. The surplus for the year before investment gains/losses is £3,200k (2010/11: £1,008k); included in the surplus is £2,804k of gifts to the endowment and £141k of gifts for buildings. Excluding these, the operating surplus from charitable and trading activities was £255k (2010/11: £127k).

Total student numbers on courses rose to 670 (2010/11: 618) made up of 439 undergraduates (2010/11: 419) and 231 post graduates (2010/11: 199). Fee income for each UK and EU student fell by 4.6% following the third year of government cuts in funding for undergraduates; however, there was a welcome shift of funding to UK post graduates. The increase in post graduates students meant that tuition fee income for UK and EU students increased by 5.7%. Residential income was broadly unchanged, with a small reduction in post graduate accommodation offset by an increase in academic conference income. Overall income from charitable operations was 2.3% higher than last year.

Trading income from other conference services increased to £985k (2010/11: £866k) representing a return to levels of two years ago. Investment income continued at a consistent level to previous years. Legacies and donations at £3,793k were a major increase on the £1,636k figure for 2010/11 due to the legacy of £2.2m referred to above, and the annual fund at £555k was also a record.

Expenditure increased by 1.9% to £9,446K (2010/11: £9,271k). Fundraising costs referred to above and an increase in depreciation were the main features of the increase in a year which also saw cost savings achieved in catering and ancillary operations.

Capital expenditure of £3,639k was added to fixed assets during the year representing the completion of the new kitchen, part of the refurbishment of the dining hall and the cost of installing wireless internet capability across the main Woodstock Road site. A new bank loan of £2m was drawn down during the year as part of the funding of the new kitchen. The loan is from RBS plc. on a variable interest rate and is repayable in full after two years.

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**Report of the Governing Body**  
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Interest costs reduced during the year as the opportunity was taken to fix the interest rate on the long term borrowings from Yorkshire Bank at a lower rate than previously. This was possible due to the reduction in ten year rates during 2011 and the rate is now fixed until 2022.

Surplus cash was held in term deposits during the year. Cash flow from operations was satisfactory; several non-routine or unusually large items contributed to the year-end cash and deposits balance of £5,091k (2010/11: £2,535k). In particular gifts for the endowment of £2,804k will be invested after the year-end.

**Investment performance.**

The investment committee pursues a total return strategy for the funds invested subject to the generation of a target level of income each year. Income generated of £1,234k was on target and represented a yield of 4.5% on the value of the fund on 1<sup>st</sup> August 2011. Capital values fluctuated during a volatile year for financial markets and ended the year down 0.8%. Taken together, the Endowment fund produced a total return of 3.8% (2010/11: 12.2%);

**Development and fundraising.**

Total funds raised in the year were £3,792k (2010/11: £1,636k). Gifts to the annual fund of £501k are mentioned above; gifts to the endowment were £2,804k including £2,247k of a most generous legacy from a former Fellow of the College; the amount raised towards the new kitchen building was £201k which took the total for this project to £1.3m.

**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 £2,072k (2011: £2,723k), representing retained unrestricted income reserves excluding an amount of £9,862k for the book value of fixed assets less associated funding arrangements. The reduction in free reserves is due to capital expenditure on the new kitchen.

Designated reserves at the year-end include £500k for the proposed Library and Learning Centre for which a start date is as yet unknown.

**Investment policy, objectives and performance**

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

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

To meet these objectives the College's investments as a whole are managed to achieve maximum capital growth subject to meeting a specific annual income target, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return.

The investment strategy, policy and performance are monitored by the Investment Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £29,352k. The overall total investment return was +3.8% and investment income received by the College during the year was £1,234k and is included in the calculation of total return.

**FUTURE PLANS**

The College's future plans as agreed by the Governing Body are set out in a Medium term plan. The objectives are unchanged and the challenge is to continue the progress of recent years in the face of changing government funding and uncertain and volatile global economic prospects.

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The new fee regime for UK and EU students and the completion of the kitchen building project provide a natural opportunity to review the size and shape of the College in terms of the student body and the infrastructure. The number of post graduate students will reduce in 2012/13. Planning permission for a new library building on the Woodstock Road was obtained in 2010 and this would provide much needed workspace and seminar rooms for students and staff and a real statement of the academic mission of the College. At the same time accommodation for first year undergraduates needs modernisation, a total of 120 rooms, Funding is not yet available for these projects and feasibility studies will be undertaken in the coming year.

**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 incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- select the most suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Charities Act 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 24<sup>th</sup> October 2012 and signed on its behalf by:

T D Gardam.....

Principal

## **St Anne's College**

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

**Year ended 31 July 2012**

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#### **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF ST ANNE'S COLLEGE**

We have audited the financial statements of St Anne's College for the year ended 31 July 2012 which comprise the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's trustees, as a body, in accordance with Section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page twelve, the trustees are responsible for the preparation of financial statements which 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 (APB's) Ethical Standards for Auditors.

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

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

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and 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; 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.

Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Oxford

## **STATEMENT OF ACCOUNTING POLICIES**

### **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 subsidiaries St Anne's College Services Company Limited and St Anne's College Developments 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 subsidiaries 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 Acts 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, HEFCE support and other charges for services**

Fees receivable, HEFCE support and charges for services and use of the premises, less any scholarships, bursaries or other allowances granted by the College, but including contributions received from restricted funds, are accounted for in the period in which the related service is provided.

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

Donations and legacies are 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.

Donations and legacies received for the general purpose of the College are credited to unrestricted funds.

Donations and legacies which are subject to specific wishes of the donor are 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 or legacies are received otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

### **5. Investment income**

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

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

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

### **6. Expenditure**

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

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

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

Intra-group sales and charges between the College and its subsidiaries are excluded from consolidated 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 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 £1k together with expenditure on equipment costing more than £1k is capitalised and carried in the balance sheet at historical cost.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the Statement of Financial Activities as incurred.

#### **9. Depreciation**

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

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	5 - 20 years
Equipment	5 - 25 years

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

#### **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.

Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

#### **11. Stocks**

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

#### **12. Foreign currencies**

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

#### **13. Investment accounting**

Income from endowments and other restricted income is credited to the SOFA on a receivable basis.

#### **14. Fund accounting**

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

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have given funds for specific purposes. They consist of *either* gifts where the donor has specified that both the capital and any income arising must be used for the purposes given *or* the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restrictions on the use of that income, in which case it will be accounted for as a restricted fund.

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

#### **15. Pension costs**

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

**St Anne's 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, research and residential	1	6,459	-	-	6,459	6,309
		<u>6,459</u>	<u>-</u>	<u>-</u>	<u>6,459</u>	<u>6,309</u>
<b>Resources from generated funds</b>						
Legacies and donations		501	488	2,804	3,793	1,636
Trading income	2	985	-	-	985	886
Investment income	3	-	-	1,235	1,235	1,212
Bank and other interest	4	34	-	-	34	28
		<u>1,520</u>	<u>488</u>	<u>4,039</u>	<u>6,047</u>	<u>3,762</u>
Other incoming resources	-	140	-	-	140	208
<b>Total Incoming Resources</b>		<u>8,119</u>	<u>488</u>	<u>4,039</u>	<u>12,646</u>	<u>10,279</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>						
Fundraising	5	578	-	-	578	492
Trading expenditure		684	-	-	684	612
Investment management costs		21	-	-	21	19
		<u>1,283</u>	<u>-</u>	<u>-</u>	<u>1,283</u>	<u>1,123</u>
<b>Charitable activities</b>						
Teaching, research and residential	5	7,117	997	-	8,114	8,103
		<u>7,117</u>	<u>997</u>	<u>-</u>	<u>8,114</u>	<u>8,103</u>
Governance costs	8	49	-	-	49	45
<b>Total Resources Expended</b>		<u>8,449</u>	<u>997</u>	<u>-</u>	<u>9,446</u>	<u>9,271</u>
<b>Net incoming/(outgoing) resources before transfers</b>		(330)	(509)	4,039	3,200	1,008
Transfers between funds	17	504	731	(1,235)	-	-
<b>Net incoming/(outgoing) resources before other gains and losses</b>		<u>174</u>	<u>222</u>	<u>2,804</u>	<u>3,200</u>	<u>1,008</u>
Investment gains/(losses)		-	-	(215)	(215)	1,802
<b>Net movement in funds for the year</b>		<u>174</u>	<u>222</u>	<u>2,589</u>	<u>2,985</u>	<u>2,810</u>
Fund balances brought forward	17	15,131	956	26,763	42,850	40,040
<b>Funds carried forward at 31 July</b>	17	<u>15,305</u>	<u>1,178</u>	<u>29,352</u>	<u>45,835</u>	<u>42,850</u>

**St Anne's 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	24,632	21,891	24,748	22,010
Property investments	11	745	745	745	745
Securities and other investments	12	26,221	26,605	26,221	26,605
		<b>51,598</b>	<b>49,241</b>	<b>51,714</b>	<b>49,360</b>
<b>CURRENT ASSETS</b>					
Stocks		86	75	86	75
Debtors	14	954	1,028	1,143	1,197
Deposits and other short term investments		1,000	764	1,000	764
Cash at bank and in hand		4,091	1,785	4,046	1,699
		<b>6,131</b>	<b>3,652</b>	<b>6,275</b>	<b>3,735</b>
<b>CREDITORS: falling due within one year</b>	15	<b>1,895</b>	<b>1,741</b>	<b>2,045</b>	<b>1,830</b>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<b>4,236</b>	<b>1,911</b>	<b>4,230</b>	<b>1,905</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>55,834</b>	<b>51,152</b>	<b>55,944</b>	<b>51,265</b>
<b>CREDITORS: falling due after more than one year</b>	16	<b>9,999</b>	<b>8,302</b>	<b>9,999</b>	<b>8,302</b>
<b>NET ASSETS</b>		<b>45,835</b>	<b>42,850</b>	<b>45,945</b>	<b>42,963</b>
<b>FUNDS OF THE COLLEGE</b>					
	17				
<b>Endowment funds</b>		<b>29,352</b>	<b>26,763</b>	<b>29,352</b>	<b>26,763</b>
<b>Restricted funds</b>		<b>1,178</b>	<b>956</b>	<b>1,178</b>	<b>956</b>
<b>Unrestricted funds</b>					
Designated funds		3,371	3,457	3,371	3,457
General funds		11,934	11,674	12,044	11,787
		<b>45,835</b>	<b>42,850</b>	<b>45,945</b>	<b>42,963</b>

*The financial statements were approved and authorised for issue by the Governing Body of St Anne's College*  
on:

Trustee:

Trustee:

**St Anne's College**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 July 2012**

	Notes	2012 Group £000	2011 Group £000
<b>Net cash inflow/(outflow) from operations</b>	23	<u>872</u>	<u>483</u>
<b>Returns on investments and servicing of finance</b>			
Income from investments		1,269	1,240
Finance costs paid		(441)	(453)
Investment management fees paid		(98)	(89)
		<u>730</u>	<u>698</u>
<b>Capital expenditure and financial investment</b>			
New endowment capital received		2,804	252
Payments for tangible fixed assets		(3,639)	(835)
Payments for investments -		(8,789)	(5,623)
Proceeds from sales of investments		8,807	5,700
		<u>(817)</u>	<u>(506)</u>
<b>Management of liquid resources</b>			
Net (additions to) / withdrawals from term deposits		(250)	(250)
Net (purchase) / sale of current asset investments		14	42
		<u>(236)</u>	<u>(208)</u>
<b>Financing</b>			
New bank loans		2,000	-
Bank loans repaid		(237)	(224)
		<u>1,763</u>	<u>(224)</u>
<b>Increase/(decrease) in cash in the year</b>		<u>2,312</u>	<u>243</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		2,312	243
Transfers to/(from) term deposits and current investments		236	208
(Increase)/decrease in loan and lease finance		(1,763)	224
<b>Change in net funds</b>		<u>785</u>	<u>675</u>
<b>Net funds at 1 August 2011</b>		(2,851)	(3,526)
<b>Net funds at 31 July 2012</b>		<u>(2,066)</u>	<u>(2,851)</u>

**St Anne's 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
<b>Teaching and research</b>					
Tuition fees - UK and EU students	1,465	-	-	1,465	1,386
Tuition fees - Overseas students	669	-	-	669	595
Other fees	325	-	-	325	314
Other HEFCE support	356	-	-	356	388
Other academic income	345	-	-	345	346
College residential income	3,299	-	-	3,299	3,280
	<u>6,459</u>	<u>-</u>	<u>-</u>	<u>6,459</u>	<u>6,309</u>

The above analysis includes £1,743k received from Oxford University under the CFF Scheme, net of College fees received directly (2011 - £1,759k)

The analysis of teaching and research income has been amended to comply with the reporting requirements of Oxford University.

The analysis for 2011 has been re-stated to be consistent with 2012, but the total of £6,309k remains unchanged.

**2 TRADING INCOME**

	2012 £000	2011 £000
Subsidiary company trading income	962	866
Other trading income	23	20
	<u>985</u>	<u>886</u>

**3 INVESTMENT INCOME**

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2012 Total £000	2011 Total £000
Other property income	-	-	18	18	11
Equity dividends	-	-	811	811	565
Income from fixed interest stocks	-	-	272	272	495
Interest on fixed term deposits and cash	-	-	129	129	137
Other investment income	-	-	5	5	4
	<u>-</u>	<u>-</u>	<u>1,235</u>	<u>1,235</u>	<u>1,212</u>

**4 BANK AND OTHER INTEREST INCOME**

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2012 Total £000	2011 Total £000
Bank interest	34	-	-	34	28
	<u>34</u>	<u>-</u>	<u>-</u>	<u>34</u>	<u>28</u>

**St Anne's 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	268	154	156	578	492
Trading expenditure	285	182	217	684	612
Investment management costs	7	4	10	21	19
<b>Total costs of generating funds</b>	<b>560</b>	<b>340</b>	<b>383</b>	<b>1,283</b>	<b>1,123</b>
<b>Charitable expenditure</b>					
Teaching and research	3,820	2,440	1,854	8,114	8,103
<b>Total charitable expenditure</b>	<b>3,820</b>	<b>2,440</b>	<b>1,854</b>	<b>8,114</b>	<b>8,103</b>
<b>Governance costs</b>	<b>0</b>	<b>38</b>	<b>11</b>	<b>49</b>	<b>45</b>
<b>Total resources expended</b>	<b>4,380</b>	<b>2,818</b>	<b>2,248</b>	<b>9,446</b>	<b>9,271</b>

The College is liable to be assessed for Contribution under the provisions of Statute XV of the University of Oxford. The Contribution Fund is used to make grants and loans to colleges on the basis of need. Contribution is calculated annually in accordance with regulations made by the Council.

The teaching and research costs include College Contribution payable of £1k (2011 - £2k).

**6 SUPPORT COSTS**

	Generating Funds £'000	Teaching and Research £'000	2012 Total £000	2011 Total £000
Financial and domestic admin	217	464	681	666
Human resources	23	41	64	71
IT	55	98	153	149
Depreciation	73	825	898	847
Bank interest payable	12	419	431	443
Other finance charges	4	6	10	10
	<b>384</b>	<b>1,853</b>	<b>2,237</b>	<b>2,186</b>

Finance and administration and human resources costs are attributed according to the staff time spent on each activity.

Depreciation costs are attributed according to the use made of the underlying assets.

IT costs are attributed according to staff time spent on each activity.

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

**7 GRANTS AND AWARDS**

	Unrestricted Funds £000	Restricted Funds £000	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	88	143	231	233
Bursaries and hardship awards	7	37	44	2
Oxford Bursary Scheme	274	-	274	258
	<b>369</b>	<b>180</b>	<b>549</b>	<b>493</b>

The above costs are included within the charitable expenditure on Teaching and Research. Grants to other institutions comprise £0.

**St Anne's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**8 GOVERNANCE COSTS**

	2012	2011
	£000	£000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	24	24
Other governance costs	25	21
	<b>49</b>	<b>45</b>

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

**9 STAFF COSTS**

	2012	2011
	£000	£000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	4,216	4,170
Social security costs	285	282
Pension costs	560	538
	<b>5,061</b>	<b>4,990</b>

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	14	13
College residential	72	73
Fundraising	5	5
Support	21	19
Total	<b>112</b>	<b>110</b>

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

	2012	2011
University Lecturers	27	27
CUF Lecturers	9	9
Other teaching and research	1	1
Other	6	6
Total	<b>43</b>	<b>43</b>

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

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

There were no employees (excluding the College Trustees) who during the year received gross pay and benefits (excluding employer NI and pension contributions) that were in excess of £60,000 (2011: nil)



**St Anne's 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	-	29,109	-	1,317	30,426
Additions	-	1,792	-	1,847	3,639
Disposals	-	-	-	-	-
<b>At end of year</b>	<b>-</b>	<b>30,901</b>	<b>-</b>	<b>3,164</b>	<b>34,065</b>
<b>Depreciation</b>					
At start of year	-	7,354	-	1,181	8,535
Charge for the year	-	805	-	93	898
On disposals	-	-	-	-	-
<b>At end of year</b>	<b>-</b>	<b>8,159</b>	<b>-</b>	<b>1,274</b>	<b>9,433</b>
<b>Net book value</b>					
At end of year	-	22,742	-	1,890	24,632
At start of year	-	21,755	-	136	21,891

College	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	-	29,238	-	1,322	30,560
Additions	-	1,792	-	1,847	3,639
Disposals	-	-	-	-	-
<b>At end of year</b>	<b>-</b>	<b>31,030</b>	<b>-</b>	<b>3,169</b>	<b>34,199</b>
<b>Depreciation</b>					
At start of year	-	7,369	-	1,181	8,550
Charge for the year	-	808	-	93	901
On disposals	-	-	-	-	-
<b>At end of year</b>	<b>-</b>	<b>8,177</b>	<b>-</b>	<b>1,274</b>	<b>9,451</b>
<b>Net book value</b>					
At end of year	-	22,853	-	1,895	24,748
At start of year	-	21,869	-	141	22,010

The College has substantial long-held historic assets all of which are used in the course of the College's teaching and research activities. These comprise listed buildings on the College site, together with their contents comprising works of art, ancient books and manuscripts and other treasured artefacts. Because of their age and, in many cases, unique nature, reliable historical cost information is not available for these assets and could not be obtained except at disproportionate expense. However, in the opinion of the Trustees the depreciated historical cost of these assets is now immaterial.

**11 PROPERTY INVESTMENTS**

Group and College	Agricultural £000	Commercial £000	Other £000	2012 Total £000	2011 Total £000
Valuation at start of year	-	-	745	745	245
Additions and improvements at cost	-	-	-	-	500
Disposals net proceeds	-	-	-	-	-
Revaluation gains/(losses) in the year	-	-	-	-	-
<b>Valuation at end of year</b>	<b>-</b>	<b>-</b>	<b>745</b>	<b>745</b>	<b>745</b>

Properties are held at Market Value at 31 July 2012. They are valued by an external valuer every five years and Governing Body will review their market value on a regular basis.

**St Anne's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2012**

**12 SECURITIES AND OTHER INVESTMENTS**

	2012 £000	2011 £000
<b>Group investments</b>		
Valuation at start of year	26,535	24,481
New money invested	-	252
Amounts withdrawn	(166)	-
Investment management fees	(97)	(89)
(Decrease)/increase in value of investments	(118)	1,891
<b>Securities investments at end of year</b>	<b>26,154</b>	<b>26,535</b>
Investment in associate company	67	70
<b>Group investments at end of year</b>	<b>26,221</b>	<b>26,605</b>
Investment in subsidiaries	-	-
<b>College investments at end of year</b>	<b>26,221</b>	<b>26,605</b>

**Group investments comprise:**

	Held outside the UK £000	Held in the UK £000	2012 Total £000	2011 Total £000
Equity investments	5,502	9,643	15,145	13,387
Property funds	-	203	203	232
Fixed interest stocks	909	6,519	7,428	9,290
Loan to College & Other Investments	-	2,567	2,567	2,620
Fixed term deposits and cash	-	811	811	1,006
<b>Total group investments</b>	<b>6,411</b>	<b>19,743</b>	<b>26,154</b>	<b>26,535</b>

**13 SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in St Anne's College Services Company Limited, a company providing conference and other event services on the College premises, and 100% of the issued share capital in St Anne's Developments Limited, a company set up to provide design and build construction services to the College (not currently active).

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

	St Anne's College Services Company Ltd £'000	St Anne's Developments Ltd £'000
Turnover	961	-
Expenditure	(684)	1
Donation to College under gift aid	(277)	-
<b>Result for the year</b>	<b>-</b>	<b>1</b>
Total assets	220	-
Total liabilities	(214)	-
<b>Net funds at the end of year</b>	<b>6</b>	<b>-</b>

**14 DEBTORS**

	2012 Group £000	2011 Group £000	2012 College £000	2011 College £000
<b>Amounts falling due within one year:</b>				
Trade debtors	517	600	342	509
Amounts owed by College members	30	55	30	55
Amounts owed by Group undertakings	-	-	87	6
Prepayments and accrued income	398	367	675	621
Other Debtors	9	6	9	6
	<b>954</b>	<b>1,028</b>	<b>1,143</b>	<b>1,197</b>

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

	2012 Group £000	2011 Group £000	2012 College £000	2011 College £000
Bank loans	253	237	253	237
Endowment Loans due within one year	50	50	50	50
Trade creditors	416	261	360	245
Amounts owed to Group undertakings	-	-	250	129
Taxation and social security	140	127	96	103
Accruals and deferred income	805	645	805	645
Other creditors	231	421	231	421
	<b>1,895</b>	<b>1,741</b>	<b>2,045</b>	<b>1,830</b>

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

	2012 Group £000	2011 Group £000	2012 College £000	2011 College £000
Bank loans	7,585	5,838	7,585	5,838
Other creditors	2,414	2,464	2,414	2,464
	<b>9,999</b>	<b>8,302</b>	<b>9,999</b>	<b>8,302</b>

Bank loans includes a loan of £2,077k secured by a charge over Robert Saunders House.

**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 - Permanent</b>						
Tutorial & Research Fellowships	5,799	2,899	-	(270)	(48)	8,380
Bursaries	364	15	-	(15)	(2)	362
Scholarships	335	15	-	(15)	(3)	332
Prizes	396	18	-	(18)	(3)	393
Student support	69	3	-	(3)	(1)	68
General purposes	9,224	425	-	(425)	(74)	9,150
<b>Endowment Funds - Expendable</b>						
Tutorial & Research Fellowships	8,152	424	-	(376)	(65)	8,135
Bursaries	669	57	-	(31)	(5)	690
Scholarships	554	76	-	(26)	(4)	600
Prizes	474	72	-	(22)	(4)	520
Library	198	9	-	(9)	(2)	196
Student support	453	23	-	(21)	(4)	451
Other purposes	76	3	-	(4)	-	75
<b>Total endowment Funds</b>	<b>26,763</b>	<b>4,039</b>	<b>-</b>	<b>(1,235)</b>	<b>(215)</b>	<b>29,352</b>
<b>Restricted funds</b>						
Tutorial & Research Fellowships	33	115	(697)	600	-	51
Bursaries	-	96	(134)	39	-	1
Scholarships	10	40	(71)	32	-	11
Prizes	11	-	(29)	25	-	7
Library	-	-	(9)	9	-	-
Student support	10	-	(18)	22	-	14
Other purposes	-	35	(39)	4	-	-
Building fund - kitchen & library	892	202	-	-	-	1,094
<b>Total Restricted Funds</b>	<b>956</b>	<b>488</b>	<b>(997)</b>	<b>731</b>	<b>-</b>	<b>1,178</b>
<b>Unrestricted funds</b>						
General purposes	2,722	8,119	(8,449)	(322)	-	2,070
Fixed asset designated Fund	8,952	-	-	912	-	9,864
Designated Building Fund - general	2,781	-	-	(86)	-	2,695
Designated Building Fund - kitchen & library	676	-	-	-	-	676
<b>Total Unrestricted Funds</b>	<b>15,131</b>	<b>8,119</b>	<b>(8,449)</b>	<b>504</b>	<b>-</b>	<b>15,305</b>

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<b>Total Funds</b>	<b>42,850</b>	<b>12,646</b>	<b>(9,446)</b>	<b>-</b>	<b>(215)</b>	<b>45,835</b>
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**18 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent**

Tutorial & Research Fellowships	These funds represent a consolidation of gifts, donations and legacies where income, but not capital, can be used for the purposes shown
Bursaries	
Scholarships	
Prizes	
Student support	
General purposes	

**Endowment Funds - Expendable.**

Tutorial & Research Fellowships	These funds represent a consolidation of gifts, donations and legacies where either income, or income and capital, can be used for the purposes shown
Bursaries	
Scholarships	
Prizes	
Library	
Student support	
Other purposes	

**Restricted funds**

Tutorial & Research Fellowships	These funds represent unspent income from permanent or expendable endowment funds, donations made for restricted purposes, and income from external bodies in the form of grants which have a restricted purpose.
Bursaries	These funds can be used for the purpose shown, and unspent income is carried forward for use in future years.
Scholarships	
Prizes	
Library	
Student support	
General purposes	
Other purposes	

Building fund - kitchen & library	This fund represents donations received for building works in relation to the new kitchen (now completed) and the library (a future project). These funds are released over the estimated useful life of each building.
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**Designated Funds**

Fixed asset designated Fund	These are Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes.
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Designated Building Fund - general	This represents funds given for building works that have been completed. These funds are released over the estimated useful life of each building.
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Designated Building Fund - kitchen & library	These represent funds that have been designated by Governing Body to be used for building works in relation to the new kitchen and the library. These funds are released over the estimated useful life of each building.
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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	24,632	-	-	24,632
Property investments	350	-	395	745
Securities and other investments	67	-	26,154	26,221
Net assets	(9,744)	1,178	2,803	(5,763)
	<b>15,305</b>	<b>1,178</b>	<b>29,352</b>	<b>45,835</b>

**20 TRUSTEES' REMUNERATION**

**Trustee remuneration**

The trustees of the college comprise the governing body, primarily fellows who are teaching and research employees of the college and who sit on governing body by virtue of their employment.

No trustee receives any remuneration for acting as a trustee. However, those trustees who are also employees of the college receive salaries for their work as employees. Where possible, these salaries are paid on external scales and often are joint arrangements with the University of Oxford.

In addition to the Principal, Trustees of the college fall into the following categories:  
Official Fellow, Professorial Fellow

There are also 5 trustees (Senior Tutor, Librarian, Treasurer, Domestic Bursar, College Secretary) who work full time on management and administration.

Governing Body Trustees are eligible for college housing schemes. No trustees currently live in houses owned by the college. Others may be eligible for a housing allowance which is disclosed within the salary figures below. Three trustees live in houses owned jointly with the college.

Some trustees receive additional allowances for additional work carried out as part time college officers. These are the Vice-Principal and the Dean. These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,355,215 (2011 £1,401,818). The total of pension contributions is £xxxxxx (2011 £180,819).

**Remuneration paid to trustees**

	2012	2011
Range	Number of trustees/ fellows	Number of trustees/ fellows
£3,000-£3,999	2	-
£7,000-£7,999	1	1
£8,000-£8,999	1	-
£9,000-£9,999	1	1
£10,000-£10,999	2	2
£12,000-£12,999	-	1
£13,000-£13,999	1	1
£14,000-£14,999	2	1
£15,000-£15,999	1	1
£17,000-£17,999	1	-
£18,000-£18,999	1	3
£19,000-£19,999	13	11
£20,000-£20,999	2	3
£21,000-£21,999	-	2
£23,000-£23,999	1	-
£24,000-£24,999	1	-
£40,000-£40,999	2	-
£41,000-£41,999	1	2
£44,000-£44,999	1	-
£45,000-£45,999	-	1
£48,000-£48,999	1	4
£49,000-£49,999	4	1
£50,000-£50,999	-	1
£57,000-£57,999	-	1
£66,000-£66,999	1	-
£68,000-£68,999	-	1
£69,000-£69,999	1	-
£71,000-£71,999	-	1
£75,000-£75,999	2	3
£81,000-£81,999	1	-
£87,000-£87,999	1	-
£90,000-£90,999	-	1

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

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

**Trustee expenses**

No fellow claimed any expenses for work as a trustee.

**Other transactions with trustees**

21 None.  
**PENSION SCHEMES**

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.

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:		30/06/2011
Value of liabilities:	£35,344m	£394m
Value of assets:	£32,434m	£312m
Funding Surplus/(Deficit):	(£2,910m) <sup>a</sup>	(£82m) <sup>b</sup>
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 <sup>c</sup>	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%	22%
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 the 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.

The pension charge for the year includes contributions payable to the USS of £283k (2011 - £281k) and contributions

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payable to the OSPS of £277k (2011 - £257k). At 31 July 2012 £69k was accrued in respect of pension contributions (2011 - £0).

**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 companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

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

	2012 £000	2011 £000
<b>Net incoming resources for the year</b>	<b>3,200</b>	<b>1,008</b>
Elimination of non-operating cash flows:		
- Investment income	(1,269)	(1,240)
- Endowment donations	(2,804)	(252)
- Financing costs	441	453
Depreciation	898	847
Gift of property	-	(350)
Decrease/(Increase) in stock	(11)	(15)
Decrease/(Increase) in debtors	74	(169)
(Decrease)/Increase in creditors	340	198
Write down of fixed asset investment	3	3
<b>Net cash inflow/(outflow) from operations</b>	<b>872</b>	<b>483</b>

**24 ANALYSIS OF CHANGES IN NET FUNDS**

	2011 £000	Cash flow £000	2012 £000
Cash at bank and in hand	1,785	2,306	4,091
Endowment Asset cash	725	6	731
	2,510	2,312	4,822
Deposits and other short term investments	764	236	1,000
Bank loans due within one year	(237)	(16)	(253)
Bank loans due after one year	(5,838)	(1,747)	(7,585)
Loans from endowment due within one year	(50)	-	(50)
	(2,851)	785	(2,066)

**25 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £357,000 (2011 - £3,150,00)

**26 RELATED PARTY TRANSACTIONS**

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

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

No trustees had loans outstanding from the College at the start and/or end of the year.

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

	2012 £000	2011 £000
Dr F Szele	150	150
Dr K Watkins	95	95
Dr A Goodwin	150	150

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

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The trustees forego housing allowance on the College owned share of the properties at the assessed current market rate.

**27 CONTINGENT LIABILITIES**

None.

**28 POST BALANCE SHEET EVENTS**

None.