



ST CATHERINE'S COLLEGE

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2012

St Catherine's College

Annual Report and Financial Statements

Year ended 31 July 2012

St Catherine's College
Annual Report and Financial Statements
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St Catherine'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 Governors during the year or subsequently are detailed below.

		(1)	(2)	(3)	(4)	(5)
Professor R W Ainsworth		•	•	•	•	
Professor S Anand						
Professor R J Parish						
Dr F E Dinshaw		•	•			
Professor P D Battle						
Rev C P Thompson	Retired					
Dr A G Rosser						
Professor J S Foord						
Dr R A Leese		•				
Dr L L Fawcett						
Professor S C Cooper						
Professor P R Franklin						
Mr J C Smith						
Professor P A Handford		•				•
Professor R I Todd						
Professor M Lackenby			•	•		
Dr M E Mulholland					•	
Professor G Lowe				•		
Dr R M Berry						
Mr A I Handa				•		
Mr J L Bennett		•			•	
Professor D J Womersley						
Ms C E Chappell				•		
Dr D R H Gillespie						

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Professor P P Edwards						
Professor P S Grant						•
Dr J N Pila						
Dr B B Van Es			•			
Dr T Pizzari						
Dr B W Byrne		•	•			
Professor A M Barry			•			
Dr R M Bailey	•					
Dr G Scerif				•		
Dr C Reisinger						
Dr T J Bayne						
Dr K E Shepherd-Barr						
Dr A J Bunker				•		
Dr A L Smith						
Dr A Muench						
Professor U C T Oppermann						
Professor A Goriely						
Dr J E Morgan	•					
Dr D Robertson						
Dr J Healey						
Professor P T Ireland						
Professor P Hamalainen	Elected					
Dr B A F Bollig						
Dr E Stride				•		
Mr P S Davies	Elected					

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

- (1) Finance Committee
- (2) Investment Subcommittee (reports to Finance)

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(3) Academic Policy Committee

(4) Student Liaison Committee

(5) Remuneration Committee

The Remuneration Committee includes, in addition to the Fellows indicated above, two external members, Mr A W Henfrey and Mr S Clark. Mr Henfrey is also a member of the Investment Subcommittee.

COLLEGE SENIOR STAFF

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

Master	<i>Professor R W Ainsworth</i>
Senior Tutor	<i>Dr B Van Es</i>
Dean	<i>Dr M Mulholland</i>
Finance Bursar	<i>Dr F E Dinshaw</i>
Home Bursar	<i>Mr J L Bennett</i>

COLLEGE ADVISORS

Investment managers

OXIP Ltd

Auditor

Critchleys LLP
Greyfriars Court
Paradise Square
Oxford OX1 1BE

Bankers

Lloyds TSB
The Atrium
Davidson House
Forbury Square
Reading
RG1 3EU

St Catherine's College

Governing Body, Officers and Advisers
Year ended 31 July 2012

College address

St Catherine's College, Manor Rd, Oxford OX1 3UJ

Website

www.stcatz.ox.ac.uk

St Catherine's College

Report of the Governing Body

Year ended 31 July 2012

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

REFERENCE AND ADMINISTRATIVE INFORMATION

St Catherine's College in the University of Oxford, which is known as St Catherine's College, ("the College") is an eleemosynary chartered charitable corporation aggregate. It was founded under a royal charter granted 1 October 1963.

The College registered with the Charities Commission on 15 September 2011 (registered number 1143817).

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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Charter dated 1 October 1964 and Statutes last amended June 2004.

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 HRH Prince Philip, Duke of Edinburgh. The Governing Body is self-appointing and consists of The Master, Bursars, Academic Registrar, Official Tutorial fellows (Class A), Professorial Fellows and some other Fellows. New members of the Governing Body are elected on the basis of a recommendation to Governing Body of the Fellowships Committee.

The Governing Body determines the continuing 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 Master and is advised by five principal committees.

Recruitment and training of Members of the Governing Body

New Fellows, including those who are *ex officio* members of the Governing Body, are recruited in open competition following established conventions for advertisement. They are inducted into the workings and procedures of the College, including Governing Body policy, by the Master and College Officers. Members of the Governing Body are briefed on good practice for trustees and made aware of current issues and regulatory requirements in the sector.

Representatives of junior members are present at meetings of the Governing Body and of certain College Committees.

Organisational management

The members of the Governing Body meet 10 times a year. The work of developing their policies and monitoring the implementation of these is carried out by five principal Committees:

- The Finance Committee has oversight over all matters of financial strategy including the generation and expenditure of capital and income, the investment of the endowment and the monitoring of risk.

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Report of the Governing Body

Year ended 31 July 2012

- The Investment Subcommittee assists the Finance Committee to formulate investment policy and is responsible for its implementation.
- The Academic Policy Committee has oversight over all aspects of the academic strategy and educational activity of the College.
- The Student Liaison Committee has oversight over all matters affecting students directly, ranging from academic matters through to the domestic arrangements of the College.
- The Remuneration Committee is responsible for recommending to Finance Committee and Governing Body levels of remuneration for all members of the Governing Body, for keeping them under review, and for ensuring that any conflicts of interest that may arise are acknowledged and appropriately addressed.

The day-to-day running of the College is delegated to the Master and senior College Officers, The Master chairs all meetings of the principal committees with the exception of Remuneration Committee.

Group structure and relationships

The College administers a number of special trusts, as detailed in Notes 19 and 20 to the financial statements.

The College has two wholly owned non-charitable subsidiaries: St Catherine's College Management Ltd and St Catherine's College Development Ltd whose annual profits are donated to the College under the Gift Aid Scheme. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

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

Risk management

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 has concluded that adequate systems are in place to manage these risks. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been managed.

The College is engaged in risk assessment on a continuous 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 Master or one of the Bursars. Financial and overall strategic risks are assessed by the Finance Committee; investment risks are monitored by the Investment Subcommittee; the Home Bursar and domestic heads of department meet regularly to review health and safety issues. Training courses and other forms of career development are available, when appropriate, to members of staff to enhance their skills in risk-related areas. The College's risk register is formally reviewed at Governing Body once a year.

OBJECTIVES AND ACTIVITIES

Charitable Objects and Aims

The College's Charitable Objects are to advance learning, education and research in the arts and sciences and to provide for men and women who shall be members of the University a College wherein they may work for degrees in the University or may carry out postgraduate or other special studies.

The aims of 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 specified in the Charter and Statutes, is to fulfil its educational purposes with respect to both teaching and research and promote its best interests, having regard to both the obligations and rights that ensue from its incorporation within the Collegiate University and its status as a registered charity.

Public benefit

The Governing Body confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. 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 engage in educational activities as defined in our Objects above.

The College is one of the constituent colleges of the University of Oxford chiefly admitting undergraduate and postgraduate students. Such students must be members of a college in order to study for degrees at the University of Oxford, and many Faculty posts in the University are joint appointments between a college and the University. The College therefore carries out its education and research activities jointly with the University.

The College supplements the education provision provided jointly with the University with further tutorial teaching provided by college-only appointed teachers, its own library and IT facilities, and welfare, domestic, social, cultural and recreational facilities to enable each of its students to realise their academic and personal potential to its fullest extent.

The College also supplements the research activities it promotes jointly with the University through joint appointments by providing College Research Fellowships, providing funding in support of research, providing facilities for visiting researchers and for national and international conferences, and a social environment for interaction between researchers. Additionally, the College supports outreach activities designed to promote aspiration among United Kingdom school-leavers to engage in University study.

The College provides various forms of financial assistance to both undergraduate and postgraduate students through prizes, scholarships and grants, and to alleviate cases of hardship.

The College admits undergraduates; postgraduates are admitted jointly with the University. The College admits undergraduate students from the EU and elsewhere without any restriction except the satisfaction of stated academic criteria. Tuition fees for Home and EU students are regulated and financed on a national basis, and for other students in

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Report of the Governing Body Year ended 31 July 2012

conformity to University-wide agreements. The College charges its students for accommodation and food; students are eligible for Student Loans under the national scheme, and for Oxford Opportunity Bursaries on a means-tested basis to cover these and related core maintenance costs.

Non-EU undergraduates and postgraduates need also to satisfy the College in advance of being enrolled on a course that they are able to pay their fees and charges for the duration of that course.

The private benefit accruing to the Master, Fellows and other employees of the College by means of salaries and employment-related benefits is objectively reasonable. Where the recipients of benefits are members of the Governing Body, and therefore are trustees, the Governing Body has directed that all forms of benefits and remuneration are determined by a Remuneration Committee including a Chair and majority of suitably qualified individuals who are not members of the Governing Body or not eligible to receive such remuneration or benefits.

The College does not consider that any detriment or harm arises from carrying out the College's aims.

The College remains committed to the aim of providing public benefit in accordance with its founding principles.

ACHIEVEMENTS AND PERFORMANCE

The College achieved excellent academic results during the year, gaining 49 firsts in Finals. These results place it 10th in the Norrington Table, sixteen places up on our 2011 performance. There were also 34 firsts or distinctions in Preliminary and First Public Examinations. Altogether students at St Catherine's achieved top firsts across the entire University in thirteen end of year examinations. A significant number of St Catherine's students were awarded University prizes. There were five prizes in Materials science; three in Chemistry and two in Physics; one each in Computer Science, Economics & Management, Engineering, Economics, & Management, Modern Languages, Fine Art and Law. Turning to graduate studies, 31 graduates from 14 different Faculties and Departments were granted leave to supplicate for the DPhil in the course of the year. A further 76 graduates have been successful in other graduate examinations (with distinctions being awarded to 22). The college had 684 applicants for undergraduate courses in 2011, compared with 666 the previous year. 142 new undergraduate students and 131 new graduate students will be admitted in 2012. The corresponding figures for 2011 were 139 and 146.

During the year the College has expanded its Academic support staff via the creation of an Access Officer who will be going out to schools as an ambassador for the College. Extra funds have also been made available to support a variety of additional activities designed to boost academic performance further. The Senior Tutor has instituted regular meetings of a Forum on Academic Culture to enable the Fellowship to meet specifically to examine and enhance academic achievement within the College.

Notable achievements of Alumni and Fellows during the year include the following: Mark Simpson (Music 2008) was commissioned to produce the opening fanfare for the Last Night

of the Proms. Andy Triggs Hodge (Geography 2004) won a gold medal in the London Olympics. Sir John Walker (Chemistry 1960; Honorary Fellow) was awarded the Copley Prize; Professor John Goodenough (Honorary Fellow) was elected to the US National Academy of Sciences; Professor Peter Edwards was awarded an Einstein Professorship of the Chinese Academy of Sciences. Lord Stern (Honorary Fellow) was elected President of the British Academy; Professor Richard Parish was appointed Commandeur dans l'ordre des Palmes Academiques; Sir Tim Rice (Emeritus Fellow) was awarded a special Olivier award; Michael Frayn (Emeritus Fellow) was received an Outstanding Achievement Award at the South Bank Awards. Dr Gaia Scerif, (Tutorial Fellow in Psychology) was nominated by the American Psychological Society for a Rising Star award; Michael Sullivan (Emeritus Fellow) was invited to open an exhibition of the collection formed by him and his late wife Khoan at the Beijing National Gallery of Art together with archival material collected by them covering their contact with Chinese artists over the past seventy years. Books published or to the press include Professor Sudhir Anand: *The Cost of Inaction - Case studies from Rwanda and Angola*; Dr Bart van Es *Shakespeare in Company*; Dr Marc Mulholland, *Bourgeois Liberty and the Politics of Fear*.

Work on the fabric of the buildings has included re-roofing the SCR, kitchen and JCR; a new "green" roof on the Gymnasium and refurbished squash courts. Efforts to reduce energy consumption have entailed further work on heating controls and the start of a double-glazing and door and window refurbishment project. A major project to improve the entrance to, and facilities for, the JCR is also under way.

FINANCIAL REVIEW

The accounts are presented in the format prescribed by Statute XV of the University in conformity with UK Charity Statement of Recommended Practice. The operating results for the year are satisfactory. In assessing the results for the year the Governing Body differentiates between core recurring operations which are predictable, such as the transfer of total return from capital funds at a sustainable annual level, and those which are likely to evidence a significant degree of volatility year on year, such as donations and legacies. If the sustainable spending transfers are included but donations excluded, then the net operating surplus for the year is £684K. Donations for the year amounted to £930K.

Risk management

The major risks, to which the College is exposed, as identified by the Governing Body, have been reviewed and systems have been established to mitigate these risks.

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 show a negative balance of £2,340K (2011: negative £3,360K). The free reserves of the College will remain negative in the next few

years because of the financing and depreciation charges associated with recent and planned capital projects. Ideally the Governing Body considers that a general free reserve of £3 million should be built up as circumstances permit.

Investment policy, objectives and performance

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

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

Taking account of the three factors above, the Investment Subcommittee has set the following policies:

- The College's investment portfolio should be managed for total return
- The long-term (defined as 5-10 years rolling) investment target and benchmark should be CPI +4.5%
- Risk should be moderated to around half the standard deviation of global equities by appropriate diversification of both asset class and manager
- Over the long run the Investment Subcommittee expects this policy to match returns on global equity, 75% hedged to sterling, by tending to outperform falling markets more than it underperforms rising ones.

These policies are implemented in the main via the College's investment of the greater part of its endowment (currently 81%) in OXIP Limited Partnership, a Scottish Limited Partnership investing in a diversified portfolio designed with the College's objectives in mind. The investment manager of the Partnership is Oxford Investment Partners Limited, in which the College also owns an equity stake alongside Balliol, Christ Church, New College and St John's. The College also has lesser amounts invested in the Jubilee Fund, a Fund of Hedge Funds, managed by Fauchier Partners; in several private equity partnerships; in residential property in Oxford and its vicinity; in a portfolio of residential ground rents and in cash (3.9 % at 31 July).

The investment strategy, policy and performance are monitored by the Investment Committee. At the year end, the College's long term investments, combining securities, cash and property investments, totalled £40,582K. The total return on endowment for the year was +1% for the year compared with +0.4% for the equity benchmark and 7.1% for CPI +4.5%. It is now six years since the establishment of the College's policy of diversified investment described above. Owing to the destruction of value during the credit crunch of 2008-09, endowment performance since inception of the policy in 2006 is unlikely to match its target of CPI + 4.5% for a considerable period. The cumulative endowment performance

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in the 6 years from August 2006 to July 2012 has been +14.2% compared with +54.4% for CPI +4.5% pa. Over the same period global equities, 75 % hedged to sterling, have returned -6%. The corresponding cumulative performance for OXIP SLP has been +1.5%

The Subcommittee's general direction from the Governing Body and its Finance Committee is to provide for a prudent and sustainable percentage of the expected long run return on endowment to fund the College's objectives, while at the same time aiming for some growth in real endowment capital. The Subcommittee believes that its sustainable spending target should range between 3% and 4% of the average of the endowment value at 31 July in the previous three years. This year the transfer was set at 3%.

FUTURE PLANS

The College's future plans are

- to continue to strive by all possible means for excellence in teaching, learning and research within the framework of an Oxford college
- to raise further endowment to secure a sufficient degree of College autonomy against a background of considerable financial uncertainty in higher education. The College will continue to raise money for its core purposes: student support, teaching, the development of its facilities, and the general endowment to sustain its activities.
- to ensure that risks are clarified in order to minimise the impact of unexpected or undesirable consequences so that the College continues to enhance its ability to provide a first-class education.

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

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Report of the Governing Body

Year ended 31 July 2012

- 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 28 November 2012 and signed on its behalf by:

Professor R W Ainsworth

Master

ST CATHERINE'S COLLEGE

Report of the Auditor to the Members of the Governing Body of St Catherine's College

We have audited the financial statements of St Catherine's 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 31. 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.

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Report of the Auditor to the Members of the Governing Body of St Catherine's College

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

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

Critchleys LLP

Statutory Auditor

Oxford

Date: 2012

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

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the College and with its wholly owned subsidiaries, St Catherine's College Management Ltd and St Catherine's College Development Ltd. 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 Act 2011 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

3. Incoming resources from fee income, HEFCE support and other charges for services

Fees receivable, HEFCE support and charges for services and use of the premises, 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 in the period in which it is received.

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. 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 trading income and expenditure.

7. Tangible fixed assets

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

8. Depreciation

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

Freehold properties, including major extensions	30 years
Building improvements	20 - 30 years
Equipment	4 - 10 years

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

9. Investments

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

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

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

10. 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.

11. 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.

12. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a capital supplement to the preserved ('frozen') value of the permanent endowment.

The Governing Body has decided that it is in the best interests of the College to account for its invested expendable endowment capital in the same way, though there is no legal restriction on the power to spend such capital.

For the carrying value of the preserved (frozen) permanent capital, the Governors have taken its open market value as at 2003-04, together with the original gift value of all subsequent endowments received.

13. 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 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 restricted the use of that income, in which case it will be accounted for as a restricted fund.

Expendable endowment funds are similar to permanent endowment in that they have been given, or the 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 its 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.

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

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research & residential		7,608	0	0	7,608	7,155
		<u>7,608</u>	<u>0</u>	<u>0</u>	<u>7,608</u>	<u>7,155</u>
Resources from generated funds						
Legacies and donations		1	87	842	930	2,410
Trading income	2	929	0	0	929	930
Investment income	3	0	0	91	91	82
Bank and other interest	4	0	0	0	0	0
		<u>930</u>	<u>87</u>	<u>933</u>	<u>1,950</u>	<u>3,422</u>
Other incoming resources		42	0	0	42	33
Total Incoming Resources		<u>8,580</u>	<u>87</u>	<u>933</u>	<u>9,600</u>	<u>10,610</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		297	0	0	297	255
Trading expenditure		630	0	0	630	653
Investment management costs		0	0	35	35	57
		<u>927</u>	<u>0</u>	<u>35</u>	<u>962</u>	<u>965</u>
Charitable activities	5					
Teaching and research		7,800	242	0	8,042	7,736
		<u>7,800</u>	<u>242</u>	<u>0</u>	<u>8,042</u>	<u>7,736</u>
Governance costs	8	24	0	0	24	35
Total Resources Expended		<u>8,751</u>	<u>242</u>	<u>35</u>	<u>9,028</u>	<u>8,736</u>
Net incoming/(outgoing) resources before transfers		(171)	(155)	898	572	1,874
Transfers between funds	19	764	376	(1,140)	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>593</u>	<u>221</u>	<u>(242)</u>	<u>572</u>	<u>1,874</u>
Investment gains/(losses)		0	0	401	401	2,598
Net movement in funds for the year		<u>593</u>	<u>221</u>	<u>159</u>	<u>973</u>	<u>4,472</u>
Fund balances brought forward	19	16,086	148	40,423	56,657	52,185
Funds carried forward at 31 July	19	<u>16,679</u>	<u>369</u>	<u>40,582</u>	<u>57,630</u>	<u>56,657</u>

St Catherine'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
FIXED ASSETS					
Tangible assets	10	19,007	19,432	19,417	19,841
Property investments	11	1,658	1,510	1,658	1,510
Securities and other investments	12	39,125	38,831	39,125	38,831
		59,790	59,773	60,200	60,182
CURRENT ASSETS					
Stocks		185	181	185	181
Debtors	15	586	835	747	1,598
Deposits and other short term investments		0	0	0	0
Cash at bank and in hand		1,924	1,032	1,812	415
		2,695	2,048	2,744	2,194
CREDITORS: falling due within one year	16	1,555	1,664	1,603	1,809
NET CURRENT ASSETS/(LIABILITIES)		1,140	384	1,141	385
TOTAL ASSETS LESS CURRENT LIABILITIES		60,930	60,157	61,341	60,567
CREDITORS: falling due after more than one year	17	3,300	3,500	3,300	3,500
Provisions for liabilities and charges	18	0	0	0	0
NET ASSETS		57,630	56,657	58,041	57,067
FUNDS OF THE COLLEGE					
	19				
Endowment funds		40,582	40,423	40,582	40,423
Restricted funds		368	148	368	148
Unrestricted funds					
Designated funds		19,020	19,446	19,020	19,446
General funds		(2,340)	(3,360)	(1,929)	(2,950)
		57,630	56,657	58,041	57,067

The financial statements were approved and authorised for issue by the Governing Body of St Catherine's College

on: 28th November 2012

Trustee:

Trustee:

St Catherine's 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	25	1,042	948
Returns on investments and servicing of finance			
Income from investments		91	82
Finance costs paid		(225)	(231)
		(134)	(149)
Capital expenditure and financial investment			
New endowment capital received		842	2,335
Payments for tangible fixed assets		(617)	(623)
Proceeds from sales of tangible fixed assets		0	0
Payments for investments		(701)	(1,943)
Proceeds from sales of investments		660	540
		184	309
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		0	0
Net (purchase) / sale of current asset investments		0	0
		0	0
Financing			
New bank loans		0	0
Bank loans repaid		(200)	(200)
New lease finance		0	0
Capital element of finance lease payments		0	0
		(200)	(200)
Increase/(decrease) in cash in the year		892	908
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		892	908
Transfers to/(from) term deposits and current investments		0	0
Increase in net funds from currency exchange fluctuation		0	0
(Increase)/decrease in loan and lease finance		200	200
Change in net funds		1,092	1,108
Net funds at 1 August		(2,868)	(3,976)
Net funds at 31 July		(1,776)	(2,868)

St Catherine'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
Teaching, research & residential					
Tuition fees - UK and EU students	1,585	0	0	1,585	1,520
Tuition fees - Overseas students	736	0	0	736	675
Other fees	805	0	0	805	671
Other HEFCE support	358	0	0	358	443
Other academic income	443	0	0	443	464
College residential income	3,681	0	0	3,681	3,382
	<u>7,608</u>	<u>0</u>	<u>0</u>	<u>7,608</u>	<u>7,155</u>

The above analysis includes £1,935k received from Oxford University under the CFF Scheme, net of College fees received directly (2011 - £1,985k)

2 TRADING INCOME

	2012 £'000	2011 £'000
Subsidiary company trading income	929	930
Other trading income	0	0
	<u>929</u>	<u>930</u>

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Agricultural rent	0	0	0	0	0
Commercial rent	0	0	0	0	0
Other property income	0	0	36	36	49
Equity dividends	0	0	0	0	0
Income from fixed interest stocks	0	0	0	0	0
Interest on fixed term deposits and cash	0	0	55	55	33
Other investment income	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>91</u>	<u>91</u>	<u>82</u>

4 BANK AND OTHER INTEREST INCOME

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

St Catherine'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
Costs of generating funds					
Fundraising	170	127	0	297	255
Trading expenditure	229	88	313	630	653
Investment management costs	35	0	0	35	57
Total costs of generating funds	434	215	313	962	965
Charitable expenditure					
Teaching and research	3,493	2,952	1,597	8,042	7,736
Total charitable expenditure	3,493	2,952	1,597	8,042	7,736
Governance costs	11	13	0	24	35
Total resources expended	3,938	3,180	1,910	9,028	8,736

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 £19k (2011 - £16k).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2012 Total £'000	2011 Total £'000
Financial and domestic admin	0	439	0	0	439	480
Human resources	0	48	0	0	48	48
IT	0	156	0	0	156	169
Depreciation	313	729	0	0	1,042	978
Loss/(profit) on fixed assets	0	0	0	0	0	0
Bank interest payable	0	225	0	0	225	231
Other finance charges	0	0	0	0	0	0
	313	1,597	0	0	1,910	1,906

Finance and administration and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets. IT costs are attributed according to time allocated to 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	49	247	296	330
Bursaries and hardship awards	306	0	306	270
Grants to other institutions	0	0	0	0
	355	247	602	600

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

St Catherine's 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	13	17
Auditor's remuneration - other services	0	0
Legal and other fees on constitutional matters	0	1
Other governance costs	11	17
	24	35

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	3,747	3,754
Social security costs	243	245
Pension costs	428	430
	4,418	4,429

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	28	36
College residential	82	85
Fundraising	4	3
Support	11	11
Total	125	135

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

	2012	2011
University Lecturers	20	21
CUF Lecturers	5	6
Other teaching and research	7	6
Other	14	11
Total	46	44

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:

£60,001-£70,000	0	0
£70,001-£80,001	0	0
£80,001-£90,001	0	0
£90,001-£100,001	0	0
£100,001-£110,001	0	0
	0	0

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

In defined benefits schemes	74	73
In defined contribution schemes	0	0
	74	73

The College contributions to defined benefit pension schemes totalled

£428	£430
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St Catherine'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
Cost					
At start of year	0	25,810	0	1,386	27,196
Additions	0	462	0	155	617
Disposals	0	0	0	(10)	(10)
At end of year	0	26,272	0	1,531	27,803
Depreciation					
At start of year	0	6,848	0	916	7,764
Charge for the year	0	894	0	148	1,042
On disposals	0	0	0	(10)	(10)
At end of year	0	7,742	0	1,054	8,796
Net book value					
At end of year	0	18,530	0	477	19,007
At start of year	0	18,962	0	470	19,432

College	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost					
At start of year	0	26,219	0	1,386	27,605
Additions	0	463	0	155	618
Disposals	0	0	0	(10)	(10)
At end of year	0	26,682	0	1,531	28,213
Depreciation					
At start of year	0	6,848	0	916	7,764
Charge for the year	0	894	0	148	1,042
On disposals	0	0	0	(10)	(10)
At end of year	0	7,742	0	1,054	8,796
Net book value					
At end of year	0	18,940	0	477	19,417
At start of year	0	19,371	0	470	19,841

The College has historic assets all of which are used in the course of the College's teaching and research activities. These comprise mainly listed buildings on the College site, together with their contents including some works of art. In some cases 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	0	0	1,510	1,510	1,642
Additions and improvements at cost	0	0	146	146	0
Disposals net proceeds	0	0	(300)	(300)	(180)
Revaluation gains/(losses) in the year	0	0	302	302	48
Valuation at end of year	0	0	1,658	1,658	1,510

The endowment properties which are all residential and mainly comprise houses purchased under the College's joint equity scheme with staff are valued annually by reference to changes since the purchase date in the Nationwide House Price Index for the outer South East or where applicable according to the terms of the joint equity agreements.

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

12 SECURITIES AND OTHER INVESTMENTS

	2012 £'000	2011 £'000
Group investments		
Valuation at start of year	38,831	34,698
New money invested	555	1,943
Amounts withdrawn	(360)	(360)
Reinvested income	0	0
Investment management fees	0	0
(Decrease)/increase in value of investments	99	2,550
Group investments at end of year	39,125	38,831
Investment in subsidiaries	0	0
College investments at end of year	39,125	38,831

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2012 Total £'000	2011 Total £'000
Equity investments	0	33,640	33,640	33,585
Global multi-asset funds	0	0	0	0
Property funds	0	2,515	2,515	0
Fixed interest stocks	0	0	0	0
Alternative and other investments	0	1,377	1,377	1,631
Fixed term deposits and cash	0	1,593	1,593	3,615
Total group investments	0	39,125	39,125	38,831

13 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in St Catherine's College Management Ltd, a company providing conference and other event services on the College premises, and 100% of the issued share capital in St Catherine's College Developments Ltd, a company providing design and build construction services to the College.

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

	College Management £'000	College Developments £'000
Turnover	929	58
Expenditure	(336)	(58)
Donation to College under gift aid	(593)	0
Result for the year	0	0
Total assets	330	66
Total liabilities	(330)	(66)
Net funds at the end of year	0	0

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

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 2007/08. The investment return to be applied as income is calculated as 3% of the average of the year-end values of the relevant investments in each of the last 3 years. The preserved (frozen) value of the invested endowment capital represents its open market value in 2003/04 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return			
Income distributions	15	0	15
Capital gains/losses	65	336	401
Investment management costs	0	0	0
Total return for the year	<u>80</u>	<u>336</u>	<u>416</u>
Amount applied as income for spending	(150)	(990)	(1,140)
Net increase in Unapplied Total Return in the year	(70)		
Unapplied Total Return at start of year	909		
Unapplied Total Return at end of year	<u>839</u>		
Preserved value of original permanent endowments	<u>6,893</u>		

Investment costs are not considered material and have therefore not been separately disclosed.

15 DEBTORS

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Amounts falling due within one year:				
Trade debtors	387	422	226	271
Amounts owed by College members	3	2	3	2
Amounts owed by Group undertakings	0	0	322	914
Loans repayable within one year	8	7	8	7
Prepayments and accrued income	159	375	159	375
Other Debtors	24	21	24	21
Amounts falling due after more than one year:				
Loans	5	8	5	8
	<u>586</u>	<u>835</u>	<u>747</u>	<u>1,598</u>

16 CREDITORS: falling due within one year

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Bank overdrafts	0	0	0	0
Bank loans	200	200	200	200
Obligations under finance leases	0	0	0	0
Trade creditors	582	782	512	661
Amounts owed to College Members	115	97	115	97
Amounts owed to Group undertakings	0	0	122	271
Taxation and social security	70	191	70	191
College contribution	16	0	16	0
Accruals and deferred income	367	204	367	204
Other creditors	205	190	201	185
	<u>1,555</u>	<u>1,664</u>	<u>1,603</u>	<u>1,809</u>

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

17 CREDITORS: falling due after more than one year

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Bank loans	3,300	3,500	3,300	3,500
Obligations under finance leases	0	0	0	0
Other creditors	0	0	0	0
	<u>3,300</u>	<u>3,500</u>	<u>3,300</u>	<u>3,500</u>

18 PROVISIONS FOR LIABILITIES AND CHARGES

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
At start of year	0	0	0	0
Charged in the Statement of Financial Activities	0	0	0	0
Settled in the year	0	0	0	0
At end of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

19 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
Endowment Funds - Permanent						
Scholarships & Prizes	2,946	151	0	(137)	28	2,988
Fellowships	3,196	64	0	(11)	32	3,281
Students	563	49	0	(2)	5	615
Buildings	4	6	0	0	0	10
Endowment Funds - Expendable						
General endowment	25,623	575	(35)	(766)	256	25,653
Research	5,960	14	0	(43)	60	5,991
Scholarships & Prizes	1,986	74	0	(170)	18	1,908
Fellowships	145	0	0	(11)	2	136
Total Endowment Funds	<u>40,423</u>	<u>933</u>	<u>(35)</u>	<u>(1,140)</u>	<u>401</u>	<u>40,582</u>
Restricted Funds						
Scholarships & prizes	48	43	(17)	0	0	74
Students	43	6	(34)	153	0	168
Research	57	38	(60)	91	0	126
Expenditure from endowment funds on specific purposes	0	0	(132)	132	0	0
Total Restricted Funds	<u>148</u>	<u>87</u>	<u>(243)</u>	<u>376</u>	<u>0</u>	<u>368</u>
Unrestricted Funds						
General reserve	(3,360)	7,963	(7,707)	764	0	(2,340)
Fixed Asset Designated Fund	19,432	619	(1,042)	0	0	19,009
Other academic reserve	14	0	(3)	0	0	11
Total Unrestricted Funds	<u>16,086</u>	<u>8,582</u>	<u>(8,752)</u>	<u>764</u>	<u>0</u>	<u>16,680</u>
Total Funds	<u>56,657</u>	<u>9,602</u>	<u>(9,030)</u>	<u>0</u>	<u>401</u>	<u>57,630</u>

20 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

Scholarships & prizes A consolidation of gifts and donations where income, but not capital, can be used for scholarships and prizes.

Fellowships A consolidation of gifts and donations where income, but not capital, can be used for Fellowships.

Students A consolidation of gifts and donations where income, but not capital, can be used for student hardship.

Buildings A consolidation of gifts and donations where income, but not capital, can be used for the buildings of the College.

Endowment Funds - Expendable:

General endowment A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the charity

Scholarships & Prizes A consolidation of gifts and donations where either income, or income and capital, can be used for scholarships and prizes.

Research A fund whose income and in certain circumstances capital may be used for research.

Fellowships A consolidation of gifts and donations where either income, or income and capital, can be used for Fellowships.

Restricted Funds:

Scholarships A consolidation of gifts and donations where both income and capital can be used for scholarships.

Students A consolidation of gifts and donations where both income and capital can be used for the benefit of students.

Research A consolidation of gifts and donations where both income and capital can be used for research.

Designated Funds

Fixed Asset Designated Fund Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes

Other academic reserve Unrestricted Funds allocated by the Governing Body for designated academic purposes.

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

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	19,009	0	0	19,009
Property investments	0	0	1,658	1,658
Securities and other investments	0	0	39,125	39,125
Net current assets	(2,329)	368	(201)	(2,162)
	<u>16,680</u>	<u>368</u>	<u>40,582</u>	<u>57,630</u>

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

22 TRUSTEES' 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.

Trustees of the college fall into the following categories:

The Master
Official Tutorial Fellows
Official non-Tutorial Fellows
Professorial Fellows
Readers
Fellows by Special Election
Stipendiary Lecturers
Faculty Lecturers

Some trustees are eligible to participate in the College's joint equity scheme; others may be eligible for a housing allowance which is disclosed within the salary figures below. Four trustees live in houses owned jointly with the college. One such house was bought and two were sold during the year.

Some trustees receive additional allowances for additional work carried out as part time college officers. For example, Senior Tutor, Dean, Tutor for Admissions, Tutor for Graduates. These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £943k (2010-11 £938k). The total of pension contributions is £140k (2010-11 £142k).

Remuneration paid to trustees

Range	2011-2012		2010-2011	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
£0-£999	9	430	7	0
£4,000-£5,000	1	4,740	0	0
£9,000-£9,999	1	9,753	2	19,103
£10,000-£10,999	0	0	1	10,890
£11,000-£11,999	2	22,504	2	22,166
£12,000-£12,999	1	12,714	1	12,408
£14,000-£14,999	2	28,898	1	14,286
£16,000-£16,999	0	0	1	16,910
£18,000-£18,999	4	74,402	5	92,419
£19,000-£19,999	8	154,088	7	136,256
£20,000-£20,999	4	83,148	1	20,297
£21,000-£21,999	0	0	3	64,760
£22,000-£22,999	1	22,503	0	0
£23,000-£23,999	0	0	1	23,560
£28,000-£28,999	1	28,833	0	0
£33,000-£33,999	1	33,781	0	0
£35,000-£35,999	0	0	1	35,593
£38,000-£38,999	1	38,756	0	0
£41,000-£41,999	1	41,248	2	82,795
£43,000-£43,999	1	43,619	0	0
£46,000-£46,999	0	0	1	46,054
£47,000-£47,999	1	47,108	0	0
£48,000-£48,999	0	0	1	48,499
£49,000-£49,999	1	49,493	1	49,209
£51,000-£51,999	1	51,790	2	102,772
£52,000-£52,999	1	52,511	0	0
£58,000-£58,999	1	58,454	1	58,319
£59,000-£59,999	0	0	1	59,413
£60,000-£61,000	1	60,074	0	0
£67,000-£67,999	1	67,986	1	67,812
£96,000-£96,999	1	96,451	1	96,250

Eight 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

None

23 PENSION SCHEMES

1. The pension schemes:

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard 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.

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. 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 £82.4m. 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. 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/

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 valuation was 12.6% of total pensionable salaries. It was agreed that employers should continue to contribute 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.

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 21.5% 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
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £3.2bn	decrease / increase by £35m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £2.0bn	increase / decrease by £25m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £1.2bn	increase / decrease by £5m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year).	increase by £0.8bn	increase by £10m

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 £'000	2011 £'000
Universities Superannuation Scheme	219	212
University of Oxford Staff Pension Scheme	209	218
Total:	428	430

24 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's 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.

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

	2012 £'000	2011 £'000
Net incoming resources for the year	572	1,874
Elimination of non-operating cash flows:		
- Investment income	(91)	(82)
- Endowment donations	(842)	(2,335)
- Financing costs	225	231
Depreciation	1,042	978
(Surplus)/loss on sale of fixed assets	0	0
Decrease/(Increase) in stock	(4)	8
Decrease/(Increase) in debtors	249	(92)
(Decrease)/Increase in creditors	(109)	366
(Decrease)/Increase in provisions	0	0
Net cash inflow/(outflow) from operations	1,042	948

26 ANALYSIS OF CHANGES IN NET FUNDS

	2011 £'000	Cash flow £'000	2012 £'000
Cash at bank and in hand	1,032	892	1,924
Bank loans	(200)	0	(200)
	832	892	1,724
Deposits and other short term investments	0	0	0
Bank loans due within one year	(200)	0	(200)
Bank loans due after one year	(3,500)	200	(3,300)
Finance lease obligations due within one year	0	0	0
Finance lease obligations due after one year	0	0	0
	(2,868)	1,092	(1,776)

27 FINANCIAL COMMITMENTS

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

	2012 £'000	2011 £'000
Land and buildings		
- expiring within one year	0	0
- expiring between two and five years	0	0
- expiring in over five years	0	0
	0	0
Other		
- expiring within one year	0	0
- expiring between two and five years	0	0
- expiring in over five years	0	0
	0	0

28 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £0 (2011 - £0)

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29 RELATED PARTY TRANSACTIONS

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

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

Oxford Investment Partners Limited ("OXIP") is a UK investment company which manages funds for 5 Oxford Colleges and similar investors who share the colleges' investment objectives. The College is a founding shareholder of the Company and owned 19% of the equity of OXIP Ltd at 31 July 2012. The Finance Bursar of the College, Dr F E Dinshaw, is a non-executive director of the Company.

The following trustees had loans outstanding from the College at the start and/or end of the year.

	2012 £'000	2011 £'000
Professor J Foord	3	3
Professor M Lackenby	3	4
Professor R Parish	2	3

Interest is charged on the above loans at HMRC's official rate of interest. All loans are repayable within 25 years or on the departure of the trustee from the College if earlier.

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

	2012 £'000	2011 £'000
Dr M Mulholland	131	126
Mr J L Bennett	138	133
Dr B Byrne	150	167
Dr C Reisinger	0	138
Dr R Bailey	162	155

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

30 CONTINGENT LIABILITIES

None

31 POST BALANCE SHEET EVENTS

None

