



The Queen's College Oxford

Annual Report and Financial Statements

Year ended 31 July 2012

The Queen's College, Oxford
Annual Report and Financial Statements
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Governing Body, Officers and Advisers
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MEMBERS OF THE GOVERNING BODY

The members of the Governing Body are the College's charity trustees under charity law. They are listed below:

	Committees		Committees
Prof P A Madden (Provost)	1,2,3,4,5,6	Dr C J Norbury	3,4
Prof J R Baines		Prof D Sarooshi	Resigned 30/09/2012
Prof R A G Pearson	1,3	Dr J P K Doye	1
Dr A M Bowie	4	Dr M J Buckley	5
Prof W J Blair		Prof S Aldridge	3
Prof P A Robbins	1	Mr D Gillard	1,5,6
Prof P J Dobson		Dr C L Leaver	Resigned 30/09/2012
Dr P T Harries	Retired 30/09/2011	Dr Y Capdeboscq	
Prof J Hyman		Dr A Timms	1,4,5
Dr R B Nickerson	1,4,5,6	Prof J R Pannell	2
Dr J H Davis	2,3	Dr P Papazoglou	
Prof R A Taylor	1	Dr L Lonsdale	
Prof C C Rowland		Dr A Silverstein	Resigned 30/09/2011
Prof J A Langdale		Dr R Beasley	3
Prof E J C Mellor	2	Prof I P M Tomlinson	
Dr N J Owen	3	Dr C V Crowther	
Prof Sir J Ball		Prof C A O'Callaghan	1
Dr O L Rees		Prof R N N Robertson	
Mr N C Bamforth	1	Dr L Phalippou	1
Dr L Irving-Bell	1,2,4,5	Dr D Meyer	Elected 01/10/2011
Dr K A Q O'Reilly	2	Dr A Gardner	Elected 01/10/2012
Dr C B Louth	2,3	Dr G Gerstle	Elected 01/10/2012

Fellows elected to the Governing Body do not have voting rights during their first year and are therefore not considered to be trustees during that period.

During the year the activities of the Governing Body were carried out through committees. Current membership of the principal committees is shown above for each Fellow. The committees included are:

- (1) Estates and Finance; (2) Domestic; (3) Academic; (4) Development; (5) Conference and Business Oversight and (6) Remuneration (at which Governing Body members who receive remuneration are in attendance only and non-voting).

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The external members of the Remuneration Committee are: Mr A Beecroft, Sir Christopher Bland, Mr N Kitchen, Mrs J Lewis, Mr P Newton, Mr D Seymour

COLLEGE DAY-TO-DAY MANAGEMENT

The members of the Governing Body to whom day-to-day management of the College is delegated are as follows:

The Provost	<i>Prof P A Madden</i>
Estates Bursar	<i>Dr R B Nickerson</i>
Tutor for Undergraduates	<i>Dr J H Davis</i>
Dean	<i>Prof E J C Mellor</i>
Tutor for Graduates	<i>Prof S Aldridge</i>
Home Bursar	<i>Dr L Irving-Bell</i>
Senior Tutor	<i>Dr C J Norbury</i>
Tutor for Admissions	<i>Dr C B Louth</i>
Director of Development	<i>Dr A Timms</i>

COLLEGE ADVISERS

Investment property managers

Smiths Gore, The Old Barn, Worton Park, Cassington, Oxford OX29 4SX

Lambert Smith Hampton, 5 Town Quay, Southampton, SO14 2HJ

Portfolio Investment Advisor

Cambridge Associates, 80 Victoria Street, Cardinal Place, London SW1E 5JL

Auditor

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

Bankers

The Royal Bank of Scotland, 32 St Giles, Oxford OX1 3ND

Solicitors

Bond Pearce LLP, Oceana House, 39-49 Commercial Road, Southampton SO15 1GA

College address

The Queen's College, High Street, Oxford OX1 4AW

Website

www.queens.ox.ac.uk

The Queen's College, Oxford
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

The Provost and Scholars of The Queen's College in the University of Oxford, which is known as The Queen's College ("the College"), is an eleemosynary, chartered charitable corporation aggregate. It was founded, under licence granted 18 January in the year 1341 by King Edward the Third, by Robert de Eglesfield, Clerk, Chaplain to Queen Philippa.

The College registered with the Charities Commission on 23 June 2011 (registered number 1142553).

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 3.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes dated 26 May 2010

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 Archbishop of York. The Governing Body appoints the Provost, Fellows, Lecturers, and such administrative and other officers as the Governing Body deems necessary from time to time.

New members of the Governing Body are elected in accordance with the College Statutes. Membership is extended to the Provost, all Fellows holding University Lecturerships or statutory professorial chairs, and such other Fellows of the College as the Governing Body deems appropriate on the basis of the Statutes.

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

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 are briefed annually by the Provost on current issues in the sector and updates to regulatory requirements. Student representatives attend the Governing Body for the unreserved part of the agenda.

Organisational management

The members of the Governing Body meet ten times a year. The work of developing their policies and monitoring the implementation of these is carried out by six primary committees:

- The Estates and Finance Committee includes the Provost, Estates Bursar, Home Bursar, Secretary to the Governing Body and at least six further Fellows and meets nine times per year. The role of the Committee is to keep the financial position of the College under review and to recommend actions with the purpose of securing the long-term financial security of the College in order that it might meet its objectives.
- The Domestic Committee includes the Provost, Home Bursar, Dean, Tutor for Undergraduates and Hardship Officer, together with two student representatives, and meets nine times per year. The Committee oversees all College activities relating to accommodation, the fabric of the College buildings and the provision of meals.
- The Academic Committee includes the Provost, Senior Tutor, Tutor for Undergraduates, Tutor for Graduates, Tutor for Admissions and at least two further Fellows, together with two student representatives, and meets six times a year. It oversees the academic activities of the College and in particular makes recommendations to the Governing Body in relation to academic appointments, strategy, feedback and governance.

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- The Development Committee consists of the Provost, Estates Bursar, Home Bursar, Director of Development and at least two further Fellows and meets three times per year. Its role is to maintain good relationships with Old Members of the College and to oversee the College's fundraising activities.
- The Conference and Business Oversight Committee consists of the Provost, Estates Bursar, Director of Development and at least two further Fellows and meets six times per year to consider the use of the College facilities for conferences and other income-generating business.
- The Remuneration Committee meets annually to consider remuneration of members of the Governing Body. The Committee consists of six members elected by the Governing Body from among the Honorary, Emeritus and Professorial Fellows, and Old Members of the College who are not members of the Governing Body. It is attended by the Provost and Estates Bursar, who acts as secretary. No voting member of the Committee may draw a stipend or any other form of benefit from the College.

The day-to-day running of the College is delegated to the Provost, supported by other senior staff. The Provost chairs all meetings of the Governing Body's Committees.

Group structure and relationships

The College also administers many trusts and specific funds, as outlined in notes 18 and 19 to the financial statements and has a wholly owned non-charitable subsidiary: The Queen's College Trading Company Limited. The subsidiary commenced trading during the year. Its trading activities primarily comprise letting of the College facilities when not in use by the College. Any profits will be donated to the College through Gift Aid.

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

Risk management

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

The Governing Body, who have ultimate responsibility for managing any risks faced by the College, have given consideration to the major risks to which the College and its subsidiary 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 Objects and Aims

The College's Objects are to maintain a College for the advancement of education and research and the advancement of religion.

The College's aims for the public benefit are:

- (1) The advancement of education and research for the benefit of the public, in a range of subject areas as determined from time to time by its Governing Body, including through: (a) the provision of teaching, supervision, accommodation and other forms of support for undergraduate and graduate students; and (b) the provision of a Library which shall include works for consultation by qualified scholars.
- (2) The advancement of religion for the benefit of the public, including through the provision of a Chapel affiliated with the Church of England and through the holding of services and associated events.

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

Activities and objectives of the College and subsidiary

- (1) To carry out education and research activities jointly with the University. This involves payment of salaries and the provision of infrastructure including office space and administrative support.
- (2) To supplement the education provided jointly with the University with tutorial teaching provided by college-only appointed teachers, and by provision of its own Library and IT facilities, and welfare, social, cultural and recreational facilities to enable each of its students to realise their academic and personal potential to its fullest extent.
- (3) To supplement the research activities it promotes jointly with the University by providing college-only funded research Fellowships and by providing an environment for interaction between researchers. In addition it provides funding in support of their research to members of the College, and provides facilities for visiting researchers, including access to a valued research Library.
- (4) To admit undergraduate and graduate students without any restriction subject only to satisfaction of publicized academic criteria. Tuition fees are regulated on a national basis. The College accommodates almost all of its undergraduates and roughly one third of its graduates. For such costs and other costs Home/EU undergraduate students are eligible for Student Loans under the national scheme and for Oxford Opportunity Bursaries on a means-tested basis.
- (5) To provide various forms of financial assistance to both undergraduate and graduate students through prizes, scholarships and grants to allow them to pursue projects which further their studies, and to provide targeted support in cases of hardship.
- (6) To support a number of access-related activities, provided to ensure that the information needed to apply for admission to the University is disseminated as widely as possible.
- (7) To provide and support a Chapel affiliated with the Church of England and through the holding of daily services and associated events that are open to the public. The employment of a Chaplain to provide the above and ministry to all students without regard to religious affiliation. The support of a Chapel Choir to assist in delivery of services.

The aim of The Queen's College Trading Company Limited is to provide financial support for the achievement of the College's aims as set out above.

Activities and objectives of the College and subsidiary (continued)

The College admitted 99 new undergraduate students and 49 postgraduate students during the year, bringing the total numbers in residence to 344 and 147 respectively. Eight new part-time College Lecturers were appointed to supplement the teaching provided by Fellows, and College associations were extended to a Statutory University Professor and University Lecturers without College Tutorial Fellowship responsibilities. Those in the latter category contribute importantly to the arrangement of teaching, admissions, interviewing and research activities of the College. Thirteen Research Fellows were appointed, of which two were to newly created posts. Two residential Junior Deans were appointed from among the graduate students of the College.

College representatives made seven visits to address pupils from groups of schools to explain the admissions procedure and the benefits of studying at Oxford, while pupils from a total of 88 schools visited Queen's during the course of the year. The College's commitment to improving access to higher education for all, and in particular for those from backgrounds without a strong tradition of university education, was affirmed by the appointment of a replacement Schools Liaison and Outreach Officer (0.5 FTE).

The College believes that the best academic work takes place in a balanced environment and supported undergraduate sport, music and other non-academic activities during the year. £95,445 was spent in support of all sports, £20,553 in support of music and £23,722 on the student common rooms.

The Library was open to students 24 hours a day during all three terms. It purchased new texts as required in support of the undergraduates at a cost of £28,409.

Members of the College were very active in research in a wide range of fields. The College supported this work with research grants and allowances to a total of £44,829. This contribution makes a significant difference to the final quality of work that can be achieved in many disciplines.

Our 75 choral services over the year (mainly on Sunday, Wednesday and Friday evenings) have attracted significant numbers of local residents as well as students and Fellows. The Chaplain is much involved in counselling and in the pastoral care of the College.

Public benefit

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

It admits as students those who have the highest potential for benefitting from the education provided by the College and University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of financial, geographical, ethnic, social, age or religious background.

It provides accommodation and meals to students at reasonable rates. It offers accommodation to 100% of the undergraduate body and to roughly 50% of the graduates, including all of those in their first year of study. The yearly level of subsidy applied by the College to these costs is estimated at £1,441 per capita. In order to assist undergraduates entitled to financial support the College provides funds to the Oxford Opportunity Bursary Scheme (OOPS). For the academic year 2011/12 the number of awards made to Queen's students was 90 the total value of which was £204,613. In addition the College awarded 45 Scholarships, each with a value of £200 and 7 Exhibitions, each with a value of £150, to undergraduates on academic merit, without reference to background. To support the costs of graduate students the College made a number of Scholarship awards, including a small number of fully funded studentships for both fees and living costs, to a total value of £89,919. In addition the College operates a targeted Hardship Scheme, which makes awards to both undergraduates and graduates up to a total value of £15,000.

The College provides academic support to students through a book and equipment grant and an academic travel grant scheme which made awards totalling £36,205 in 2011/12.

It operates an outreach programme to raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the College. The College employs an Outreach Officer and the programme involves visits by schools to the College, open days, and guidance and information to applicants and teachers.

Public benefit (continued)

During term-time the Chapel hosts daily morning and evening services on weekdays (the evening service taking the form of Choral Evensong on Wednesdays and Fridays), and Holy Communion and Choral Evensong on Sundays. All services are open to the public and Choral Evensong, in particular, is very well attended due, in part, to the outstanding quality of the Choir. The Choir also sang for several external events around the country.

The College has a substantial programme of musical performances that are well attended by the public, including weekly organ and instrumental recitals. In addition the College hosts, free of charge, a number of concerts by Oxford-based ensembles, including the now-celebrated Oxford Lent Concerts, the proceeds from which are donated to charities.

As well as providing an excellent service to current members of the College, the Library holds an outstanding collection of pre-1800 books and manuscripts, many of which are unique. There were over 170 visits by scholars from across the world to consult this collection. In addition, a substantial number of public interest visits to the Library to view the building and parts of the collection were hosted.

The College maintains a sports field and groundsman, primarily for the use of its members, but which are used extensively by local clubs, especially during the vacations.

ACHIEVEMENTS AND PERFORMANCE

Ninety-two undergraduates passed final examinations in June 2012, including 26 with first class honours, and during the course of the 2011/12 academic year 25 post-graduates completed doctoral research degrees. A further 32 completed post-graduate taught courses and five completed the Clinical Medicine (BM BCh) degree.

Essential replacement of the auditorium seating was completed and detailed planning for the refurbishment of the Library undertaken, with the work to start in the next financial year.

In the financial year 2011/12 the College received £1,088,000 in gifts from Old Members and other benefactors. The College is very grateful for this generous support.

FINANCIAL REVIEW

The College's financial performance during the year was satisfactory. Net incoming resources for the year before investment gains were £603,000. Expenditure in all departments was in line with budgets. There was no call on reserves. There are no matters to highlight as material issues for concern.

The endowment assets produced a total return of 5.2%, of which 3.6% was in capital growth. This is a good performance in the prevailing market conditions. At the end of the year the funds of the College had increased from £194,533,000 to £201,368,000 net of long term bank borrowings of £15,000,000 (2011: £15,000,000)

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 statuses of the College's funds, including free and designated reserves are described in notes 18 and 19 to the financial statements. The Governing Body, advised by the Estates and Finance Committee, has determined the reserves to be sufficient.

Investment policy, objectives and performance

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

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

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The investment strategy, policy and performance are monitored by the Estates and Finance Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £193,804,000.

Under the total return accounting basis, it is the Governing Body's policy to extract as income a percentage of the total endowment value. The figure depends on the split between property and securities and in the current year was 3.2% (plus the costs of running the endowment). To smooth and moderate the amounts withdrawn this figure is calculated using the average of the year end endowment values in each of the last five years, corrected for inflation.

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

FUTURE PLANS

The core elements of the College's future plans as agreed by the Governing Body are:

- to work with the University of Oxford to identify, encourage applications from, and offer places to prospective students solely on the basis of their academic excellence and potential to benefit from the opportunities provided by the College;
- to provide the best possible environment for the scholarly pursuit of knowledge in the arts, sciences, humanities and social sciences, including the provision of individual or small-group teaching and supervision and the support of academic research, and to support and encourage members of the College in ways that will help them to achieve their full academic potential;
- to increase support for members of the College who would otherwise be unable to engage fully in scholarly pursuit as a consequence of financial disadvantage or disability;
- to ensure the long-term financial security of the College, and the integrity of its residential and educational facilities

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 in an academic environment rooted in research. In the year 2012/13 the College will:

- Complete the refurbishment of the Library
- Continue to plan the refurbishment of the Florey Building.

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 1st December 2012 and signed on its behalf by:

Prof P A Madden
Provost

The Queen's College, Oxford

Report of the Auditor to the Members of the Governing Body of The Queen's College

We have audited the financial statements of The Queen'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 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). This report is made solely to the College's Governing Body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governing Body and auditor

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

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2012 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Matters on which we are required to report by exception

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

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

Critchleys LLP
Statutory Auditor
Oxford

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

2. Basis of accounting

The financial statements have been prepared under the Charities Act 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

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

Voluntary income received for the general purposes 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. 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 £10,000 together with expenditure on equipment costing more than £10,000 is capitalised and carried in the balance sheet at historical cost.

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

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
Building improvements	10 - 50 years
Equipment	4 - 10 years

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

10. Investments

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

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

Gains and losses arising on the investments are credited or charged to the 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. Total Return investment accounting

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

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

For the carrying value of the preserved (frozen) permanent capital, the Governing Body has taken its open market value as at 1 August 2002, together with the original gift value of all subsequent endowments received.

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 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 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.

The Queen'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
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research and residential		4,286	0	0	4,286	4,163
Resources from generated funds						
Legacies and donations		525	468	95	1,088	2,497
Trading income	2	477	0	0	477	287
Investment income	3	262	137	3,126	3,525	2,916
Bank and other interest	4	3	1	33	37	35
		1,267	606	3,254	5,127	5,735
Other incoming resources		0	0	0	0	0
Total Incoming Resources		5,553	606	3,254	9,413	9,898
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		119	0	0	119	114
Trading expenditure		285	0	0	285	258
Investment management costs		53	16	595	664	363
		457	16	595	1,068	735
Charitable activities	5					
Teaching, research and residential		7,200	431	93	7,724	7,363
Governance costs	8	18	0	0	18	14
Total Resources Expended		7,675	447	688	8,810	8,112
Net incoming/(outgoing) resources before transfers		(2,122)	159	2,566	603	1,786
Transfers between funds	18	4,221	390	(4,611)	0	0
Net incoming/(outgoing) resources before other gains and losses		2,099	549	(2,045)	603	1,786
Investment gains/(losses)		465	324	5,443	6,232	26,239
Net movement in funds for the year		2,564	873	3,398	6,835	28,025
Fund balances brought forward	18	33,236	7,597	153,700	194,533	166,508
Funds carried forward at 31 July	18	35,800	8,470	157,098	201,368	194,533

The Queen'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	19,475	18,872	19,475	18,872
Property investments	11	69,379	64,067	69,379	64,067
Securities and other investments	12	124,425	125,010	124,425	125,010
		213,279	207,949	213,279	207,949
CURRENT ASSETS					
Stocks		359	354	359	354
Debtors	15	1,274	1,147	1,186	1,147
Deposits and other short term investments		0	0	0	0
Cash at bank and in hand		2,695	1,182	2,633	1,182
		4,328	2,683	4,178	2,683
CREDITORS: falling due within one year	16	1,239	1,099	1,089	1,099
NET CURRENT ASSETS/(LIABILITIES)		3,089	1,584	3,089	1,584
TOTAL ASSETS LESS CURRENT LIABILITIES		216,368	209,533	216,368	209,533
CREDITORS: falling due after more than one year	17	15,000	15,000	15,000	15,000
NET ASSETS		201,368	194,533	201,368	194,533
FUNDS OF THE COLLEGE					
	18				
Endowment funds		157,098	153,700	157,098	153,700
Restricted funds		8,470	7,597	8,470	7,597
Unrestricted funds					
Designated funds		32,524	30,601	32,524	30,601
General funds		3,276	2,635	3,276	2,635
		201,368	194,533	201,368	194,533

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

Trustee:

Trustee:

The Queen's College
Consolidated Cash Flow Statement
For the year ended 31 July 2012

	Notes	2012 Group £'000	2011 Group £'000
Net cash outflow from operations	24	<u>(2,230)</u>	<u>(519)</u>
Returns on investments and servicing of finance			
Income from investments		3,563	2,951
Finance costs paid		(258)	(161)
		<u>3,305</u>	<u>2,790</u>
Capital expenditure and financial investment			
New endowment capital received		95	0
Payments for tangible fixed assets		(1,161)	(2,603)
Payments for investments*		(11,885)	(9,668)
Proceeds from sales of investments		13,390	9,762
		<u>439</u>	<u>(2,509)</u>
Financing			
Capital element of finance lease payments		(1)	(6)
		<u>(1)</u>	<u>(6)</u>
Increase/(decrease) in cash in the year		<u>1,513</u>	<u>(244)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		1,513	(244)
Decrease in loan and lease finance		1	6
Change in net funds		<u>1,514</u>	<u>(238)</u>
Net funds at start of year		(13,819)	(13,581)
Net funds at end of year		<u>(12,305)</u>	<u>(13,819)</u>

The Queen'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 and residential					
Tuition fees - UK and EU students	1,033	0	0	1,033	1,057
Tuition fees - Overseas students	411	0	0	411	398
Other HEFCE support	293	0	0	293	275
Other academic income	305	0	0	305	339
College residential income	2,244	0	0	2,244	2,094
	<u>4,286</u>	<u>0</u>	<u>0</u>	<u>4,286</u>	<u>4,163</u>

The above analysis includes £1,358,000 received from Oxford University under the CFF Scheme, net of College fees received directly (2011 - £1,381,000)

2 TRADING INCOME

	2012 £'000	2011 £'000
Subsidiary company trading income	235	0
Other trading income	242	287
	<u>477</u>	<u>287</u>

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Agricultural rent	33	17	388	438	384
Commercial rent	130	69	1,562	1,761	1,536
Other property income	0	0	1	1	5
Equity dividends	99	51	1,175	1,325	991
	<u>262</u>	<u>137</u>	<u>3,126</u>	<u>3,525</u>	<u>2,916</u>

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Bank interest	3	1	33	37	35

The Queen'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	77	42	0	119	114
Trading expenditure	156	100	29	285	258
Investment management costs	0	249	415	664	363
Total costs of generating funds	233	391	444	1,068	735
Charitable expenditure					
Teaching, research and residential	3,827	2,715	1,182	7,724	7,363
Total charitable expenditure	3,827	2,715	1,182	7,724	7,363
Governance costs	0	18	0	18	14
Total resources expended	4,060	3,124	1,626	8,810	8,112

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 £258,000 (2011 - £221,000).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	2012 Total £'000	2011 Total £'000
Financial and domestic admin	189	479	668	640
Human resources	0	12	12	16
IT	5	125	130	135
Depreciation	0	558	558	477
Bank interest payable	250	0	250	155
Other finance charges	0	8	8	6
	444	1,182	1,626	1,429

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

The Queen's College
Notes to the financial statements
For the year ended 31 July 2012

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	96	145	121
Bursaries and hardship awards	211	1	212	236
	<u>260</u>	<u>97</u>	<u>357</u>	<u>357</u>

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

8 GOVERNANCE COSTS

	2012 £'000	2011 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	18	14
	<u>18</u>	<u>14</u>

No amount has been included in Governance Costs for the direct employment costs or reimbursed expenses of the College Fellows on the basis that these payments relate to the Fellows involvement in the College's charitable activities. Details of the remuneration of the Fellows and their reimbursed expenses are included in note 21.

The Queen's College
Notes to the financial statements
For the year ended 31 July 2012

9 STAFF COSTS

	2012 £'000	2011 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,891	3,812
Social security costs	275	274
Pension costs	480	474
	<u>4,646</u>	<u>4,560</u>

	2012	2011
The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
Tuition and research	21	20
College residential	72	70
Fundraising	3	2
Support	36	34
Total	<u>132</u>	<u>126</u>

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

University Lecturers	17	17
CUF Lecturers	9	9
Other teaching and research	2	2
Other	3	3
Total	<u>31</u>	<u>31</u>

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

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

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

£60,001-£70,000	0	1
	<u>0</u>	<u>1</u>

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

In defined benefits schemes	0	1
	<u>0</u>	<u>1</u>

The Queen's College
Notes to the financial statements
For the year ended 31 July 2012

10 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost			
At start of year	22,114	135	22,249
Additions	1,161	0	1,161
Disposals	0	0	0
At end of year	23,275	135	23,410
Depreciation			
At start of year	3,260	117	3,377
Charge for the year	549	9	558
On disposals	0	0	0
At end of year	3,809	126	3,935
Net book value			
At end of year	19,466	9	19,475
At start of year	18,854	18	18,872
College	Freehold land and buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost			
At start of year	22,114	135	22,249
Additions	1,161	0	1,161
Disposals	0	0	0
At end of year	23,275	135	23,410
Depreciation			
At start of year	3,260	117	3,377
Charge for the year	549	9	558
On disposals	0	0	0
At end of year	3,809	126	3,935
Net book value			
At end of year	19,466	9	19,475
At start of year	18,854	18	18,872

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.

The Queen's College
Notes to the financial statements
For the year ended 31 July 2012

11 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2012 Total £'000	2011 Total £'000
Valuation at start of year	25,878	33,212	4,977	64,067	53,469
Additions and improvements at cost	0	0	67	67	0
Disposals net proceeds	(20)	0	0	(20)	(542)
Revaluation gains/(losses) in the year	3,422	1,588	255	5,265	11,140
Valuation at end of year	29,280	34,800	5,299	69,379	64,067

A formal valuation of the agricultural properties was prepared by Smiths Gore as at 31 July 2010.
This valuation was updated to 31 July 2012 using information provided by the trustees

A formal valuation of the commercial and other properties was prepared by Lambert Smith Hampton as at 31 July 2010.
This valuation was updated to 31 July 2012 using information provided by the trustees

12 SECURITIES AND OTHER INVESTMENTS

	2012 £'000	2011 £'000
Group investments		
Valuation at start of year	125,010	109,463
New money invested	11,818	9,668
Amounts withdrawn	(13,370)	(9,220)
(Decrease)/increase in value of investments	967	15,099
Group investments at end of year	124,425	125,010
Investment in subsidiaries	0	0
College investments at end of year	124,425	125,010

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2012 Total £'000	2011 Total £'000
Equity investments		104,559	104,559	92,717
Alternative and other investments	19,509	357	19,866	30,181
Fixed term deposits and cash		0	0	2,112
Total group investments	19,509	104,916	124,425	125,010

The Queen's College
Notes to the financial statements
For the year ended 31 July 2012

13 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in The Queen's College Oxford Trading Limited, a company established to provide conference and other event services on the College premises. The results of the subsidiary and its assets and liabilities at the year end were as follows.

	College Trading £'000
Turnover	235
Expenditure	(67)
Donation to College under gift aid	(168)
Result for the year	<u>0</u>
Total assets	218
Total liabilities	(218)
Net funds at the end of year	<u>0</u>

14 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2002. The investment return to be applied as income is based on the return on the classes of investments held and the average of the year-end values of the relevant investments in each of the last five years adjusted for inflation. For the this year the transfer was 3.2%

The preserved (frozen) value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return			
Income distributions	2,943	216	3,159
Capital gains/losses	5,069	374	5,443
Investment management costs	(548)	(47)	(595)
Total return for the year	<u>7,464</u>	<u>543</u>	<u>8,007</u>
Amount applied as income for spending	<u>(4,389)</u>	<u>(222)</u>	<u>(4,611)</u>
Net increase in Unapplied Total Return in the year	3,075		
Unapplied Total Return at start of year	73,154		
Unapplied Total Return at end of year	<u>76,229</u>		
Preserved value of original permanent endowments	<u>70,117</u>		

The Queen's College
Notes to the financial statements
For the year ended 31 July 2012

15 DEBTORS

	2012	2011	2012	2011
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	225	204	69	204
Amounts owed by College members	157	141	157	141
Amounts owed by Group undertakings	0	0	68	0
Loans repayable within one year	64	142	64	142
Prepayments and accrued income	33	20	33	20
Other Debtors	0	53	0	53
Amounts falling due after more than one year:				
Loans	795	587	795	587
	1,274	1,147	1,186	1,147

16 CREDITORS: falling due within one year

	2012	2011	2012	2011
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Obligations under finance leases	0	1	0	1
Trade creditors	174	191	174	191
Taxation and social security	158	211	132	211
College contribution	273	244	273	244
Accruals and deferred income	281	199	157	199
Other creditors	353	253	353	253
	1,239	1,099	1,089	1,099

17 CREDITORS: falling due after more than one year

	2012	2011	2012	2011
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	15,000	15,000	15,000	15,000
	15,000	15,000	15,000	15,000

The bank loans are unsecured

Bank loans include a £7m loan due for repayment in 2038. The other loan for £8m has a 25 year term but the bank has the option to require repayment at certain future dates, the earliest of which is in 2016

The Queen's College
Notes to the financial statements
For the year ended 31 July 2012

18 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						
Corpus Permanent Endowment	110,240	2,268	(422)	(3,379)	3,902	112,609
Trusts within College objects	32,781	766	(126)	(1,005)	1,162	33,578
Trusts outside College objects	155	4		(5)	5	159
Endowment Funds - Expendable						
Corpus Expendable Endowment	8,204	170	(73)	(210)	292	8,383
Pension Fund	2,320	46	(67)	(12)	82	2,369
Total Endowment Funds	153,700	3,254	(688)	(4,611)	5,443	157,098
Restricted Funds						
Trusts within College objects	1,135	27	(252)	385	40	1,335
Trusts outside College objects	52	1	(1)	5	2	59
Specific funds	5,396	578	(194)		203	5,983
Specific balances	1,014				79	1,093
Total Restricted Funds	7,597	606	(447)	390	324	8,470
Unrestricted Funds						
General Funds	2,635	4,784	(6,325)	2,145	37	3,276
Fixed Assets Reserve	18,872		(559)	1,160		19,473
Building Fund	7,349	151	(766)	2,200	260	9,194
Donations Fund	4,380	618	(25)	(1,284)	168	3,857
Total Unrestricted Funds	33,236	5,553	(7,675)	4,221	465	35,800
Total Funds	194,533	9,413	(8,810)	0	6,232	201,368

The Queen's College
Notes to the financial statements
For the year ended 31 July 2012

19 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds:

Permanent

Corpus Permanent Endowment	A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the College
Trusts within College objects	Capital element of gifts and donations held in formal trusts where income but not capital may be used for particular purposes within the College objects
Trusts outside College objects	Capital element of gifts and donations held in formal trusts where income but not capital may be used for particular purposes falling outside College objects

Expendable

Corpus Expendable Endowment	A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the College, but will normally be held for the long term.
Pension Fund	A fund held for the payment of certain pensions where income and capital can be used for the purpose but will normally be held for the long term

Restricted Funds:

Trusts within College objects	Accumulated income from gifts and donations held in formal trusts which may be used for particular purposes within the College objects
Trusts outside College objects	Accumulated income from gifts and donations held in formal trusts which may be used for particular purposes outside the College objects
Specific funds	A consolidation of gifts and donations where the donor has specified they may only be used for particular purposes within the College objects
Specific balances	A consolidation of gifts and donations where the donor has specified they may only be used for particular purposes within the College objects and where the investment is held in particular assets specified by the donor.

Unrestricted Funds:

Designated Funds

Building Fund	Unrestricted Funds allocated by the Fellows for future costs of maintenance and refurbishment of College buildings
Donations Fund	Unrestricted Funds allocated by the Fellows for future unspecified costs

General Funds

	General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College
Fixed Assets Reserve	An allocation from general funds to represent the accumulated net book value of the College fixed assets

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	19,475	0	0	19,475
Property investments	5,167	2,880	61,332	69,379
Securities and other investments	9,185	6,213	109,027	124,425
Net current assets / (liabilities)	3,091	(1)	(1)	3,089
Long term loans	(1,118)	(622)	(13,260)	(15,000)
	<u>35,800</u>	<u>8,470</u>	<u>157,098</u>	<u>201,368</u>

21 TRUSTEES' REMUNERATION

Trustee remuneration

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

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

The Remuneration Committee meets annually to consider remuneration of members of the Governing Body. The Committee consists of six members elected by the Governing Body from among the Honorary, Emeritus and Professorial Fellows, and Old Members of the College who are not members of the Governing Body. It is attended by the Provost and Estates Bursar, who acts as secretary. No voting member of the Committee may draw a stipend or any other form of benefit from the College.

Trustees comprise Fellows holding University Lecturerships or statutory professorial chairs, and such other Fellows of the College as the Governing Body deems appropriate on the basis of the Statutes.

There are also three trustees, the Provost, Home Bursar and Development Director who work full time on management and fundraising.

Some trustees are eligible for college housing schemes.

Some may be eligible for a housing allowance which is disclosed within the salary figures below.

Thirteen trustees live in houses partly funded by loans from the College. Details of these loans are disclosed in note 28.

Some trustees receive additional allowances for additional work carried out as part time college officers.

These include the Estates Bursar and Senior Tutor. These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,307,000 (2010-11 £1,194,000).

The total of pension contributions is £161,000 (2010-11 £167,000).

The Queen's College
Notes to the financial statements
For the year ended 31 July 2012

21 TRUSTEES' REMUNERATION (Continued)

Remuneration paid to trustees

Range	2011-2012		2010-2011	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1-£999	-	-	2	1,048
£1,000-£1,999	1	1,392	1	1,264
£2,000-£2,999	2	5,290	-	-
£3,000-£3,999	1	3,741	-	-
£6,000-£6,999	1	6,990	-	-
£27,000-£27,999	1	27,643	1	27,374
£28,000-£28,999	1	28,840	2	57,803
£29,000-£29,999	2	59,669	-	-
£30,000-£30,999	1	30,829	2	60,910
£31,000-£31,999	2	62,644	4	126,437
£32,000-£32,999	1	32,818	1	32,324
£33,000-£33,999	1	33,030	1	33,463
£34,000-£34,999	-	-	2	68,850
£35,000-£35,999	1	35,233	-	-
£37,000-£37,999	1	37,351	1	37,852
£38,000-£38,999	1	38,625	-	-
£43,000-£43,999	1	43,552	1	43,907
£49,000-£49,999	1	49,483	1	49,632
£52,000-£52,999	1	52,420	-	-
£55,000-£55,999	1	55,744	-	-
£56,000-£56,999	1	56,741	1	52,245
£57,000-£57,999	-	-	1	57,813
£58,000-£58,999	1	58,643	1	58,788
£60,000-£60,999	-	-	1	60,918
£61,000-£61,999	2	123,328	1	61,839
£63,000-£63,999	-	-	1	63,283
£64,000-£64,999	1	64,026	-	-
£67,000-£67,999	-	-	1	67,982
£68,000-£68,999	1	68,284	1	68,496
£71,000-£71,999	-	-	1	71,609
£72,000-£72,999	1	72,344	-	-
£73,000-£73,999	-	-	1	73,372
£74,000-£74,999	1	74,683	-	-
£83,000-£83,999	-	-	1	83,698
£84,000-£84,999	1	84,123	-	-
£99,000-£99,999	1	99,355	1	99,727

11 (2010-11: 11) trustees were not employees of the college and did 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

Other transactions with the trustees are disclosed in note 28.

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

22 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:	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	3.3% pa	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

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22 PENSION SCHEMES (Continued)

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. 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).

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

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22 PENSION SCHEMES (Continued)

Pension charge for the year:

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

	2012 £'000	2011 £'000
Universities Superannuation Scheme	268	263
University of Oxford Staff Pension Scheme	212	211
	<u>480</u>	<u>474</u>

23 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes.

No liability to corporation tax arises in the College's subsidiary company because the directors of this company have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

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

	2012 £'000	2011 £'000
Net incoming resources for the year	603	1,786
Elimination of non-operating cash flows:		
- Investment income	(3,562)	(2,951)
- Endowment donations	(95)	0
- Financing costs	258	161
Depreciation	558	478
(Increase) / decrease in stock	(5)	4
(Increase) / decrease in debtors	(127)	171
Increase / (decrease) in creditors	140	(168)
Net cash outflow from operations	(2,230)	(519)

25 ANALYSIS OF CHANGES IN NET FUNDS

	2011 £'000	Cash flow £'000	2012 £'000
Cash at bank and in hand	1,182	1,513	2,695
Bank loans due after one year	(15,000)	0	(15,000)
Finance lease obligations due within one year	(1)	1	0
	<u>(13,819)</u>	<u>1,514</u>	<u>(12,305)</u>

The Queen's College
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26 FINANCIAL COMMITMENTS

At 31 July the College had no annual commitments under non-cancellable operating leases.

27 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £Nil (2011 - £1,200,000)

28 RELATED PARTY TRANSACTIONS

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

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

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

	2012 £'000	2011 £'000
Aldridge S	72	77
Beasley R	90	95
Buckley M	118	126
Doye J	76	61
Irving-Bell L	20	24
Lonsdale L	85	90
Louth C	51	56
Madden P	25	25
Mellor EJC	13	17
Meyer D	126	0
Owen NJ	32	35
Pannell J	0	90
Phalippou L	129	0
Rees OL	21	24

No interest is charged on the above loans, which are secured on the trustees' homes. This results in a benefit in kind which is included within the remuneration disclosed in note 21.

All loans are repayable within 20 years or on the departure of the trustee from the College if earlier.

29 CONTINGENT LIABILITIES

There are no contingent liabilities at the year end

30 POST BALANCE SHEET EVENTS

The College is a beneficiary of a legacy from the late Lord Kingsland of three properties. Ownership transferred to the College after the year end although the Trustees were aware of it prior to the year end. One of the properties has vacant possession and was valued for probate at approximately £2.5M in November 2010. The remaining properties are subject to life tenancies