

Charity Registration Number: 1139726

Wadham College

Annual Report and Financial Statements

Year ended 31 July 2012

Wadham College
Year ended 31 July 2012
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Wadham College
Year ended 31 July 2012
Professional Advisors and Senior Staff

INVESTMENT MANAGERS:

Blackrock Investment Management (UK) Limited

12 Throgmorton Avenue
London, EC2N 2DL

Oxford University Endowment Management Limited

King Charles House
Park End Street
Oxford, OX1 1JD

LAND AGENTS:

Carter Jonas

269 Banbury Road
Summertown
Oxford, OX2 7LL

Whirledge & Nott

Maplestead Hall
Little Maplestead
Halstead
Essex, CO9 2SL

SOLICITORS:

Darbys Solicitors

52 New Inn Hall Street
Oxford, OX1 2DN

COLLEGE AUDITORS:

Grant Thornton UK LLP

3140 Rowan Place
John Smith Drive
Oxford Business Park South
Oxford, OX4 2WB

BANKERS:

Lloyds TSB plc

Carfax
Oxford, OX1 4AA

COLLEGE ADDRESS:

Wadham College

Parks Road
Oxford, OX1 3PN

The senior staff to whom the day to day management is delegated to is as follows:

Senior Tutor: Dr Caroline Mawson

Development Director: Ms Kirsty MacDonald (resigned 29th June)

Domestic Bursar: Mrs Frances Lloyd

Finance Bursar: Mr Ian Thompson

Further information on the College can be obtained from its website at: www.wadham.ox.ac.uk
The College is registered with the Charity Commission: Registration Number 1139726

TRUSTEE REPORT

The Governing Body of Wadham College ("the Charity") present their annual report for the year ended 31st July 2012 under the Charities Act 2011 together with the audited consolidated financial statements for that year.

REFERENCE AND ADMINISTRATIVE DETAILS

Wadham College registered as a charity (reg. no.1139726) with the Charity Commission on the 6th January 2011. Before this date it was an unregistered charity.

The Governing Body is the Board of Trustees of the charity. Members of the Governing Body act in their capacity as Charity Trustees. The present Trustees and those who served during the year are given on pages 8-10.

STRUCTURE GOVERNANCE AND MANAGEMENT

Wadham College was founded by Nicholas and Dorothy Wadham in 1610. The Governing Body of the College comprises the Warden and Fellows. This body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, the Bishop of Bath and Wells. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Universities of Oxford and Cambridge Act 1923. The Governing Body holds to itself the responsibilities for the ongoing strategic direction of the College, for its administration and for the management of its finances and assets. It meets three times a term under the chairmanship of the Warden and is advised by a range of committees, the principal ones being the Academic Policy Committee (to advise on all academic related issues), the Finance Committee (to advise on all financial matters), the Investment Committee (to advise on investment issues) and the Audit and Risk Committee (to advise on audit and risk issues).

CORPORATE GOVERNANCE

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly. The Governing Body is ultimately responsible for the Risk Assessment and Risk Management of the College. To assist with this process there is an Audit & Risk Committee, chaired by an independent external member. This Committee undertakes regular reviews of the effectiveness of systems in place for the assessment and management of material areas of risk within the College.

INVESTMENT COMMITTEE AND INVESTMENT PERFORMANCE

The Investment Committee is comprised of Fellows and old members of the College with extensive investment experience. The Investment Committee is responsible for advising on and implementing the strategy as agreed by the Trustees. The strategy continues to be to manage the College investments in such a way to ensure the continuance of the College for the foreseeable future. The College pursues a total return policy and aims to balance risk through diversification by investing in a range of different assets classes. The value of the investments at the year-end was £65.1M (2011: £65.5M). During the year the College invested some £800k net in new investments with funds arising from the appeal and capital receipts. Total return (capital appreciation plus income received) was 4.3% (2011:10.9%). The investments of the College comprises £29.2M in equity tracker funds, £22.7M in property, £11.9M in the Oxford Endowment Fund (a unitised investment fund) and £1.0M in cash.

FUNDRAISING

Alumni and friends who donate to Wadham play a crucial role by contributing both to the general running costs of the College and to the costs of new initiatives, whether they be large-scale building projects, improved ways to support students, or the endowment of Fellowships. 2011-12 has been a very successful year, with fundraising efforts leading to over £2.7m in cash received. Prospects for the coming year look encouraging with a pledge of \$1m from an anonymous alumnus and a legacy of £450k left by a 1901 student. The number of lower level gifts is increasing, thanks to a rise in the number of telephone campaigns and annual fund mailings carried out. This has resulted in the percentage of alumni giving any donation in the last year rising from 18.74% to over 20%. The new academic year sees the introduction of the higher £9,000 undergraduate fee. Both the University and colleges have put in place generous bursaries and fee waivers to assist those students from financially disadvantaged backgrounds. Wadham continues to seek applications from the very best students irrespective of their financial circumstances. Additional financial assistance beyond that announced may prove necessary. This in turn will impact on the direction of future fundraising initiatives. Alongside raising essential funds, the Development Office has also worked hard on renewing and maintaining contact with as many alumni as possible: Wadham has a strong social media presence, with some 20% of alumni connected to College via LinkedIn; there has been a popular and varied events programme throughout the year, including events as widespread as North America and Hong Kong; and the Gazette and Quad newsletter continue to be sent out to all alumni to update them on College news. The Fellows of the College wish to thank all alumni and friends who have continued their relationship with Wadham by attending events or making contributions to support the College's objectives.

OBJECTIVES

The College provides, in conjunction with the University of Oxford, an education for some 650 undergraduate and graduate students which is recognised internationally as being of the highest standard. This education develops students academically and advances their leadership qualities and interpersonal skills, and prepares them to play full and effective roles in society. In particular, the College provides:

- teaching facilities and individual or small-group tutorials, as well as pastoral, administrative and academic support through its undergraduate and graduate advisory systems; and
- social, cultural, musical, recreational and sporting facilities to enable each of its students to realise as much as possible of their academic and personal potential whilst studying at the College.

The College advances research through:

- the payment of stipends and supporting the costs of Fellows and others acting on behalf of the College to carry out research;
- providing Research Fellowships to outstanding academics at the early stages of their careers, which enables them to develop and focus on their research in this formative period before they undertake the full teaching and administrative duties of a permanent academic post;
- supporting research work pursued by its Tutorial Fellows through sabbatical leave, special leave and "buy-outs" promoting interaction across disciplines, providing facilities and

providing grants for attendance at national and international conferences, research trips and research materials;

- encouraging and sponsoring visits from outstanding academics from other parts of the United Kingdom and abroad; and encouraging the dissemination of research undertaken by members of the College through seminars and lectures and the publication of papers in academic journals or other suitable means.

The College maintains an extensive Library and Archive (including important special collections), so providing a valuable resource for students and Fellows of the College and others by arrangement,

The College does not consider that there is any detriment or harm that arises from carrying out the College's aims and is not aware of views among others that such detriment or harm might arise.

The resident members of the College, both students and academic staff, are the primary beneficiaries and are directly engaged in education, learning or research.

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

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

- There are no geographical restrictions in the College's objects and students and academic staff of the College are drawn from across the UK and internationally;
- There are no age restrictions in the College's objects but students of the College are predominantly between 18 and 24 years old; and
- There are no religious restrictions in the College's objects.

The focus of the College is strongly academic and students need to satisfy high academic entry requirements.

PRINCIPAL ACTIVITIES DURING THE YEAR

Outreach

The College continues to undertake extensive activities designed to raise the educational aspiration of those who might not otherwise consider applying to study at the College, or in higher education more generally. In part, these events are also intended to appeal to academically gifted students who may need additional support and information to encourage them to make applications to the College.

Wadham College

Trustee Report

Year ended 31 July 2012

During the spring of 2012, the College's Admissions & Access team took eight student ambassadors on a 'road show' to 35 schools in Wadham's target regions of Bedfordshire, Cambridgeshire, Milton Keynes and Luton. They gave more than 50 workshops to school pupils in year groups 9-12, with topics including writing personal statements and applying to Oxbridge as well as offering guidance and advice to students on applying to competitive universities. As well as the road show, the team continued to host a number of events specifically for teachers in order to support the work going on in schools to assist prospective students in making applications.

Student Numbers

At the start of the 2011/12 academic year, the College welcomed 130 students reading for undergraduate degrees of the University of Oxford and 66 graduate students (of these 47 were reading for taught degrees and 19 for research degrees). The College continued to engage in a number of student exchange programmes which enriched its vibrant scholarly community. In excess of 30 visiting students came from many different countries, including the United States of America, Hong Kong and Germany.

In the admissions round for entry in October 2012, the College received 623 applications from prospective undergraduates. After taking into account those who opted to make an 'open application' to Oxford, the College initially selected 336 candidates for interview. These attended over two weeks in December 2011. Following this process, offers were made to 139 students. Throughout the year, the College continued to receive applications from students wishing to read for higher degrees of the University of Oxford. Offers were made to in excess of 60 candidates.

During May and June 2012 Wadham students sat 1,740 separate examinations. The academic rigour of Wadham's students continued to be underlined as the College moved up to 4th place in the Norrington Table following the publication of all Final Honour Schools results. Following the examinations in the summer of 2011, the College elected 71 students to Undergraduate Scholarships and 10 graduate students to Senior Scholarships. Thanks to the generosity of its donors, the College was able to award another six named graduate scholarships as well as numerous examination prizes.

Student Financial Support:

Wadham gives a variety of grants and allowances to students, not all of which are income assessed, last year the college gave over £110,000 in total. Of this amount over £7,000 was provided as discretionary grants for those students facing unforeseen financial difficulties. Some £57,000 was provided to assist with rent. Over £30,000 was also provided to allow students to attend generally extra-curricula academic courses and pursue various academic related projects. Over the years the College is lucky enough to have received a number of generous donations to allow for the endowing of prize funds. During the year, in excess of £3,000 worth of prizes for academic excellence were awarded. Some £5,000 was awarded to assist students with overseas travel in the University vacations. Finally, the College has continued with the decision made over the last few years to give every first year student a £50 book voucher at a total cost of over £8,000 per annum. The College also made payments during the year totalling £112,000 to support the various sports clubs and students common rooms.

Fellows

By the end of July 2012 the College had 54 Fellows who were members of the Governing Body, 29 Emeritus Fellows, 26 Honorary Fellows and 12 Foundation Fellows. During the course of the

2011/12 academic year, the College, in conjunction with the University of Oxford, embarked upon an exercise which will see around 11 new Fellows take up posts from the autumn of 2012.

Fellowship Research

The College paid for teaching relief totalling of 456 hours and granted 13 terms of sabbatical leave plus 3 terms of special leave for research purposes.

New Buildings:

During the course of the year the refurbishment of the Donald Locke Staircase (formerly St.9) was completed at a cost of £1.2M. This building is Grade 2* listed and forms part of the Back Quadrangle. The building originally provided accommodation for 16 students in 8 double set rooms. The refurbishment has provided ensuite accommodation for 18 students in 10 rooms.

At the 31st July 2012 work was still proceeding with the conversion of the former Blackwells' Music Shop in Holywell Street into the McCall MacBain Graduate Centre. Estimated costs for this project are £4.9M. The completed Centre will provide seminar, social, library and IT space for Wadham graduates. The works will also include a new access building and extensive landscaping within the Back Quadrangle. The building is scheduled to be in use this autumn.

The Trustees note the kindness and generosity of the College's alumni in providing the funding for these important building projects.

Appointment of New Head of House:

Sir Neil Chalmers retired as Warden on the 31st July 2012. Lord Macdonald, a former Director of Public Prosecutions, has been appointed as the next Warden from 1st September 2012.

PUBLIC BENEFIT

The Trustees believe that by putting well over £7M a year into teaching and research, student support for students from financially disadvantaged backgrounds and the maintenance of important historic buildings, the Charity provides substantial public benefit. The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the College's aims and objectives and in planning future activities. The Trustees remain committed to the aim of providing public benefit in accordance with its founding principles and in line with the Charity Commission's guidelines.

FINANCIAL REVIEW

The audited accounts have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" Charities SORP 2005. The accounts include all operational income, donations, investment income together with expenditure for both Wadham College and its subsidiary.

Net incoming resources before losses and gains on investments totalled £2.2M. During the year the College received donations of £2.8M and invested £3.5M in buildings. The invested endowment remained at some £65M. Total return on investments was 4.3% with the College pursuing a spending policy of 3.5%.

Total incoming resources for the year amounted to £10.1M (2011: £13.2M).

Total resources expended during the year were £7.9M (2011: £8.3M).

RESERVES POLICY

The policy is to maintain sufficient free reserves to enable the College to continue to operate effectively and meet its short-term financial obligations in the event of unexpected revenue shortfall. This would provide a temporary buffer to allow the College to operate normally for a period of time.

The technical "free reserves" at the year-end amounted to a deficit of £2.3M (2011: surplus £243k). This figure represents unrestricted funds not represented by fixed assets. The Trustees note that a better guidance of liquidity to meet short-term needs would be the total of net current assets which amounted to £2.1M at the year-end.

PLANS FOR THE FUTURE

The Trustees recognise the financial constraints that Higher Education is facing with the continued reduction in public funding. The Trustees believe that the College is able to meet its current level of financial commitments based on its financial strength at the present time. However, the long term financial challenges should not be underestimated. The Trustees are mindful of the need to fundraise to secure teaching posts, provide new facilities and to alleviate where possible unforeseen student debt. The Trustees continue to strive to make the College a centre of excellence both in education and research and have no plans to change this fundamental objective. The Trustees wish to focus and expand their efforts to promote access and outreach work with those from disadvantaged backgrounds.

RECRUITMENT AND TRAINING OF NEW TRUSTEES

Appointment to the College's Governing Body is on the basis that those elected are eligible and willing to act as Charity Trustees. New members, who are normally academics, are recruited through a joint appointment process with the University of Oxford. A transparent and professional selection process is followed for all appointments. An induction program setting out the responsibilities and duties of being a Charity Trustee is provided to all new appointees.

TRUSTEES AND COMMITTEE MEMBERSHIP

All Trustees are members of the Governing Body which is advised by a range of committees. The principle ones being Finance Committee (FC), Academic Policy Committee (APC) Audit & Risk Committee (AR), Investment Committee (IC) and Remuneration Committee (RC). The list below of Trustee names has been annotated to show their membership of these committees.

The Trustees, all of whom held office during the year unless otherwise stated were:

Prof	Nicholas	Athanasou	
Dr	Michael	Bannon	IC
Prof	Paul	Beer	RC
Dr	Alan	Beggs	
Prof	Stephen	Bell	
Dr	Ben	Berks	
Dr	Philip	Bullock	
Dr	Martin	Bureau	
Prof	Philip	Candelas	
Sir	Neil	Chalmers	(retired 31 July 2012)

Wadham College**Trustee Report****Year ended 31 July 2012**

Dr	Adrian	Chaplin	(resigned 30 September 2011)
Prof	Eric	Clarke	
Dr	David	Conlon	(appointed 19 October 2011)
Prof	Darren	Dixon	
Mr	Simon	Douglas	(resigned 30 September 2011)
Dr	Carolyn	Duttlinger	APC
Prof	David	Edwards	FC, APC, AR
Dr	Andrew	Farmery	
Prof	Robin	Fiddian	
Dr	Jane	Garnett	FC, RC
Dr	Stephen	Goss	
Dr	Tamas	Hausel	(resigned 30 April 2012)
Prof	Edmund	Herzig	
Dr	Stephen	Heyworth	
Dr	Margaret	Hillenbrand	
Dr	Andrew	Hodges	
Prof	Christina	Howells	FC
Ms	Laura	Hoyano	
Dr	Matthew	Kempshall	
Prof	Sallie	Lamb	
Mrs	Frances	Lloyd	(appointed 1 st September 2011)
Ms	Kirsty	MacDonald	(resigned 29 June 2012)
Dr	Muireann	Maguire	
Dr	Paul	Martin	
Dr	Caroline	Mawson	FC, APC
Dr	Ian	Moore	
Dr	Ankhi	Mukherjee	
Dr	Wanjiru	Njoya	(resigned 31 August 2011)
Mr	Bernard	O'Donoghue	(retired 30 September 2011)
Dr	Kendra	Packham	(appointed 19 October 2011)
Dr	Alexander	Paseau	APC
Dr	Claudia	Pazos Alonso	
Prof	Paolo	Radaelli	
Dr	Aribert	Reimann	
Prof	Graham	Ross	(retired 30 September 2011)
Dr	Nathalie	Seddon	
Prof	Richard	Sharpe	
Dr	Scott	Sturgeon	
Dr	Candadi	Sukumar	
Dr	Christopher	Summerfield	
Dr	Oren	Sussman	IC

Wadham College

Trustee Report

Year ended 31 July 2012

Prof	Michelle	Szkilnik	
Mr	Ian	Thompson	FC, APC, AR, IC, RC
Dr	Mark	Thompson	
Dr	Peter	Thonemann	
Prof	Miltos	Tsiantis	
Prof	Yiannis	Ventikos	
Dr	Mark	Wallace	FC
Prof	Nick	Woodhouse	FC
Dr	Giulia	Zanderighi	
Mr	Keith	Zimmerman	APC

Trustee Remuneration Disclosure

The Trustees of Wadham College comprise the Governing Body, primarily Fellows who are teaching and research employees of the college and who sit on the Governing Body by virtue of their employment. The Trustees have agreed to use the framework set out in note 22 to the accounts for their disclosure of remuneration.

No Trustee receives any remuneration for acting as a trustee. However those Trustees who are also employees of the College receive salaries and allowances under contracts of employment. The College has adopted the University of Oxford's pay grades and an independent Remuneration Committee advises on all issues of pay and allowances for Fellows. The majority of Tutorial Fellows teaching posts are joint appointments with the University.

The Trustees of the College fall into the following classes of Fellowships: Professorial, Official, Senior Research, Junior Research and those by Special Election. The College's administration is delegated to College Officers who are Official Fellows. This category includes the Finance Bursar, Domestic Bursar, Senior Tutor and Development Director. The College's Head of House, who has administrative duties, is also a Trustee, but does not hold a Fellowship.

Certain classes of Fellowships are provided with a Housing Allowance (disclosed within the salary figures below) or can elect to live rent free in College. All Trustees may eat at Common Table free of charge, as can all other employees who are entitled to meals whilst at work.

Some Trustees receive additional allowances for work carried out as part-time College Officers. Such posts include: Sub Warden, Dean and Tutor for Graduates, Tutor for Undergraduate, Fellow Librarian, Fellow Computing Officer and Keeper of the Gardens. These amounts are included within the remuneration in note 22. The total remuneration and taxable benefits are £1,434,848 (2011: £1,499,812). The total of pension contributions paid by the College is £181,676 (2011: £186,508).

During the year there were 61 Trustees who served for all or part of the period during which the College was a registered charity. Of this number, 44 Trustees received remuneration under a contract of employment for work for the College and 17 Trustees received no remuneration.

No Fellow claimed any expenses for work as a Trustee.

Related party Transactions with Trustees

Four eligible Trustees have participated in the College's Joint Equity Housing Scheme during the year and one Trustee has a housing loan. Both initiatives are provided by the College in order to assist with the purchase of suitable accommodation in the Oxford area. Housing assistance is not an automatic right. Each application is looked at on its own merits by an independent committee who assess the benefits to the College in providing housing assistance.

Governing Body's Responsibilities Statement

The Governing Body, who are trustees for the purposes of Charity Law, are responsible for preparing the Governing Body' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period.

In preparing these financial statements, the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Governing Body are responsible for keeping adequate accounting records that are sufficient to show and explain the College's and group's transactions and disclose with reasonable accuracy at any time the financial position of the College and the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the College and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved on behalf of the Trustees on

Lord Macdonald QC.

Independent auditor's report to the Trustees of Wadham College

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

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 11, the trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent Charity's affairs as at 31 July 2012, and of its 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.

Wadham College
Auditor's Report
Year ended 31 July 2012

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 Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Oxford

Wadham College
Statement of Accounting Policies
Year ended 31 July 2012

Basis of preparation

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments at market rates prevailing at the balance sheet date. The statements are in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting and Reporting by Charities" (the Charity SORP) issued in 2005.

The financial statements consolidate the accounts of the College and its subsidiary undertakings Wadham College Services Limited and Wadham Energy Services on a line by line basis. The accounts of the affiliated student bodies (the Student Union and the Middle Common Room) have not been consolidated because the College does not control these activities.

The College has an investment in an associated undertaking, Boathouse Consortium Limited. This investment is included in the consolidated financial statements using equity accounting.

The Accounting Policies remain unchanged from the prior year and are set out below:

Incoming resources

Donations, legacies and other forms of voluntary income are accounted for when receivable. Student fee income and charges are accounted for on an accruals basis. The College accounts for its investment income on a total return basis, which allows the College to invest permanent endowments to maximise total return and to make available an appropriate portion of the total return for expenditure each year. Until this power is exercised the total return shall be an 'unapplied total return' and remain as part of the permanent endowment. The College has adopted a 3.5% total return rate, on a three year rolling average.

Resources expended

Costs classified as charitable activities included only direct costs associated with those activities. Investment management costs are allocated to specific funds in proportion to their relative size. All other administrative and overhead costs incurred by the College which are not directly attributable either to fund generation or governance are allocated on the basis of staff involvement in those areas.

Classification of funds

The College's endowed funds are capital funds where normally only the income arising may be applied, in certain cases for restricted purposes. These endowments are either permanent or expendable, depending on whether the trustees have authority to spend the capital.

The College's restricted funds have arisen from restrictions specified by the donors. Both income and capital can be used for restricted purposes.

The College's unrestricted funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College.

Wadham College
Statement of Accounting Policies
Year ended 31 July 2012

Tangible fixed assets

Tangible fixed assets are stated at cost and are depreciated on a straight line basis over the following periods:

Freehold buildings	- 50 years
Building improvements	- 50 years
Equipment	- 5 years

Freehold land is not depreciated.

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

Certain historic College buildings are included at a net value of £1 as, due to their age, their historic cost would be difficult to ascertain and they would also now be fully depreciated.

The College operates a "de minimis" limit of £5,000 for capitalisation of expenditure on building improvements and for equipment. Works of art and other valuable artefacts that can be regarded as inalienable are not included in the financial statements.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period it is incurred.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of the obligation.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates of exchange or, where there are related forward foreign exchange contracts, at contract rates. The resultant exchange differences are included in the Statement of Financial Activities for the year.

Taxation status

As a charity within the meaning of the Charities Act 2011, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the

Wadham College
Statement of Accounting Policies
Year ended 31 July 2012

extent that such income or gains are applied to exclusively charitable purposes. The College is subject to VAT on its non charitable activities.

College Contribution Scheme

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 University's Council and is accounted for in the period to which it relates.

Investments

Investments are stated at market value at the Balance Sheet date. The Statement of Financial Activities shows net investment gains and losses arising from revaluation of the investment portfolio and disposals throughout the year.

Recognition of liabilities accounting policy

Liabilities are recognised when there is a legal and constructive obligation committing the College to the expenditure.

Pension Costs

Contributions to the pension schemes provided for employees of the College are charged to the Statement of Financial Activities over the period during which the College benefits from the employees' services.

Wadham 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		5,583	0	0	5,583	5,759
		<u>5,583</u>	<u>0</u>	<u>0</u>	<u>5,583</u>	<u>5,759</u>
Resources from generated funds						
Legacies and donations		557	789	1,406	2,752	5,488
Trading income	2	21	0	0	21	25
Investment income	3	0	0	1,706	1,706	1,938
Bank and other interest	4	34	0	0	34	8
		<u>612</u>	<u>789</u>	<u>3,112</u>	<u>4,513</u>	<u>7,459</u>
Other incoming resources		0	0	0	0	0
Total Incoming Resources		<u>6,195</u>	<u>789</u>	<u>3,112</u>	<u>10,096</u>	<u>13,218</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		616	0	0	616	622
Investment management costs		164	0	0	164	255
		<u>780</u>	<u>0</u>	<u>0</u>	<u>780</u>	<u>877</u>
Charitable activities	5					
Teaching, research and residential		6,945	38	95	7,078	7,412
		<u>6,945</u>	<u>38</u>	<u>95</u>	<u>7,078</u>	<u>7,412</u>
Governance costs	8	30	0	0	30	26
Total Resources Expended		<u>7,755</u>	<u>38</u>	<u>95</u>	<u>7,888</u>	<u>8,315</u>
Net incoming/(outgoing) resources before transfers		(1,560)	751	3,017	2,208	4,903
Transfers between funds	19	1,886	0	(1,886)	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>326</u>	<u>751</u>	<u>1,131</u>	<u>2,208</u>	<u>4,903</u>
Investment gains/(losses)		0	0	(1,264)	(1,264)	4,484
Net movement in funds for the year		<u>326</u>	<u>751</u>	<u>(133)</u>	<u>944</u>	<u>9,387</u>
Fund balances brought forward	19	18,939	4,055	64,636	87,630	78,243
Funds carried forward at 31 July	19	<u>19,265</u>	<u>4,806</u>	<u>64,503</u>	<u>88,574</u>	<u>87,630</u>

Wadham 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	21,604	18,697	21,604	18,697
Property investments	11	20,977	23,471	20,977	23,471
Securities and other investments	12	44,118	42,028	44,118	42,028
		<u>86,699</u>	<u>84,196</u>	<u>86,699</u>	<u>84,196</u>
CURRENT ASSETS					
Stocks		480	436	480	435
Debtors	15	1,103	965	1,307	1,280
Cash at bank and in hand		1,890	3,487	1,668	3,170
		<u>3,473</u>	<u>4,888</u>	<u>3,455</u>	<u>4,885</u>
CREDITORS: falling due within one year	16	1,324	1,044	1,306	1,041
NET CURRENT ASSETS		<u>2,149</u>	<u>3,844</u>	<u>2,149</u>	<u>3,844</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		88,848	88,040	88,848	88,040
CREDITORS: falling due after more than one year	17	274	410	274	410
Provisions for liabilities and charges	18	0	0	0	0
NET ASSETS		<u>88,574</u>	<u>87,630</u>	<u>88,574</u>	<u>87,630</u>
FUNDS OF THE COLLEGE					
	19				
Endowment funds		64,503	64,636	64,503	64,636
Restricted funds		4,806	4,055	4,806	4,055
Unrestricted funds					
General funds		19,265	18,939	19,265	18,939
		<u>88,574</u>	<u>87,630</u>	<u>88,574</u>	<u>87,630</u>

*The financial statements were approved and authorised for issue by the
Governing Body of Wadham College on 28th November 2012*

Lord Macdonald QC

Trustee

Ian Thompson

Trustee

Wadham 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	<u>(334)</u>	<u>1,743</u>
Returns on investments and servicing of finance			
Income from investments		1,706	1,946
		<u>1,706</u>	<u>1,946</u>
Capital expenditure and financial investment			
New endowment capital received		1,406	1,727
Payments for tangible fixed assets		(3,516)	(717)
Payments for investments		(3,556)	(5,206)
Proceeds from sales of investments		2,697	61
		<u>(2,969)</u>	<u>(4,135)</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		0	939
		<u>0</u>	<u>939</u>
Financing			
New bank loans		0	0
		<u>0</u>	<u>0</u>
Increase/(decrease) in cash in the year		<u>(1,597)</u>	<u>493</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		(1,597)	493
Transfers to/(from) term deposits and current investments		0	367
Change in net funds		<u>(1,597)</u>	<u>860</u>
Net funds at 1 August		<u>3,487</u>	<u>2,627</u>
Net funds at 31 July		<u>1,890</u>	<u>3,487</u>

Wadham 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	1,365	0	0	1,365	1,434
Tuition fees - Overseas students	355	0	0	355	338
Other fees	115	0	0	115	99
HEFCE support	380	0	0	380	431
Other academic income	370	0	0	370	402
College residential income	2,051	0	0	2,051	2,140
Conference and function income	947	0	0	947	915
	<u>5,583</u>	<u>0</u>	<u>0</u>	<u>5,583</u>	<u>5,759</u>

The above analysis includes £1,704k received from Oxford University under the CFF Scheme, net of College fees received directly (2011 - £1,809k).

2 TRADING INCOME

	2012 £'000	2011 £'000
Other trading income	21	25
	<u>21</u>	<u>25</u>

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Agricultural rent	0	0	240	240	222
Commercial rent	0	0	239	239	286
Other property income	0	0	0	0	0
Equity dividends	0	0	1,227	1,227	1,430
	<u>0</u>	<u>0</u>	<u>1,706</u>	<u>1,706</u>	<u>1,938</u>

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2012 Total £'000	2011 Total £'000
Bank interest	34	0	0	34	8
	<u>34</u>	<u>0</u>	<u>0</u>	<u>34</u>	<u>8</u>

Wadham 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	401	185	30	616	622
Investment management costs	71	90	3	164	255
Total costs of generating funds	472	275	33	780	877
Charitable expenditure					
Teaching, research and residential	3,385	2,358	1,336	7,078	7,412
Total charitable expenditure	3,385	2,358	1,336	7,078	7,412
Governance costs	0	30	0	30	26
Total resources expended	3,856	2,663	1,369	7,888	8,315

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 £60k (2011 - £60k).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching Research and Residential £'000	Public Worship £'000	Heritage £'000	2012 Total £'000	2011 Total £'000
Financial and domestic admin	12	472	0	0	484	513
Human resources	11	66	0	0	76	117
IT	11	190	0	0	200	193
Depreciation	0	609	0	0	609	661
Bank interest payable	0	0	0	0	0	0
	33	1,336	0	0	1,369	1,484

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

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

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

7 GRANTS AND AWARDS

	Unrestricted Funds £'000	Restricted Funds £'000	2012 Total £'000	2011 Total £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	20	132	152	175
Bursaries and hardship awards	320	0	320	307
	340	132	472	482

The above costs are included within the charitable expenditure on Teaching and Research. There were no grants awarded to other institutions in the current or prior year.

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

8 GOVERNANCE COSTS

	2012 £'000	2011 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	28	24
Auditor's remuneration - other services	2	2
	<u>30</u>	<u>26</u>

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

9 STAFF COSTS

	2012 £'000	2011 £'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,683	3,734
Social security costs	263	264
Pension costs	443	450
	<u>4,389</u>	<u>4,448</u>

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

	2012	2011
Tuition and research	5	5
College residential	62	61
Fundraising	7	6
Support	20	18
Total	<u>94</u>	<u>90</u>

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

	2012	2011
University Lecturers	20	19
CUF Lecturers	12	14
Other	25	26
Total	<u>57</u>	<u>59</u>

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

There were no employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) were in excess of £60,000.

Wadham 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	25,397	0	1,168	26,565
Additions	0	3,449	0	67	3,516
At end of year	0	28,846	0	1,235	30,081
Depreciation					
At start of year	0	7,045	0	824	7,869
Charge for the year	0	475	0	133	608
At end of year	0	7,520	0	957	8,477
Net book value					
At end of year	0	21,326	0	278	21,604
At start of year	0	18,352	0	344	18,697

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	25,397	0	1,168	26,565
Additions	0	3,449	0	67	3,516
At end of year	0	28,846	0	1,235	30,081
Depreciation					
At start of year	0	7,045	0	824	7,869
Charge for the year	0	475	0	133	608
At end of year	0	7,520	0	957	8,477
Net book value					
At end of year	0	21,326	0	278	21,604
At start of year	0	18,352	0	344	18,697

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.

Wadham 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	14,702	2,195	6,574	23,471	21,394
Additions and improvements at cost	56	0		56	431
Disposals net proceeds	(1,955)	(328)	0	(2,283)	(61)
Revaluation gains/(losses) in the year	(267)			(267)	1,707
Valuation at end of year	12,536	1,867	6,574	20,977	23,471

A formal valuation of the agricultural, commercial and other properties was prepared by the College's external land and property agents (Carter Jonas, Whirledge & Nott) as at the 31st July 2012.

12 SECURITIES AND OTHER INVESTMENTS

	2012 £'000	2011 £'000
Group investments		
Valuation at start of year	41,958	35,709
New money invested/redeemed	3,087	3,472
(Decrease)/increase in value of investments	(997)	2,777
Group investments at end of year	44,048	41,958
Investment in Boathouse Consortium	70	70
College investments at end of year	44,118	42,028

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2012 Total £'000	2011 Total £'000
Global multi-asset funds	0	41,070	41,070	39,069
Property funds	0	1,752	1,752	1,238
Fixed interest stocks	0	0	0	0
Alternative and other investments	0	224	224	243
Fixed term deposits and cash	0	1,002	1,002	1,408
Total group investments	0	44,048	44,048	41,958

Wadham 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 Wadham College Services Limited, a company registered in England and Wales providing conference and other event services on the College premises. The College also holds 100% of the issued share capital in Wadham Energy Services Ltd, which has remained dormant throughout the year.

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

	Wadham College Services Ltd £'000	Wadham Energy Supplies Ltd £'000
Turnover	255	0
Expenditure	(232)	0
Donation to College under Gift Aid	(23)	0
Result for the year	<u>0</u>	<u>0</u>
Total assets	271	0
Total liabilities	(271)	0
Net funds at the end of year	<u>0</u>	<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 1st August 2008. The investment return to be applied as income is calculated as 3.5% (plus costs) of the average of the year-end values of the relevant investments in each of the last three years. 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	1,444	262	1,706
Capital losses	(1,045)	(219)	(1,264)
Investment management costs	0	0	0
Total return for the year	<u>399</u>	<u>43</u>	<u>442</u>
Amount applied as income for spending	<u>(1,548)</u>	<u>(338)</u>	<u>(1,886)</u>
Net increase in Unapplied Total Return in the year	(1,149)		
Unapplied Total Return at start of year	23,035		
Unapplied Total Return at end of year	<u>21,886</u>		
Preserved value of original permanent endowments	<u>37,277</u>		

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

15 DEBTORS

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Amounts falling due within one year:				
Trade debtors	226	298	178	232
Amounts owed by College members	65	49	65	49
Amounts owed by Group undertakings	0	0	251	381
Other Debtors	711	517	712	517
Amounts falling due after more than one year:				
Loans	101	101	101	101
	1,103	965	1,307	1,280

16 CREDITORS: falling due within one year

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Trade creditors	528	245	528	245
Amounts owed to College Members	41	70	41	70
Taxation and social security	113	119	95	104
College contribution	60	60	60	60
Accruals and deferred income	219	201	219	213
Other creditors	363	349	363	349
	1,324	1,044	1,306	1,041

17 CREDITORS: falling due after more than one year

	2012 Group £'000	2011 Group £'000	2012 College £'000	2011 College £'000
Other creditors	274	410	274	410
	274	410	274	410

18 PROVISIONS FOR LIABILITIES AND CHARGES

The Group and College had no provisions for liabilities and charges in the current or prior year.

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

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						
<i>Teaching Funds</i>						
Dr Wills' Pension Fund	621	33	0	(38)	(25)	591
Sir Algernon Methuen's Bequest	1,564	84	0	(96)	(62)	1,490
Dr David T Wylie's Bequest	742	40	0	(45)	(30)	707
The Lee Shau Kee Benefaction	528	28	0	(32)	(21)	501
The Law Fellowship Support Fund	1,068	68	0	(66)	(42)	1,028
The Von Bothmer Benefaction	1,963	105	0	(121)	(78)	1,869
A F Thompson History Fellowship	1,372	84	0	(84)	(55)	1,317
The Knowles/Williams J R F	770	41	0	(47)	(31)	733
The Hackney/Stow Law Fellowship	1,124	265	0	(69)	(45)	1,275
Forrest/Derow Classics Fellowship	1,836	107	0	(113)	(73)	1,757
Hutcheson Bequest	566	30	0	(35)	(22)	539
M Benham Biology Fellowship	664	36	0	(41)	(26)	633
M Benham Mathematics Fellowship	664	36	0	(41)	(26)	633
English Teaching Fund Fellowship	0	333	0	563	(24)	872
Roger Penrose Maths Fellowship	0	577	0	0	0	577
<i>College Buildings & Facilities</i>						
R H Robbins Garden Fund	623	33	0	(38)	(25)	593
104 other Funds	44,426	832	(95)	(645)	(460)	44,058
	58,529	2,732	(95)	(948)	(1,045)	59,173
Endowment Funds - Expendable						
The General Benefactions Fund	6,107	380	0	(938)	(219)	5,330
	6,107	380	0	(938)	(219)	5,330
Total Endowment Funds	64,636	3,112	(95)	(1,886)	(1,264)	64,503
Restricted Funds						
Graduate Centre and Staircase 9	3,720	682	0	0	0	4,402
15 other Funds	335	107	(38)	0	0	404
Total Restricted Funds	4,055	789	(38)	0	0	4,806
Unrestricted Funds						
General Reserves	18,939	6,195	(7,755)	1,886		19,265
Total Unrestricted Funds	18,939	6,195	(7,755)	1,886	0	19,265
Total Funds	87,630	10,096	(7,888)	0	(1,264)	88,574

The College has agreed to list individually all those Funds with a balance greater than £500k at the year end.
The College also had 10 Funds with a balance between £250k and £499k and 110 Funds with a balance below £250k.
Transfers during the year included £600k from the General Benefactions account to the English Teaching Fund Fellowship

20 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:	The above funds listed are to secure teaching posts in a variety of subjects, and to maintain the College Garden.
Endowment Funds - Expendable:	A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the charity.
Restricted Funds:	The Buildings Fund is the major source of financing for the Graduate Centre and refurbishment of Staircase 9, construction of which is currently underway.
Unrestricted Funds:	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.

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

21 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	21,604	0	0	21,604
Property investments	0	0	20,977	20,977
Securities and other investments	0	0	44,118	44,118
Net current assets	(2,339)	4,806	(592)	1,875
	<u>19,265</u>	<u>4,806</u>	<u>64,503</u>	<u>88,574</u>

22 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees but are paid by either or both of the University and the College for the academic services they provide to the College. No expenses were paid to employees in discharging their duties as Trustees.

Range £	Number of Trustees 2012 Total	Number of Trustees 2011 Total
2,000-2,999	1	1
3,000-3,999	1	1
5,000-5,999	1	0
6,000-6,999	1	0
7,000-7,999	0	1
10,000-10,999	1	1
11,000-11,999	1	0
12,000-12,999	1	1
13,000-13,999	0	1
14,000-14,999	1	2
16,000-16,999	0	0
17,000-17,999	4	6
18,000-18,999	4	2
19,000-19,999	4	6
20,000-20,999	3	2
22,000-22,999	3	2
26,000-26,999	0	1
32,000-32,999	0	0
33,000-33,999	0	1
39,000-39,999	0	0
40,000-40,999	1	2
41,000-41,999	1	0
42,000-42,999	1	1
44,000-44,999	0	2
45,000-45,999	1	1
46,000-46,999	1	1
47,000-47,999	0	0
48,000-48,999	3	3
49,000-49,999	3	3
51,000-51,999	0	2
52,000-52,999	1	0
53,000-53,999	1	0
57,000-57,999	0	1
60,000-60,999	0	0
68,000-68,999	1	0
74,000-74,999	0	0
75,000-75,999	1	0
80,000-80,999	0	0
81,000-81,999	2	2
95,000-95,999	1	0
96,000-96,999	0	1
	<u>44</u>	<u>47</u>

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

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 FRS 17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Statement of Financial Activities 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 the employer.

The College will make available a Stakeholder Scheme for individual employees.

The College also has a small number of staff in other pension schemes, including the now closed Employees Pension Scheme ('EPS'). In addition, the College is also contributing to the personal pension arrangements of certain staff who were ineligible to join USS or OSPS.

2. Actuarial valuations

Qualified actuaries periodically value the Schemes. Both USS and OSPS were valued using the "projected unit" method, embracing a market values 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	4.75 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 Funds basis:	93%	86%
"Buy-out" basis:	57%	52%
Estimated FRS 17 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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Notes:

a. USS' actuarial valuation as at 31st March 2011 identified a further 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 admissions 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 OK, 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 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 31 March 2010 identified a required long-term employer contribution rate of 18.2% of total pensionable salaries, but also a funding deficit of £82.4m. The University, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by continuing the employer contribution rate at the previously agreed rate of 21.5% of total pensionable salaries (this being the rate paid by the employee since 1 August 2008). The actuary has certified that the additional contribution should eliminate the deficit by 31 March 2027. In addition, the University has agreed to close the scheme to future final salary accrual, transferring all members onto a Career Revalued benefits structure with effect from 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 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: USS £226k (2011 £259k); OSPS £217k (2011 £191k).

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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 trading 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.

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

	2012 £'000	2011 £'000
Net incoming resources for the year	2,208	4,903
Elimination of non-operating cash flows:		
- Investment income	(1,706)	(1,946)
- Endowment donations	(1,406)	(1,727)
Depreciation	608	657
Decrease/(Increase) in stock	(44)	34
Decrease/(Increase) in debtors	(138)	246
(Decrease)/Increase in creditors	144	(424)
Net cash inflow/(outflow) from operations	<u>(334)</u>	<u>1,743</u>

26 ANALYSIS OF CHANGES IN NET FUNDS

	2011 £'000	Cash flow £'000	2012 £'000
Cash at bank and in hand	3,487	(1,597)	1,890
	<u>3,487</u>	<u>(1,597)</u>	<u>1,890</u>

27 FINANCIAL COMMITMENTS

The Group and College had no financial commitments as at 31 July 2012 or 31 July 2011.

28 CAPITAL COMMITMENTS

The Group and College had contracted commitments at 31 July 2012 for future capital projects totalling £1.0m (2011 - £5.9m).

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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.

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

Banding		2012 No. of Trustees	2011 No. of Trustees
£44,000-£44,999	Interest is charged on the loan at 1% per annum.	1	0
£101,000-£101,999	Interest is charged on the loan at 3% per annum.	1	1

The loan is secured on the Trustee's property and is repayable either on the sale of the property or on the Trustee ceasing to be employed by 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.

Banding	2012 No. of Trustees	2011 No. of Trustees
£138,000-£138,999	0	1
£146,000-£146,999	1	1
£174,000-£174,999	1	1
£194,000-£194,999	0	1

All joint equity properties are subject to sale on the departure of the trustee from the College. The trustees pay rent to the College on the College owned share of the properties at the assessed current market rate.

30 CONTINGENT LIABILITIES

The Group and College had no contingent liabilities as at 31 July 2012 or 31 July 2011.

31 POST BALANCE SHEET EVENTS

The Group and College had no post Balance Sheet events.