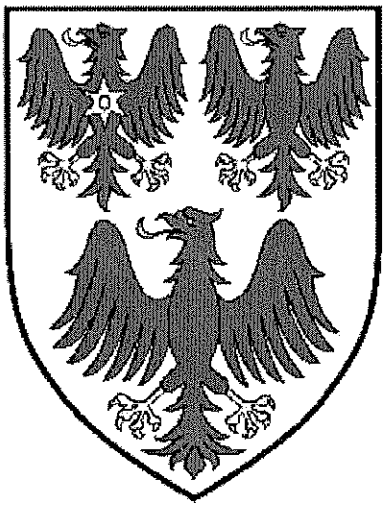

# The Queen's College Oxford

## Annual Report and Financial Statements

Year ended 31 July 2013

**The Queen's College, Oxford**
**Annual Report and Financial Statements**
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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 |
|---|---|
| Prof P A Madden (Provost) | 1,2,3,4,5,6 |
| Prof J R Baines | Retired 30/09/2013 |
| Prof R A G Pearson | 1,3 |
| Dr A M Bowie | |
| Prof W J Blair | |
| Prof P A Robbins | 1 |
| Prof P J Dobson | |
| Prof J Hyman | |
| Dr R B Nickerson | 1,6 |
| Dr J H Davis | 2,3 |
| Prof R A Taylor | 1 |
| Prof C C Rowland | |
| Prof J A Langdale | |
| Prof E J C Mellor | 2 |
| Dr N J Owen | 3 |
| Prof Sir J Ball | |
| Dr O L Rees | |
| Mr N C Bamforth | 1 |
| Dr L Irving-Bell | 1,2,5 |
| Dr K A Q O'Reilly | 2 |
| Dr C B Louth | 3 |
| Dr C J Norbury | 3 |
| Dr J P K Doye | |

| | Committees |
|---|---|
| Prof D Sarooshi | Resigned 30/09/2012 |
| Dr M J Buckley | 5 |
| Prof S Aldridge | 3 |
| Mr D Gillard | 1,5,6 |
| Dr C L Leaver | Resigned 30/09/2012 |
| Dr Y Capdeboscq | |
| Dr A Timms | 1,4,5 |
| Dr P Papazoglou | |
| Dr L Lonsdale | |
| Dr R Beasley | 3 |
| Prof I P M Tomlinson | |
| Dr C V Crowther | |
| Prof C A O'Callaghan | 1 |
| Prof R N N Robertson | |
| Dr L Phalippou | 1 |
| Dr D Meyer | |
| Dr A Gardner | Elected 01/10/2012 |
| Dr P Tammaro | Elected 01/12/2012 |
| Dr L A Turnbull | Elected 01/10/2013 |
| Dr J L Guest | Elected 01/10/2013 |
| Mr H R Jee | Elected 01/10/2013 |
| Professor T J M Blackett | Elected 01/10/2013 |

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).

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 | *Prof P A Madden* |
| Bursar | *Mr H R Jee (Dr R B Nickerson to 31 August 2013)* |
| Tutor for Undergraduates | *Dr J H Davis* |
| Dean | *Prof E J C Mellor* |
| Tutor for Graduates | *Prof S Aldridge* |
| Home Bursar | *Dr L Irving-Bell* |
| Senior Tutor | *Prof C J Norbury* |
| Tutor for Admissions | *Dr C B Louth* |
| Director of Development | *Dr A Timms* |

## 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 Dickinson 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 members of the Governing Body present their Annual Report for the year ended 31 July 2013 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, 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, Hardship Officer, Chaplain, and Conference and Functions Officer, together with three 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 per 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.

- The Development Committee consists of the Provost, Director of Development, at least two further Fellows, and a number of Old Members, 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, Bursar, Home Bursar, Director of Development, the Steward of the Senior Common Room, and at least one further Fellow, 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 to consider the 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 another Fellow, who acts as secretary. No voting member of the Committee may draw a stipend from the College.

The day-to-day running of the College is delegated to the Provost, supported by other senior staff. The Provost normally chairs all meetings of the Governing Body and its 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 Oxford Trading Limited. Its trading activities primarily comprise letting of the College facilities when not in use by the College. Any profits are 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 taking advice from professional advisers and action where appropriate. A Health and Safety audit was carried out in May 2013 and matters raised have been formally followed up. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

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

## OBJECTIVES AND ACTIVITIES

### Charitable Objects and Aims

The College's Objects are to 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 Oxford Trading 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 103 new undergraduate students and 55 postgraduate students during the year, bringing the total numbers in residence to 353 and 162 respectively. Three 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. Five Research Fellows were appointed, of which one was a newly created post. Three residential Junior Deans and two Welfare Deans were appointed from among the graduate students of the College.

College representatives made 34 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 294 schools visited Queen's during the course of the year (this figure includes schools visiting through combined college events). 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 through increasing the resources allocated to Schools Liaison and Outreach, where a total of £38,523 was spent in the year.

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. £125,634 was spent in support of all sports (including the expensing of the acquisition of a new boat funded by a generous donation from Old Members), £19,310 in support of music, and £27,946 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 £24,552.

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 £33,457. This contribution makes a significant difference to the final quality of work that can be achieved in many disciplines.

72 choral services were held over the year (mainly on Sunday, Wednesday, and Friday evenings) and 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 £447 per capita. In order to assist undergraduates entitled to financial support the College provides funds to the Oxford Opportunity Bursary Scheme (OOBS). For the academic year 2012/13 the number of awards made to Queen's students was 66 the total value of which was £157,273. Furthermore, four Queen's students were awarded Moritz-Heyman Bursaries totalling £22,000. In addition the College awarded 19 Scholarships, each with a value of £450, 21 Junior Scholarships, each with a value of £300, and 8 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 £83,110. 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 book and equipment grants and an academic travel grant scheme which together made awards totalling £35,352 in 2012/13.

**Public benefit (continued)**

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 a full time Schools Liaison and Outreach Officer and the programme involves visits by schools to the College, open days, and guidance and information to applicants and teachers.

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 134 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**

101 undergraduates passed final examinations in June 2013, including 28 with first class honours, and during the course of the 2012/13 academic year 15 post-graduates completed doctoral research degrees. A further 22 completed post-graduate taught courses and two completed the Clinical Medicine (BM BCh) degree.

Refurbishment of the Library has commenced, with the work due to be completed in the next financial year.

In the financial year 2012/13 the College received £4,579,000 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 £3,789,000 reflecting a number of very generous donations, particularly from the estate of Lord Kingsland. Expenditure in all departments was broadly in line with budgets.

The endowment assets produced a total return of 20.6%, of which 18.7% was in capital growth. This was a strong performance. At the end of the year the funds of the College had increased from £201,368,000 to £241,467,000 net of long term bank borrowings of £15,000,000 (2012: £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 over the long term;
- 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 £224,049,000.

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 3.4% (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 2013/14 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 7th December 2013 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 2013 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 2013 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 its wholly owned subsidiary, The Queen's College Oxford Trading 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.

   The accounts of the affiliated student bodies, including the Junior and Middle Common Rooms, have not been consolidated because the College does not control these activities.

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

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

## 15. Pension costs

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

## The Queen's College
## Consolidated Statement of Financial Activities
## For the year ended 31 July 2013

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowed Funds £'000 | **2013 Total £'000** | 2012 Total £'000 |
|---|---|---|---|---|---|---|
| **INCOMING RESOURCES** | | | | | | |
| **Resources from charitable activities** | 1 | | | | | |
| Teaching, research and residential | | 4,775 | 0 | 0 | **4,775** | 4,286 |
| **Resources from generated funds** | | | | | | |
| Legacies and donations | | 0 | 45 | 4,534 | **4,579** | 1,088 |
| Trading income | 2 | 322 | 0 | 0 | **322** | 477 |
| Investment income | 3 | 220 | 62 | 3,362 | **3,644** | 3,525 |
| Bank and other interest | 4 | 5 | 2 | 82 | **89** | 37 |
| | | 547 | 109 | 7,978 | **8,634** | 5,127 |
| **Other incoming resources** | | 0 | 0 | 0 | **0** | 0 |
| **Total Incoming Resources** | | 5,322 | 109 | 7,978 | **13,409** | 9,413 |
| **RESOURCES EXPENDED** | | | | | | |
| **Cost of generating funds** | 5 | | | | | |
| Fundraising | | 118 | 0 | 0 | **118** | 119 |
| Trading expenditure | | 147 | 0 | 0 | **147** | 285 |
| Investment management costs | | 43 | 12 | 656 | **711** | 664 |
| | | 308 | 12 | 656 | **976** | 1,068 |
| **Charitable activities** | 5 | | | | | |
| Teaching, research and residential | | 8,004 | 487 | 139 | **8,630** | 7,724 |
| **Governance costs** | 8 | 14 | 0 | 0 | **14** | 18 |
| **Total Resources Expended** | | 8,326 | 499 | 795 | **9,620** | 8,810 |
| **Net incoming/(outgoing) resources before transfers** | | (3,004) | (390) | 7,183 | **3,789** | 603 |
| Transfers between funds | 18 | 690 | (3,795) | 3,105 | **0** | 0 |
| **Net incoming/(outgoing) resources before other gains and losses** | | (2,314) | (4,185) | 10,288 | **3,789** | 603 |
| Investment gains/(losses) | | 2,131 | 932 | 33,247 | **36,310** | 6,232 |
| **Net movement in funds for the year** | | (183) | (3,253) | 43,535 | **40,099** | 6,835 |
| Fund balances brought forward | 18 | 35,800 | 8,470 | 157,098 | **201,368** | 194,533 |
| **Funds carried forward at 31 July** | 18 | 35,617 | 5,217 | 200,633 | **241,467** | 201,368 |

## The Queen's College
## Consolidated and College Balance Sheets
## As at 31 July 2013

| | Notes | 2013 Group £'000 | 2012 Group £'000 | 2013 College £'000 | 2012 College £'000 |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Tangible assets | 10 | **19,139** | 19,475 | **19,139** | 19,475 |
| Property investments | 11 | **58,684** | 69,379 | **58,684** | 69,379 |
| Securities and other investments | 12 | **165,365** | 124,425 | **165,365** | 124,425 |
| | | **243,188** | 213,279 | **243,188** | 213,279 |
| **CURRENT ASSETS** | | | | | |
| Stocks | | **373** | 359 | **373** | 359 |
| Debtors | 15 | **1,412** | 1,274 | **1,360** | 1,186 |
| Deposits and other short term investments | | **0** | 0 | **0** | 0 |
| Cash at bank and in hand | | **13,105** | 2,695 | **13,083** | 2,633 |
| | | **14,890** | 4,328 | **14,816** | 4,178 |
| **CREDITORS: falling due within one year** | 16 | **1,611** | 1,239 | **1,537** | 1,089 |
| **NET CURRENT ASSETS/(LIABILITIES)** | | **13,279** | 3,089 | **13,279** | 3,089 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | **256,467** | 216,368 | **256,467** | 216,368 |
| **CREDITORS: falling due after more than one year** | 17 | **15,000** | 15,000 | **15,000** | 15,000 |
| **NET ASSETS** | | **241,467** | 201,368 | **241,467** | 201,368 |
| **FUNDS OF THE COLLEGE** | 18 | | | | |
| **Endowment funds** | | **200,633** | 157,098 | **200,633** | 157,098 |
| **Restricted funds** | | **5,217** | 8,470 | **5,217** | 8,470 |
| **Unrestricted funds** | | | | | |
| Designated funds | | **31,274** | 32,524 | **31,274** | 32,524 |
| General funds | | **4,343** | 3,276 | **4,343** | 3,276 |
| | | **241,467** | 201,368 | **241,467** | 201,368 |

*The financial statements were approved and authorised for issue by the Governing Body of The Queen's College on: 7 December 2013*

Trustee:

Trustee:

## The Queen's College
## Consolidated Cash Flow Statement
## For the year ended 31 July 2013

| | Notes | 2013 Group £'000 | 2012 Group £'000 |
|---|---|---|---|
| **Net cash outflow from operations** | 24 | **(3,493)** | (2,230) |
| **Returns on investments and servicing of finance** | | | |
| Income from investments | | **3,733** | 3,563 |
| Finance costs paid | | **(209)** | (258) |
| | | **3,524** | 3,305 |
| **Capital expenditure and financial investment** | | | |
| New endowment capital received | | **4,534** | 95 |
| Payments for tangible fixed assets | | **(220)** | (1,161) |
| Payments for investments | | **(17,819)** | (11,885) |
| Proceeds from sales of investments | | **23,884** | 13,390 |
| | | **10,379** | 439 |
| **Financing** | | | |
| Capital element of finance lease payments | | **0** | (1) |
| | | **0** | (1) |
| **Increase in cash in the year** | | **10,410** | 1,513 |
| **Reconciliation of net cash flow to movement in net funds** | | | |
| Increase in cash in the year | | **10,410** | 1,513 |
| Decrease in loan and lease finance | | **0** | 1 |
| **Change in net funds** | | **10,410** | 1,514 |
| **Net funds at start of year** | | **(12,305)** | (13,819) |
| **Net funds at end of year** | | **(1,895)** | (12,305) |

## 1 INCOME FROM CHARITABLE ACTIVITIES

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowed Funds £'000 | **2013 Total £'000** | 2012 Total £'000 |
|---|---|---|---|---|---|
| **Teaching, research and residential** | | | | | |
| Tuition fees - UK and EU students | 1,236 | 0 | 0 | **1,236** | 1,033 |
| Tuition fees - Overseas students | 432 | 0 | 0 | **432** | 411 |
| Other HEFCE support | 280 | 0 | 0 | **280** | 293 |
| Other academic income | 123 | 0 | 0 | **123** | 305 |
| College residential income | 2,704 | 0 | 0 | **2,704** | 2,244 |
| | 4,775 | 0 | 0 | **4,775** | 4,286 |

The above analysis includes £1,528,000 received from Oxford University under the CFF Scheme, net of College fees received directly (2012 - £1,358,000)

## 2 TRADING INCOME

| | **2013 £'000** | 2012 £'000 |
|---|---|---|
| Subsidiary company trading income | **322** | 235 |
| Other trading income | **0** | 242 |
| | **322** | 477 |

## 3 INVESTMENT INCOME

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowed Funds £'000 | **2013 Total £'000** | 2012 Total £'000 |
|---|---|---|---|---|---|
| Agricultural rent | 28 | 8 | 424 | **460** | 438 |
| Commercial rent | 105 | 29 | 1,600 | **1,734** | 1,761 |
| Other property income | 0 | 0 | 0 | **0** | 1 |
| Equity dividends | 87 | 25 | 1,338 | **1,450** | 1,325 |
| | 220 | 62 | 3,362 | **3,644** | 3,525 |

## 4 BANK AND OTHER INTEREST INCOME

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowed Funds £'000 | **2013 Total £'000** | 2012 Total £'000 |
|---|---|---|---|---|---|
| Bank interest | 5 | 2 | 82 | **89** | 37 |

## 5 ANALYSIS OF RESOURCES EXPENDED

| | Direct staff costs £'000 | Other direct costs £'000 | Support costs £'000 | **2013 Total £'000** | 2012 Total £'000 |
|---|---|---|---|---|---|
| **Costs of generating funds** | | | | | |
| Fundraising | 68 | 50 | 0 | **118** | 119 |
| Trading expenditure | 32 | 92 | 23 | **147** | 285 |
| Investment management costs | 0 | 348 | 363 | **711** | 664 |
| **Total costs of generating funds** | 100 | 490 | 386 | **976** | 1,068 |
| **Charitable expenditure** | | | | | |
| Teaching, research and residential | 4,041 | 3,349 | 1,240 | **8,630** | 7,724 |
| **Total charitable expenditure** | 4,041 | 3,349 | 1,240 | **8,630** | 7,724 |
| **Governance costs** | 0 | 14 | 0 | **14** | 18 |
| **Total resources expended** | 4,141 | 3,853 | 1,626 | **9,620** | 8,810 |

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 £187,000 (2012 - £258,000).

## 6 SUPPORT COSTS

| | Generating Funds £'000 | Teaching and Research £'000 | **2013 Total £'000** | 2012 Total £'000 |
|---|---|---|---|---|
| Financial and domestic admin | 182 | 432 | **614** | 668 |
| Human resources | 0 | 20 | **20** | 12 |
| IT | 3 | 224 | **227** | 130 |
| Depreciation | 0 | 556 | **556** | 558 |
| Bank interest payable | 201 | 0 | **201** | 250 |
| Other finance charges | 0 | 8 | **8** | 8 |
| | 386 | 1,240 | **1,626** | 1,626 |

## 7 GRANTS AND AWARDS

| During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows: | Unrestricted Funds £'000 | Restricted Funds £'000 | **2013 Total £'000** | 2012 Total £'000 |
|---|---|---|---|---|
| Scholarships, prizes and grants | 83 | 155 | **238** | 145 |
| Bursaries and hardship awards | 104 | 5 | **109** | 212 |
| | 187 | 160 | **347** | 357 |

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

## 8 GOVERNANCE COSTS

| | **2013 £'000** | 2012 £'000 |
|---|---|---|
| **Governance costs comprise:** | | |
| Auditor's remuneration - audit services | **14** | 18 |
| | **14** | 18 |

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 are included in note 21.

## 9 STAFF COSTS

| The aggregate payroll costs for the year were as follows. | **2013 £'000** | 2012 £'000 |
|---|---|---|
| Salaries and wages | **3,961** | 3,891 |
| Social security costs | **278** | 275 |
| Pension costs | **503** | 480 |
| | **4,742** | 4,646 |

| The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows. | **2013** | 2012 |
|---|---|---|
| Tuition and research | **26** | 21 |
| College residential | **77** | 72 |
| Fundraising | **3** | 3 |
| Support | **41** | 36 |
| Total | **147** | 132 |

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

| | | |
|---|---|---|
| University Lecturers | 16 | 17 |
| CUF Lecturers | 10 | 9 |
| Other teaching and research | 1 | 2 |
| Other | 3 | 3 |
| Total | **30** | 31 |

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

With the exception of the College Trustees (details of whose remuneration is provided in note 21), no College employees had gross pay and benefits (excluding employer NI and pension contributions) in excess of £60,000 (2012: Nil)

## 10 TANGIBLE FIXED ASSETS

| Group | Freehold land and buildings £'000 | Fixtures, Fittings and Equipment £'000 | Total £'000 |
|---|---|---|---|
| **Cost** | | | |
| At start of year | 23,275 | 135 | **23,410** |
| Additions | 220 | 0 | **220** |
| Disposals | 0 | (84) | **(84)** |
| **At end of year** | **23,495** | **51** | **23,546** |
| **Depreciation** | | | |
| At start of year | 3,809 | 126 | **3,935** |
| Charge for the year | 551 | 5 | **556** |
| On disposals | 0 | (84) | **(84)** |
| **At end of year** | **4,360** | **47** | **4,407** |
| **Net book value** | | | |
| **At end of year** | **19,135** | **4** | **19,139** |
| At start of year | 19,466 | 9 | 19,475 |

| College | Freehold land and buildings £'000 | Fixtures, Fittings and Equipment £'000 | Total £'000 |
|---|---|---|---|
| **Cost** | | | |
| At start of year | 23,275 | 135 | **23,410** |
| Additions | 220 | 0 | **220** |
| Disposals | 0 | (84) | **(84)** |
| **At end of year** | **23,495** | **51** | **23,546** |
| **Depreciation** | | | |
| At start of year | 3,809 | 126 | **3,935** |
| Charge for the year | 551 | 5 | **556** |
| On disposals | 0 | (84) | **(84)** |
| **At end of year** | **4,360** | **47** | **4,407** |
| **Net book value** | | | |
| **At end of year** | **19,135** | **4** | **19,139** |
| At start of year | 19,466 | 9 | 19,475 |

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

## 11 PROPERTY INVESTMENTS

| Group and College | Agricultural £'000 | Commercial £'000 | Other £'000 | **2013 Total £'000** | 2012 Total £'000 |
|---|---|---|---|---|---|
| Valuation at start of year | 29,280 | 34,800 | 5,299 | **69,379** | 64,067 |
| Additions and improvements at cost | 0 | 0 | 2,700 | **2,700** | 67 |
| Disposals net proceeds | (1) | (18,018) | (4,831) | **(22,850)** | (20) |
| Revaluation gains in the year | 4,074 | 4,981 | 400 | **9,455** | 5,265 |
| **Valuation at end of year** | 33,353 | 21,763 | 3,568 | **58,684** | 69,379 |

A formal valuation of the agricultural properties was prepared by Smiths Gore as at 31 July 2013.

A formal valuation of the commercial and other properties was prepared by Lambert Smith Hampton as at 31 July 2013.

## 12 SECURITIES AND OTHER INVESTMENTS

| | **2013 £'000** | 2012 £'000 |
|---|---|---|
| **Group investments** | | |
| Valuation at start of year | **124,425** | 125,010 |
| New money invested | **15,119** | 11,818 |
| Amounts withdrawn | **(1,034)** | (13,370) |
| Increase in value of investments | **26,855** | 967 |
| **Group investments at end of year** | **165,365** | 124,425 |
| Investment in subsidiaries | **0** | 0 |
| **College investments at end of year** | **165,365** | 124,425 |

| **Group investments comprise:** | Held outside the UK £'000 | Held in the UK £'000 | **2013 Total £'000** | 2012 Total £'000 |
|---|---|---|---|---|
| Equity investments | | 141,078 | **141,078** | 104,559 |
| Alternative and other investments | 23,970 | 317 | **24,287** | 19,866 |
| **Total group investments** | 23,970 | 141,395 | **165,365** | 124,425 |

## 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.

| | **2013** | 2012 |
|---|---|---|
| | **£'000** | £'000 |
| Turnover | 322 | 235 |
| Expenditure | (147) | (67) |
| Donation to College under gift aid | (175) | (168) |
| Result for the year | 0 | 0 |
| Total assets | 161 | 218 |
| Total liabilities | (161) | (218) |
| Net funds at the end of year | 0 | 0 |

## 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 this year the transfer was 3.4%
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 | 3,138 | 760 | **3,898** |
| Capital gains/losses | 30,297 | 2,950 | **33,247** |
| Investment management costs | (598) | (58) | **(656)** |
| Total return for the year | 32,837 | 3,652 | **36,489** |
| Amount applied as income for spending | (4,766) | (325) | **(5,091)** |
| Net increase in Unapplied Total Return in the year | 28,071 | | |
| Unapplied Total Return at start of year | 76,229 | | |
| Unapplied Total Return on reallocated funds (note 18) | 2,180 | | |
| **Unapplied Total Return at end of year** | **106,480** | | |
| **Preserved value of original permanent endowments** | **76,355** | | |

## 15 DEBTORS

| | 2013 Group £'000 | 2012 Group £'000 | 2013 College £'000 | 2012 College £'000 |
|---|---|---|---|---|
| **Amounts falling due within one year:** | | | | |
| Trade debtors | **201** | 225 | **62** | 69 |
| Amounts owed by College members | **180** | 157 | **180** | 157 |
| Amounts owed by Group undertakings | **0** | 0 | **87** | 68 |
| Loans repayable within one year | **72** | 64 | **72** | 64 |
| Prepayments and accrued income | **9** | 33 | **9** | 33 |
| **Amounts falling due after more than one year:** | | | | |
| Loans | **950** | 795 | **950** | 795 |
| | **1,412** | 1,274 | **1,360** | 1,186 |

## 16 CREDITORS: falling due within one year

| | 2013 Group £'000 | 2012 Group £'000 | 2013 College £'000 | 2012 College £'000 |
|---|---|---|---|---|
| Trade creditors | **146** | 174 | **146** | 174 |
| Taxation and social security | **151** | 158 | **125** | 132 |
| College contribution | **230** | 273 | **230** | 273 |
| Accruals and deferred income | **678** | 281 | **630** | 157 |
| Other creditors | **406** | 353 | **406** | 353 |
| | **1,611** | 1,239 | **1,537** | 1,089 |

## 17 CREDITORS: falling due after more than one year

| | 2013 Group £'000 | 2012 Group £'000 | 2013 College £'000 | 2012 College £'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. A second 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

## 18 FUNDS OF THE COLLEGE MOVEMENTS

| | At 1 August 2012 £'000 | Reallocation £'000 | Incoming resources £'000 | Resources expended £'000 | Transfers £'000 | Gains/ (losses) £'000 | **At 31 July 2013 £'000** |
|---|---|---|---|---|---|---|---|
| **Endowment Funds - Permanent** | | | | | | | |
| Corpus Permanent Endowment | 112,609 | | 2,334 | (445) | (3,567) | 22,081 | **133,012** |
| Trusts within College objects | 33,578 | | 697 | (133) | (1,061) | 6,585 | **39,666** |
| Trusts outside College objects | 159 | | 3 | (1) | (5) | 31 | **187** |
| Endowment Funds | | 4,339 | 4,184 | (20) | (133) | 1,600 | **9,970** |
| **Endowment Funds - Expendable** | | | | | | | |
| Corpus Expendable Endowment | 8,383 | | 173 | (115) | (184) | 1,644 | **9,901** |
| Donations Fund | | 3,857 | 537 | (20) | (118) | 841 | **5,097** |
| Pension Fund | 2,369 | | 50 | (61) | (23) | 465 | **2,800** |
| **Total Endowment Funds** | 157,098 | 8,196 | 7,978 | (795) | (5,091) | 33,247 | **200,633** |
| **Restricted Funds** | | | | | | | |
| Trusts within College objects | 1,335 | | 28 | (275) | 406 | 264 | **1,758** |
| Trusts outside College objects | 59 | | 1 | 0 | 5 | 11 | **76** |
| Endowment funds | 4,339 | (4,339) | | (133) | 133 | | **0** |
| Specific funds | 1,644 | | 80 | (91) | | 329 | **1,962** |
| Specific balances | 1,093 | | | | | 328 | **1,421** |
| **Total Restricted Funds** | 8,470 | (4,339) | 109 | (499) | 544 | 932 | **5,217** |
| **Unrestricted Funds** | | | | | | | |
| General Funds | 3,276 | | 5,131 | (6,519) | 2,127 | 328 | **4,343** |
| Fixed Assets Reserve | 19,475 | | | (556) | 220 | | **19,139** |
| Building Fund | 9,192 | | 191 | (1,251) | 2,200 | 1,803 | **12,135** |
| Donations Fund | 3,857 | (3,857) | | | | | **0** |
| **Total Unrestricted Funds** | 35,800 | (3,857) | 5,322 | (8,326) | 4,547 | 2,131 | **35,617** |
| **Total Funds** | **201,368** | **0** | **13,409** | **(9,620)** | **0** | **36,310** | **241,467** |

The Donations Fund has been reallocated to Expendable Endowment to reflect the intentions of the donors reflected in appeal documentation. Following a review of the terms upon which the specific funds were donated, it has been identified that some of them should be classified as permanent endowment. A reallocation has been done to correct the presentation of these funds

## 19 FUNDS OF THE COLLEGE DETAILS

The following is a summary of the origins and purposes of each of the Funds
In this note, "income" refers to the excess of total return generated over the level of return deemed sufficient to maintain the estimated real value of capital over time.

**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 |
| Endowment Funds | A consolidation of gifts and donations whose donor has specified that income but not capital may only be used for particular purposes within the 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. |
| Donations Fund | 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 |
| Endowment Funds | Accumulated income from gifts and donations whose donor has specified that income but not capital may only be used for particular purposes within 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:**

| | |
|---|---|
| **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 |

**Designated Funds**

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

## 20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | **Total £'000** |
|---|---|---|---|---|
| Tangible fixed assets | 19,139 | 0 | 0 | **19,139** |
| Property investments | 904 | 1,073 | 56,707 | **58,684** |
| Securities and other investments | 2,526 | 4,418 | 158,421 | **165,365** |
| Net current assets / (liabilities) | 13,280 | (1) | 0 | **13,279** |
| Long term loans | (232) | (273) | (14,495) | **(15,000)** |
| | 35,617 | 5,217 | 200,633 | **241,467** |

## 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 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 has been attended by the Provost and Estates Bursar, who acted 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 have been 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 have included 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 £1,285,000 (2011-12 £1,307,000).
The total of pension contributions is £156,000 (2011-12 £161,000).

## 21 TRUSTEES' REMUNERATION (Continued)

**Remuneration paid to trustees**

| | 2012-2013 | | 2011-2012 | |
|---|---|---|---|---|
| Range | Number of trustees | Gross remuneration, taxable benefits and pension contributions £ | Number of trustees | Gross remuneration, taxable benefits and pension contributions £ |
| £1 - £4,999 | 5 | 17,116 | 4 | 10,423 |
| £5,000 - £9,999 | 0 | 0 | 1 | 6,990 |
| £20,000 - £24,999 | 1 | 23,058 | 0 | 0 |
| £25,000 - £29,999 | 0 | 0 | 4 | 116,152 |
| £30,000 - £34,999 | 7 | 222,269 | 5 | 159,321 |
| £35,000 - £39,999 | 3 | 110,512 | 3 | 111,209 |
| £40,000 - £44,999 | 1 | 43,843 | 1 | 43,552 |
| £45,000 - £49,999 | 0 | 0 | 1 | 49,483 |
| £50,000 - £54,999 | 2 | 103,767 | 1 | 52,420 |
| £55,000 - £59,999 | 3 | 171,361 | 3 | 171,128 |
| £60,000 - £64,999 | 3 | 191,574 | 3 | 187,354 |
| £65,000 - £69,999 | 1 | 68,084 | 1 | 68,284 |
| £70,000 - £74,999 | 2 | 149,488 | 2 | 147,027 |
| £80,000 - £84,999 | 1 | 84,188 | 1 | 84,123 |
| £95,000 - £99,999 | 1 | 99,685 | 1 | 99,355 |

10 (2011-12: 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.

## 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 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 |

**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 the USS web site, 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 2026.
In addition, the University agreed to close the scheme to future final salary accrual and transferred all active members onto a Career Revalued benefits structure with effect from 1st January 2013. Further details may be seen on the Scheme's 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:

| | | Impact on scheme liabilities | |
|---|---|---|---|
| **Assumption** | **Change in assumption** | **USS** | **OSPS** |
| Valuation rate of interest | increase/decrease by 0.5% | decrease / increase by £3.2bn | decrease / increase by £35m |
| Rate of pension increases | increase/decrease by 0.5% | increase / decrease by £2.0bn | increase / decrease by £25m |
| Rate of salary growth | increase/decrease by 0.5% | increase / decrease by £1.2bn | increase / decrease by £5m |
| Rate of mortality | more prudent assumption (mortality used at last valuation, rated down by a further year) | increase by £0.8bn | increase by £10m |

## 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:

| | **2013** | 2012 |
|---|---|---|
| | **£'000** | £'000 |
| Universities Superannuation Scheme | **265** | 268 |
| University of Oxford Staff Pension Scheme | **238** | 212 |
| | **503** | 480 |

## 23 TAXATION

The College is able to take advantage of the 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

| | **2013** | 2012 |
|---|---|---|
| | **£'000** | £'000 |
| **Net incoming resources for the year** | **3,789** | 603 |
| Elimination of non-operating cash flows: | | |
| - Investment income | **(3,733)** | (3,562) |
| - Endowment donations | **(4,534)** | (95) |
| - Financing costs | **209** | 258 |
| Depreciation | **556** | 558 |
| Increase in stock | **(14)** | (5) |
| Increase in debtors | **(138)** | (127) |
| Increase in creditors | **372** | 140 |
| **Net cash inflow / (outflow) from operations** | **(3,493)** | (2,230) |

## 25 ANALYSIS OF CHANGES IN NET FUNDS

| | 2012 | Cash flow | **2013** |
|---|---|---|---|
| | £'000 | £'000 | **£'000** |
| Cash at bank and in hand | 2,695 | 10,410 | **13,105** |
| Bank loans due after one year | (15,000) | 0 | **(15,000)** |
| | (12,305) | 10,410 | **(1,895)** |

## 26 FINANCIAL COMMITMENTS

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

## 27 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £Nil (2012 - £Nil)

## 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.

| | **2013** | 2012 |
|---|---|---|
| | **£'000** | £'000 |
| Aldridge S | **68** | 72 |
| Beasley R | **85** | 90 |
| Buckley M | **110** | 118 |
| Doye J | **71** | 76 |
| Irving-Bell L | **15** | 20 |
| Lonsdale L | **80** | 85 |
| Louth C | **46** | 51 |
| Madden P | **25** | 25 |
| Mellor EJC | **0** | 13 |
| Meyer D | **120** | 126 |
| Owen NJ | **28** | 32 |
| Papazoglou P | **125** | 0 |
| Phalippou L | **123** | 129 |
| Rees OL | **125** | 21 |

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

There are no post balance sheet events to report