



St Hilda's College

Annual Report and Financial Statements

Year ended 31 July 2014

St Hilda's College
Annual Report and Financial Statements
Contents

Report of the Governing Body	page 2-7
Statement of Accounting and Reporting Responsibilities	page 8
Governing Body, Officers and Advisers	page 9-10
Auditor's Report	page 11-12
Statement of Accounting Policies	page 13-15
Consolidated Statement of Financial Activities	page 16
Consolidated and College Balance Sheets	page 17
Consolidated Cashflow Statement	page 18
Notes to the Financial Statements	page 19-30

The Governing Body presents its Annual Report for the year ended 31 July 2014 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

St Hilda's College is an eleemosynary chartered charitable corporation aggregate. It was founded by Dorothea Beale in 1893 as a Hall for Women Students and received its first Royal Charter in 1926, when it was incorporated under the title "Principal and Council of St Hilda's College, Oxford". In 1960 it became a College of the University. The College's most recent Supplemental Charter, granted in 2007, changed the name of the College to St Hilda's College in the University of Oxford and permitted the admission of male students.

The College is registered with the Charity Commission under the Charities Act 2006, with registration number 1137537.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed in accordance with its Royal Charter dated 25 July, 2007 And its Statutes.

Governing Body

The Governing Body of the college comprises the Principal and Fellows. It is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, Dame Elizabeth Butler-Sloss. The College Statutes are as made from time to time by order of Her Majesty in Council in accordance with the Royal Charter of 1926, and the Universities of Oxford and Cambridge Act 1923.

The Governing Body determines the on-going strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised by a range of committees.

The names of all Members of the Governing Body together with details of the senior staff and advisors of the College are given on pages 9 and 10.

Recruitment and training of members of the Governing Body

New members of the Governing Body are elected by the Governing Body, on the basis of their knowledge of and contribution to education, learning and research within the College and the University of Oxford; or on the basis of their possession of professional and administrative qualifications and skills that enable them to contribute towards the governance of the College. New members are inducted into the workings of the College and their role as trustees by the Principal, the College Officers and others. Further training is arranged as appropriate.

Organisational management

The Governing Body meets six times a year. The work of developing policies for the approval of the Governing Body and monitoring the implementation of these is carried out by a number of Standing Committees. The main ones are:

- The General Purposes Committee, which consolidates the activities of the former Finance and Resources Management Committee and Academic Planning Committee. The first meeting of the General Purposes Committee took place on 16 October, 2013. The purpose of the General Purposes Committee is to oversee the implementation of the College's strategic, academic and financial plans and policies on behalf of the

Governing Body; and to approve deviations from those plans in defined, limited circumstances under delegated authority.

- Investment Committee, which monitors the performance of investment managers and holds them to account.
- Development Advisory Committee, which provides a forum in which representatives of Fellows, Senior and Junior members and alumnae review progress in fund raising and discuss strategy.
- Tutorial Committee, which deals with educational matters and matters of tutorial control for undergraduates and academic advice and progression for graduates.

These committees are chaired by the Principal and consist of trustees of the College supplemented, in the case of the Investment Committee, by Ms C Burton, an alumna of the College, and in the case of the Development Advisory Committee, by Ms B Emerson and Dr G Lockwood (an ex officio member as chair of the Association of Senior Members), also alumnae of the College, and Dr M Gregory, an Emeritus Fellow of the College.

Subject to the oversight of the Standing Committees, the day-to-day running of the College is entrusted to its principal officers: the Principal, the Bursar, the Senior Tutor and the Development Director.

A Remuneration Committee has also been established and first met on 30 October 2014. Its role is to advise Governing Body on the level of remuneration and benefits for the Principal and Fellows of the College. It comprises four alumnae, Dame J Gaymer (Chair), Dame K Barker, Ms G Berg and Ms M Harris and two Emeritus or Supernumerary Fellows, Dr M Gregory and Dr S Watkinson.

Group structure and relationships

The College has two wholly-owned non-charitable subsidiaries: St Hilda's Properties Ltd, which is dormant, and St Hilda's College (Trading) Ltd, whose annual profits are donated to the College under the Gift Aid Scheme. In addition, the College also owns another subsidiary company, The Jacqueline Du Pre Music Building Ltd, a company limited by guarantee and an exempt charity. This company is currently dormant.

The trading activities of St Hilda's College (Trading) Ltd primarily comprise the letting of College facilities when not in use by the College. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

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

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

Risk management

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Principal or the Bursar. Financial risks are assessed by the General Purposes Committee and investment risks are monitored by the Investment Committee. In addition, the Bursar, Domestic Bursar and Buildings Manager meet regularly to review health and safety issues. 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 subsidiaries 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 charitable objectives as stated in its Royal Charter are:

- To provide education and residential accommodation for women and men who are members of the College and the University of Oxford.
- To maintain, continue and develop the College ethos and tradition of providing encouragement and support in academic research and education undertaken by women and men.
- To do all other such things as are incidental or conducive to these objects.

Public Benefit

The Governing Body is mindful of the long-standing requirement to provide public benefit and has due regard to the guidance provided by the Charity Commission in relation thereto in the exercise of its powers and duties.

The College aims to provide public benefit by:

- providing education, in conjunction with the University of Oxford, to some 600 undergraduates and graduates. This develops the students academically and prepares them to play a full and effective role in society;
- encouraging applications from excellent students who might benefit from an Oxford education but who might not otherwise consider applying to the College;
- participating with the University of Oxford and others in a bursary scheme to provide financial assistance to eligible undergraduate students of modest means. The College also provides scholarships to graduates and financial support available to all students for books, travel grants, and in cases of unexpected financial hardship;
- advancing research through the support given to College fellows by means of sabbatical and research leave and by appointing research fellows; and
- supporting a community programme of educational concerts.

ACHIEVEMENTS AND PERFORMANCE

Academic

The number of enrolled students during the year was 609 across the full range of disciplines, of which 403 were following 3- or 4-year undergraduate degree courses at the University of Oxford, 127 were carrying out research for Doctorates, and the remainder, 79, were following 1- or 2-year graduate courses. The geographical origin of current students is shown in the table below.

Geographic origin	Undergraduates	Postgraduates
UK	310	73
Other EU/EEA	43	48
Overseas	50	85
Total	403	206

St Hilda's College
Report of the Governing Body
Year ended 31 July 2014

The composition of the undergraduates in terms of their secondary schools at the point of applying to the College for admission was 46% UK maintained schools, 38% UK independent schools, and 16% non-UK schools.

The examination performance of undergraduates in 2013/14 was very good, with 30% of finalists achieving 1st class degrees, 61.7% 2:1s, 5.8% 2:2s, and 2.5% 3rds or unclassified. As a result, the College was placed 21st in the Norrington Table. 17 students won University prizes in their final examinations.

The College has created its first-ever, fully-endowed fellowship in law, The Clarendon Lord Hoffman fellowship in Law at St Hilda's. In February, the College met its fundraising target of £1.2million to endow its share of the post, and was successful in achieving £0.8million in matching funding from the Oxford Teaching Fund, which will endow the University's share of the post. As of 30th September 2014, a second application was pending for a further £0.8million in matched funding from the Oxford Teaching Fund to secure full endowment for a Fellowship in English.

Schools liaison

The College employs a full-time Outreach Officer.

The University of Oxford has divided the UK into 'outreach regions' assigned to individual colleges, so that all parts of the country have a specific college as their first point of contact for Oxford. The College's region is Surrey, and that is the focus for much of its outreach activity. Through 127 events and interactions of different sizes, St Hilda's had responsive contact with 76 schools, of the 139 schools in Surrey (54.6% of its target schools in Surrey), as well as helping out with events covering other regions and even some international schools – interacting with a total of an estimated 550 schools.

The College participated in:

- three College-University Open Days, three department Open Days, a St Hilda's College 'High-Performers' Open Day for targeted state school students in its link area, and a Welcome Day for its offer-holders and their parents/carers;
- outreach directly relating to academic faculties and departments including some tutor involvement with the UNIQ summer schools, and talks and visits relating to particular subjects;
- visits to St Hilda's: two Primary/Middle School Events, twenty-seven Pre-Year 12 visits, thirty Year 12 visits, six Year 13 visits, as well as one non-UK school visit; and
- information events in schools: twelve Pre-Year 12 visits ten Year 12 visits, one Year 13 visit. There were also three Parents and Carers Information events, four Teachers or Careers Advisors Information events, and five Careers/HE Fairs. The College also attended two UCAS Fairs, two Oxford and Cambridge Student Conferences, and offered application advice at five events.

Student financial support

During the year, the College provided £286,432 in financial support to both undergraduate and postgraduate students as shown in the table below.

	2014	2013
Oxford Opportunity Bursaries (undergraduates)	107,984	114,728
Book grants	1,626	961
Sports & extra-curricular grants	4,393	2,013
Research & travel grants	45,485	30,689
Scholarships & prizes	77,502	101,152
Bursaries & hardship funds	49,442	30,659
Total	286,432	280,202

In March, the College finalised the establishment of its first-ever, fully-endowed graduate scholarship, the Oxford Dr Mary Frances Wagley Graduate Scholarship in science. A generous gift enabled the College to commit £358,000 to endow its share of the scholarship, and the University contributed £208,875 to endow its share.

Community music events

The College's Jacqueline du Pré music building is a very popular venue for the performing arts, for College social and domestic events and for conferences. This includes numerous events of an educational nature aimed at children and their families and other events aimed at the public in general.

Through music children develop listening skills, concentration, creativity, intuition, perseverance, self-confidence, and sensitivity towards others - skills and attitudes which support learning in other subject areas and which are essential for life. During term time, the College holds regular Cushion Concerts on Sundays for children aged under and over 5 and their families and, with the support of the Patsy Wood Trust, offer workshops and concerts for schools, Family Proms, and other musical opportunities for children and their families.

The Cushion Concerts introduce children and their families to a wide variety of different instruments, demonstrating how they work and what kind of music they play. The Schools Concerts involve outreach musicians giving a one-hour workshop in school followed by a concert at the Jacqueline du Pre building with four instruments – the clarinet, flute, trumpet and piano. There are three such concerts a term involving nine different schools each term. The concerts are free to the schools, though some are able to give small donations. We have also been developing the first Christmas Pantomime, which will be performed to hundreds of parents and children from the local community in twenty showings this December.

The Jacqueline du Pré building also hosts a series of concerts under the banner of Moving Music, devised especially for people living with dementia, and their families, friends, and carers, to enable them to enjoy a concert experience together and to help unlock memory and movement through the power of music. Four concerts were held during the year. They are currently supported by the Patsy Wood Trust and by the fundraising efforts of the pupils of the Royal Grammar School, High Wycombe. In view of the level of interest, two concerts are held on each day. Many care homes around Oxford bring their clients but so do individuals who care for their partners. We continue to develop our music programme for people with memory problems and have recently planned a new initiative with Turtle Key Arts and the Music Faculty, which gives people in the community with all forms of early onset dementia the opportunity to compose their own song cycle over eight sessions with professional musicians from the University and the Royal College of Music.

FINANCIAL REVIEW

Income and expenditure for the year

The financial statements present the accounts of College and its subsidiary including all operating income and expenditure, donations and investment income, assets and liabilities. The combined operations of the college and its subsidiaries showed net incoming resources for the year of £3,365k (2013: £414k).

The major sources of recurring income for the College are tuition fees, accommodation and catering charges, investment income, conferences, and donations, together with income from miscellaneous sources. Income for the year from all sources was £10,768k 42.8% higher than in the previous year. The increase was due to the once-off profit arising on the sale of a number of College properties in Iffley Road.

The major sources of expenditure are staff costs, particularly for academic teaching and for staff providing residential and support services. Expenditure increased in aggregate by 3.9% from the previous year, to £7,403k, largely as a result of rental costs.

Investment performance in the year was modest, with a total return of the order of 5%. Net assets increased to £55.7 million, an increase of 8.1% over the previous year, £41.9 million of which is invested.

The Governing Body continues to exercise firm control over costs and to seek additional income via existing and new income generating activities, ranging from conferences and events to alumni giving. It is evident that the College is highly dependent upon these supplementary income streams as well as the income from the invested endowment.

Reserves

The College's free reserves at the year-end amounted to -£464k (2013: -£580k), representing accumulated deficits before taking into account an amount of £12.06m for the book value of fixed assets. The deficit in general reserves reflects both the difference in investment return practice and the accumulation of a structural cost deficit in prior years. Current forecasts indicate that the balance on free general reserves will not be established for some years and will require a surplus of income over expenditure for the foreseeable future. The College is working very hard to increase revenue and contain expenditure in order to address this situation.

Restricted reserves at the year-end were £1.599m (2013: £1.195m). These comprise of income funds for scholarships, bursaries, and teaching support and are to be spent within 3 to 5 years.

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 provide a buffer that would ensure uninterrupted services.

Investment policy, objectives and performance

The College Statutes allow the College to invest permanent endowment funds to maximise the related total return, and to make available for expenditure each year an appropriate proportion of the unapplied total return. The College's investment objectives are to balance current and future beneficiary needs by:

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

The College's investments are managed by Sarasin & Partners on a total return basis, maintaining diversification across a wide range of asset classes in order to produce an appropriate balance between risk and return. The investments are held in the Alpha CIF for Endowments. The investment strategy, policy and performance is monitored by the Investment Committee. At the 31 July 2014 year end, the College's long term investments totalled £41.9m (2013 £40.4m).

Under the total return on investment accounting basis, it is the Governing Body's policy to draw down in support of its activities 3.5% of the value of the relevant investments. However, to smooth and moderate the amounts withdrawn, this 3.5% is calculated by averaging the year end investment values of each of the last five years.

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 1993. 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.

MEMBERS OF THE GOVERNING BODY

The Members of the Governing Body are the College's charity trustees under charity law. The names of members of the Governing Body who served in office as trustees during the year or subsequently are shown in the table below.

During the year the activities of the Governing Body were carried out through a number of committees. The membership of these committees is shown in the table below for each Fellow.

- (1) General Purposes Committee
- (2) Investment Committee
- (3) Development Advisory Committee
- (4) Tutorial Committee

St Hilda's College
Report of the Governing Body
Year ended 31 July 2014

		(1)	(2)	(3)	(4)
Ms S Forbes	Retired 31/7/14	•	•	•	•
Sir Gordon Duff	Appointed 1/8/14	•	•	•	•
Professor J M Yeomans					•
Professor S L Mapstone					•
Dr L J Newby	Resigned 30/9/14				
Dr A Avramides					•
Professor A Cooper-Sarkar			•		•
Professor I M Moroz					•
Miss M Croghan					
Dr K J Clarke		•	•	•	•
Dr P Schleiter					•
Dr S Jones					•
Dr M Kean					•
Dr L J Smith					•
Dr R M Armstrong					•
Dr H Swift					•
Ms L Nixon	Retired 31/3/14	•			
Dr H Smith		•		•	•
Dr G Paul		•			•
Professor G Seregin					•
Professor J Schnabel		•			•
Dr D Filatov					•
Ms B Travers			•	•	
Dr D Bhattacharya				•	•
Dr K Hoge					•
Dr M Glitsch		•			•
Professor F Macintosh				•	•
Dr R Condry				•	•
Ms S Green		•			•
Dr S Todd		•	•	•	•
Dr S McHugh					•
Dr R Paton					•
Dr A Katzourakis		•			•
Professor A Noble					•
Professor D Wakelin					•
Dr E Payne					
Dr D Howey			•		•
Dr P Hulley					
Dr D Ganjee	Appointed 1/10/13				•
Mr F Gargent	Appointed 9/10/13	•	•	•	
Professor J Gibbons	Appointed 1/9/14				•

St Hilda's College
Report of the Governing Body
Year ended 31 July 2014

College Officers

The College Officers to whom day to day management of the College is charged are as follows.

Ms Sheila Forbes	<i>Principal to 31/7/14</i>
Sir Gordon Duff	<i>Principal - appointed 1/8/14</i>
Mr Frank Gargent	<i>Bursar</i>
Ms Lucia Nixon	<i>Senior Tutor to 31/3/14</i>
Dr Marc Brodie	<i>Senior Tutor - appointed 22/4/14</i>
Ms Bronwyn Travers	<i>Development Director</i>

College Advisors

Investment managers

Sarasin & Partners LLP
Juxon House
100 St Paul's Churchyard
London
EC4M 8BU

Auditor

Critchleys LLP
Greyfriars Court
Oxford
OX1 1BE

College address

Cowley Place
Oxford
OX4 1DY

Bankers

Lloyds Plc.
1-5 High Street
Carfax
Oxford
OX1 4AA

Solicitors

Penningtons Manches LLP
9400 Garsington Road
Oxford Business Park
Oxford
OX4 2HW

Website

www.st-hildas.ox.ac.uk

Approved by the Governing Body on 3 December, 2014 and signed on its behalf by:

Principal

INDEPENDENT AUDITOR'S' REPORT TO THE MEMBERS OF THE GOVERNING BODY OF ST HILDA'S COLLEGE

We have audited the financial statements of St Hilda's College for the year ended 31 July 2014 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 25. 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 2014 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
3 December 2014

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

Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the College and with its wholly owned subsidiary St Hilda's College (Trading) Ltd. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiary as included the consolidated income, expenditure and results of the College are disclosed in note 12.

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.

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

Fees receivable, HEFCE support and charges for services and use of the premises including contributions received from restricted funds, are accounted for in the period in which the related service is provided.

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.

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.

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.

Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £50,000 together with expenditure on equipment costing more than £5,000 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.

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	25 - 50 years
Building improvements	10 - 25 years
Equipment & Furniture	4 - 10 years
IT Equipment	3 - 10 years

Freehold land is not depreciated. The cost of freehold land associated with the main historic site is not included in the balance sheet and is unlikely to be material.

The cost of maintenance is charged in the Statement of Financial Activities in the period in which it is incurred.

Investments

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.

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.

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.

St Hilda's College
Statement of Accounting Policies
Year ended 31 July 2014

For the carrying value of the preserved (frozen) permanent capital, the Trustees have taken its open market value as at 1st August 2009, together with the original gift value of all subsequent endowments received.

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

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

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 (Note 21).

During the year the College made pension contributed for some staff into National Employment Savings Trust (NEST) to fulfil its auto enrolment obligations.

St Hilda's College
Consolidated Statement of Financial Activities
For the year ended 31 July 2014

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research and residential		5,232	0	0	5,232	5,064
Resources from generated funds						
Legacies and donations		167	597	99	863	691
Trading income	2	432	0	0	432	402
Investment income	3	0	0	1,403	1,403	1,381
Bank and other interest	4	4	0	0	4	2
		<u>603</u>	<u>597</u>	<u>1,502</u>	<u>2,702</u>	<u>2,476</u>
Other incoming resources						
Profit on disposal of fixed assets		2,834	0	0	2,834	0
Total Incoming Resources		<u>8,669</u>	<u>597</u>	<u>1,502</u>	<u>10,768</u>	<u>7,540</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		273	0	0	273	263
Trading expenditure		245	0	0	245	272
Investment management costs			0	170	170	158
		<u>518</u>	<u>0</u>	<u>170</u>	<u>688</u>	<u>693</u>
Charitable activities	5					
Teaching and research		5,549	1,149	0	6,698	6,420
Governance costs	8	17	0	0	17	13
Total Resources Expended		<u>6,084</u>	<u>1,149</u>	<u>170</u>	<u>7,403</u>	<u>7,126</u>
Net incoming/(outgoing) resources before transfers		2,585	(552)	1,332	3,365	414
Transfers between funds	17	2,164	956	(3,120)	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>4,749</u>	<u>404</u>	<u>(1,788)</u>	<u>3,365</u>	<u>414</u>
Investment gains/(losses)		0	0	809	809	5,823
Net movement in funds for the year		<u>4,749</u>	<u>404</u>	<u>(979)</u>	<u>4,174</u>	<u>6,237</u>
Fund balances brought forward	17	6,844	1,195	43,476	51,515	45,278
Funds carried forward at 31 July	17	<u>11,593</u>	<u>1,599</u>	<u>42,497</u>	<u>55,689</u>	<u>51,515</u>

St Hilda's College
Consolidated and College Balance Sheets
As at 31 July 2014

	Notes	2014 Group £'000	2013 Group £'000	2014 College £'000	2013 College £'000
FIXED ASSETS					
Tangible assets	10	13,559	7,424	13,559	7,424
Securities and other investments	11	41,913	40,439	41,914	40,440
		55,472	47,863	55,473	47,864
CURRENT ASSETS					
Stocks		22	27	22	27
Debtors	14	815	960	830	1,160
Deposits and other short term investments		1,474	3,305	1,474	3,305
Cash at bank and in hand		279	150	241	(58)
		2,590	4,442	2,567	4,434
CREDITORS: falling due within one year	15	1,023	790	1,001	783
NET CURRENT ASSETS/(LIABILITIES)		1,567	3,652	1,566	3,651
TOTAL ASSETS LESS CURRENT LIABILITIES		57,039	51,515	57,039	51,515
CREDITORS: falling due after more than one year	16	1,350	0	1,350	0
NET ASSETS		55,689	51,515	55,689	51,515
FUNDS OF THE COLLEGE					
Endowment funds	17	42,497	43,476	42,497	43,476
Restricted funds		1,599	1,195	1,599	1,195
Unrestricted funds					
Designated funds		12,057	7,424	12,057	7,424
General funds		(464)	(580)	(464)	(580)
		55,689	51,515	55,689	51,515

The financial statements were approved and authorised for issue by the Governing Body of St Hilda's College on 3 December 2014

Sir Gordon Duff
Principal

Frank Gargent
Bursar

St Hilda's College
Consolidated Cash Flow Statement
For the year ended 31 July 2014

	Notes	2014 Group £'000	2013 Group £'000
Net cash inflow/(outflow) from operations	23	<u>(289)</u>	<u>(615)</u>
Returns on investments and servicing of finance			
Income from investments		1,403	1,381
Finance costs paid		0	0
		<u>1,403</u>	<u>1,381</u>
Capital expenditure and financial investment			
New endowment capital received		99	160
Payments for tangible fixed assets		(3,750)	(369)
Payments for investments		(665)	1,368
		<u>(4,316)</u>	<u>1,159</u>
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		1,831	(1,918)
Net (purchase) / sale of current asset investments		0	
		<u>1,831</u>	<u>(1,918)</u>
Financing			
New bank loans		1,500	0
		<u>1,500</u>	<u>0</u>
Increase/(decrease) in cash in the year		<u>129</u>	<u>7</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		129	7
Transfers to/(from) term deposits and current investments		(1,831)	1,918
(Increase)/decrease in bank loans		(1,500)	0
Change in net funds		<u>(3,202)</u>	<u>1,925</u>
Net funds at 1 August		3,455	1,530
Net funds at 31 July		<u>253</u>	<u>3,455</u>

St Hilda's College
Notes to the financial statements
For the year ended 31 July 2014

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Teaching, research and residential					
Tuition fees - UK and EU students	1,559	0	0	1,559	1,448
Tuition fees - Overseas students	737	0	0	737	607
HEFCE support	269	0	0	269	302
Other academic income	115	0	0	115	122
College residential income	2,552	0	0	2,552	2,585
	5,232	0	0	5,232	5,064

The above analysis includes £1,899,194 received from Oxford University under the CFF Scheme, net of College fees received directly (2013 - £1,772,798)

2 TRADING INCOME

	2014 £'000	2013 £'000
Subsidiary company trading income	392	366
Other trading income	40	36
	432	402

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Equity dividends	0	0	1,382	1,382	1,351
Income from fixed interest stocks	0	0	2	2	4
Interest on fixed term deposits and cash	0	0	19	19	26
	0	0	1,403	1,403	1,381

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2014 Total £'000	2013 Total £'000
Other interest	4	0	0	4	2
	4	0	0	4	2

St Hilda's College
Notes to the financial statements
For the year ended 31 July 2014

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2014 Total £'000	2013 Total £'000
Costs of generating funds					
Fundraising	173	98	2	273	263
Trading expenditure	97	127	21	245	272
Investment management costs	0	170	0	170	158
Total costs of generating funds	270	395	23	688	693
Charitable expenditure					
Teaching, research and residential	3,476	2,207	1,015	6,698	6,420
Total charitable expenditure	3,476	2,207	1,015	6,698	6,420
Governance costs	0	17	0	17	13
Total resources expended	3,746	2,619	1,038	7,403	7,126

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 £17,400 (2013-£21,500).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching Research and Residential £'000	2014 Total £'000	2013 Total £'000
Financial and domestic admin	23	412	435	398
Human resources	0	34	34	59
IT	0	120	120	142
Depreciation	0	449	449	394
	23	1,015	1,038	993

Finance and administration and human resources costs are attributed according to the estimated staff time spent on each activity. Depreciation costs are attributed according to the use made of the underlying assets. 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	2014 Total £'000	2013 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	0	98	98	135
Bursaries and hardship awards	108	64	172	145
	108	162	270	280

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

8 GOVERNANCE COSTS

	2014 £'000	2013 £'000
Governance costs comprise:		
Auditor's remuneration - audit services	12	13
Auditor's remuneration - other services	5	0
	17	13

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.

St Hilda's College
Notes to the financial statements
For the year ended 31 July 2014

9 STAFF COSTS

	2014	2013
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,481	3,321
Social security costs	228	216
Pension costs	481	452
	<u>4,190</u>	<u>3,989</u>

	2014	2013
The average number of permanent employees of the College, excluding Trustees, on a full time equivalent basis was as follows.		
Tuition and research	55	56
College residential	35	34
Fundraising	3	3
Support	23	23
Total	<u>116</u>	<u>116</u>

	2014	2013
The average number of employed College Trustees during the year was as follows.		
University Lecturers	14	13
CUF Lecturers	13	13
Other teaching and research	10	10
Other	4	4
Total	<u>41</u>	<u>40</u>

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

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

St Hilda's College
Notes to the financial statements
For the year ended 31 July 2014

10 TANGIBLE FIXED ASSETS

Group and College	Freehold land and buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost			
At start of year	11,452	980	12,432
Additions	6,784	140	6,924
Disposals	(1,067)	0	(1,067)
At end of year	17,169	1,120	18,289
Depreciation			
At start of year	4,359	649	5,008
Charge for the year	382	67	449
On disposals	(727)	0	(727)
At end of year	4,014	716	4,730
Net book value			
At end of year	13,155	404	13,559
At start of year	7,093	331	7,424

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 SECURITIES AND OTHER INVESTMENTS

	2014 £'000	2013 £'000
Group investments		
Valuation at start of year	40,439	35,985
New money invested	362	39
Amounts withdrawn	(900)	(2,600)
Reinvested income	1,373	1,350
Investment management fees	(170)	(158)
(Decrease)/increase in value of investments	809	5,823
Group investments at end of year	41,913	40,439
Investment in subsidiaries	1	1
College investments at end of year	41,914	40,440

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2014 Total £'000	2013 Total £'000
Equity investments	17,630	12,425	30,055	30,541
Property funds		2,761	2,761	2,589
Fixed interest stocks		4,744	4,744	4,404
Alternative and other investments		3,044	3,044	2,016
Fixed term deposits and cash		1,309	1,309	889
Total group investments	17,630	24,283	41,913	40,439

St Hilda's College
Notes to the financial statements
For the year ended 31 July 2014

12 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in St Hilda's College (Trading) Ltd, a company providing conference and other event services on the College premises, and 100% of the issued share capital in St Hilda's Properties Ltd & The Jacqueline Du Pre Music Building Ltd, both of which are currently dormant .

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

	St Hilda's College (Trading) Ltd £'000
Turnover	432
Expenditure	(245)
Donation to College under gift aid	(187)
Result for the year	<u>0</u>
Total assets	67
Total liabilities	(67)
Net funds at the end of year	<u>0</u>

13 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 August 2000. The investment return to be applied as income is calculated as 3.5% of the average of the year-end values of the relevant investments in each of the last 5 years. The preserved (frozen) value of the invested endowment capital represents its open market value in August 2009 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return			
Income distributions	675	728	1,403
Capital gains/losses	389	420	809
Investment management costs	(258)	(88)	(346)
Total return for the year	<u>806</u>	<u>1,060</u>	<u>1,866</u>
Amount applied as income for spending	<u>(549)</u>	<u>(586)</u>	<u>(1,135)</u>
Net increase in Unapplied Total Return in the year	257		
Unapplied Total Return at start of year	5,663		
Unapplied Total Return at end of year	<u>5,920</u>		
Preserved value of original permanent endowments	<u>13,559</u>		

St Hilda's College
Notes to the financial statements
For the year ended 31 July 2014

14 DEBTORS

	2014	2013	2014	2013
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	156	289	127	251
Amounts owed by College members	49	11	49	11
Amounts owed by Group undertakings	0	0	44	238
Loans repayable within one year	16	16	16	16
Prepayments and accrued income	541	589	541	589
Amounts falling due after more than one year:				
Loans	53	55	53	55
	815	960	830	1,160

15 CREDITORS: falling due within one year

	2014	2013	2014	2013
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	150	0	150	0
Trade creditors	520	443	520	443
Taxation and social security	21	18	21	18
College contribution	17	22	17	22
Accruals and deferred income	113	142	113	140
Other creditors	202	165	180	160
	1,023	790	1,001	783

16 CREDITORS: falling due after more than one year

	2014	2013	2014	2013
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loan	1,350	0	1,350	0
	1,350	0	1,350	0

A loan of £1.5m was drawdown in July 2014 to fund the purchase of student accommodation.
The interest rate is 1.4% over LIBOR. The loan is repayable in equal quarterly instalments over 10 years

St Hilda's College
Notes to the financial statements
For the year ended 31 July 2014

17 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2013 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2014 £'000
<u>Endowment Funds - Permanent</u>						
Student Support Funds	810	25	3	11	15	836
JRF Funds	1,128	32	4	0	18	1,174
<u>Teaching Funds:</u>						
Humanities & Social Sciences	5,001	177	21	149	100	5,108
Medical Sciences	1,279	43	5	38	25	1,304
Physical & Life Sciences	1,971	67	8	59	39	2,010
General purpose	9,753	331	40	291	191	9,944
Other purposes	86	2	0	1	1	88
<u>Endowment Funds - Expendable Restricted</u>						
Student Support Funds	3,526	202	14	94	66	3,686
JRF Funds	1,595	45	5	0	26	1,661
<u>Teaching Funds:</u>						
Humanities & Social Sciences	3,050	97	12	91	56	3,100
Medical Sciences	805	27	3	21	16	824
Physical & Life Sciences	1,057	36	4	32	21	1,078
Other purposes	950	30	4	4	17	989
<u>Endowment Funds - Expendable Designated</u>						
Student Support Funds	492	19	2	17	9	501
JRF Funds	849	23	3	0	13	882
<u>Teaching Funds:</u>						
Humanities & Social Sciences	2,526	89	12	75	51	2,579
Medical Sciences	2,054	71	8	61	40	2,096
General purpose	6,411	183	22	2,176	103	4,499
Other purposes	133	3	0	0	2	138
Total Endowment Funds	43,476	1,502	170	(3,120)	809	42,497
<u>Restricted Funds</u>						
Transfer from restricted purpose endowment funds for spending			956	(956)		0
Scholarship & Bursary Fund	549	163	55	0	0	657
College Contribution fund	7	65	33	0	0	39
Fellowship bridging fund	196	342	23	0	0	515
Maintenance fund	0	0	0	0	0	0
Library fund	68	2	0	0	0	70
Other funds	375	25	82	0	0	318
Total Restricted Funds	1,195	597	1,149	956	0	1,599
<u>Unrestricted Funds</u>						
General	(580)	5,836	5,635	(85)	0	(464)
Fixed asset designated Fund	7,424	2,833	449	2,249	0	12,057
Total Unrestricted Funds	6,844	8,669	6,084	2,164	0	11,593
Total Funds	51,515	10,768	7,403		809	55,689

During the year the College transferred £1.985m from the Expendable Designated Endowment to fund the purchase of student accommodation

18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

* A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the charity

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:

* A consolidation of gifts and donations where both income and capital can be used for restricted purpose

Designated Funds

Fixed asset designated

* Unrestricted Funds which are represented by the fixed assets of the College, less external borrowing to fund their acquisition and therefore not available for expenditure on the College's general purposes

The General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	13,559	0	0	13,559
Securities and other investments	0	0	41,913	41,913
Net current assets & long term creditors	(1,966)	1,599	584	217
	<u>11,593</u>	<u>1,599</u>	<u>42,497</u>	<u>55,689</u>

20 TRUSTEES' REMUNERATION

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

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

Trustees of the college fall into the following categories:

Official Fellows, Professorial Fellows, Research and Supernumerary Fellows.

There are also 5 trustees, *Head of House, Development Director, Senior Tutor, Librarian and Bursar* who work full time on management and fundraising.

Some trustees, *particularly tutorial fellows* are eligible for a housing allowance, if they do not live in college. The housing allowance is disclosed in the salary figures below

Some trustees receive additional allowances for additional work carried out as part time college officers. *eg Tutor for Graduates and Dean.* These amounts are included within the remuneration figures below.

The total remuneration and taxable benefits as shown below is £1,209,264 (2012-13 £1,115,308). The total of pension contributions is £190,554 (2012-13 £174,159).

Remuneration paid to trustees

Range	2013-2014		2012-2013	
	Number of trustees/fellows	Gross remuneration, taxable benefits & pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits & pension contributions £
£0-£999	0	-	1	433
£1,000-£1,999	6	7,800	5	6,500
£7,000-£7,999	2	15,416	2	14,747
£9,000-£9,999	2	18,950	2	18,762
£12,000-£12,999	-	-	1	12,856
£13,000-£13,999	1	13,239	1	13,886
£14,000-£14,999	8	117,657	7	102,671
£20,000-£20,999	-	-	1	20,587
£25,000-£25,999	1	25,859	0	-
£35,000-£35,999	1	35,396	1	35,044
£36,000-£36,999	0	-	0	-
£37,000-£37,999	0	-	3	111,811
£38,000-£38,999	4	154,676	2	76,676
£39,000-£39,999	1	39,667	0	-
£40,000-£40,999	4	162,784	4	161,376
£41,000-£41,999	0	-	1	41,744
£42,000-£42,999	1	42,096	0	-
£43,000-£43,999	0	-	2	87,688
£44,000-£44,999	3	132,968	1	44,155
£47,000-£47,999	0	-	1	47,314
£49,000-£49,999	1	49,216	0	-
£58,000-£58,999	2	117,478	2	116,315
£61,000-£61,999	0	-	1	61,767
£63,000-£63,999	0	-	1	63,457
£64,000-£64,999	2	128,078	0	-
£69,000-£69,999	1	69,690	0	-
£77,000-£77,999	0	-	1	77,519
£78,000-£78,999	1	78,294	0	-

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

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

Trustee expenses

No fellow claimed any expenses for work as a trustee.

21 PENSION SCHEMES

1. The pension schemes

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and final pensionable salary) and are contracted out from the State Second Pension Scheme. The assets of USS and OSPS are each held in separate trustee-administered funds. Both schemes are multi-employer schemes and the College is unable to identify its share of the underlying assets and liabilities of each scheme on a consistent and reasonable basis. Therefore, in accordance with the accounting standard FRS17 "Retirement Benefits", the College accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting period.

The College has also made available National Employment Savings Trust ('NEST') for employees on temporary contracts of employment.

In the event of the withdrawal of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot be otherwise recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme.

However, in OSPS, the amount of any pension funding shortfall in respect of any withdrawing participating employer will be charged to that employer.

2. Actuarial valuations

Qualified actuaries periodically value the Schemes. Both USS and OSPS were valued using the "projected unit" method, embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. 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	31/03/2013
Date valuation results published:	15/06/2012	30/06/2014
Value of liabilities:	£35,344mm	£597m
Value of assets:	£32,434m	£424m
Funding Surplus/(Deficit):	(£2,910m)a	(£173m)c
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)	-	4.4%pa
Rate of interest (periods after retirement)	-	4.4%pa
Rate of increase in salaries	4.4% pa	4.5% pa
Rate of increase in pensions	3.4% pa d	4.4% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	23.7 yrs	22.5 yrs
Assumed life expectancy at age 65 (females)	25.6 yrs	25.2 yrs
Funding Ratios:		
Technical Provisions basis:	92%	71%
Statutory Pension Protection Fund basis:	93%	69%
"Buy-out" basis:	57%	44%
Estimated FRS17 basis	82% e	75%
Recommended Employer's contribution rate (as % of pensionable salaries):	16%e	21.5% increasing to 23.5%f
Effective date of next valuation:	31/03/2014	31/03/2016

Notes:

- a. USS' actuarial valuation as at 31 March 2011 identified a funding deficit of £2,910m. The USS joint Negotiating Committee has proposed, and USS has implemented with effect from 1st October 2011, a package of changes, including the admission of new members into a Career Revalued Benefits section. The changes are required to ensure the future sustainability of the Scheme. Further details about the changes may be reviewed on USS website, www.uss.co.uk. After allowing for those changes, the actuary established a long term employer contribution rate of 12.6% of total pensionable salaries from the 2011/12 year, reducing over time. USS agreed with Universities UK, on behalf of all 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 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. As the work on the 2014 valuation for USS is not yet complete the trustee cannot provide the final figure for funding as at 31 March 2014. However, an estimate has been provided using the assumptions to deliver the 2011 actuarial valuation. On that basis the actuary has estimated that the funding level under the scheme specific funding regime will have fallen from 92% at 31 March 2011 to 85% at 31 March 2014. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions
- c. OSPS' actuarial valuation as at 31 March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries, and a funding deficit of £173m. The University of Oxford, on behalf of all the employers participating in the scheme, has agreed with the trustees of OSPS to address this deficit by raising the employer contribution rate in increments of 0.5% of pensionable salary to 23.5%, with this increase being implemented over the next three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30 June 2026.
- d. 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.
- e. 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.
- f. As noted above (note c.), the OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 20.1% of total pensionable salaries. It was agreed that employers increase contribution rate by 0.5% each year to 1 August 2017 to 23.5%.

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 £63m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £2.0bn	increase / decrease by £41m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £1.2bn	increase / decrease by £13m
<u>Rate of mortality</u>	more prudent assumption (mortality at last valuation, rated down by a further year)	increase by £0.8bn	increase by £20m

4. Pension charge for the year

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

Scheme	2014 £'000	2013 £'000
Universities Superannuation Scheme	280	274
University of Oxford Staff Pension Scheme	186	164
NEST	4	0

Notes

- g. The College continues to make a small number of supplementation payments to one retired employee.

22 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

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

	2014 £'000	2013 £'000
Net incoming resources for the year	3,365	414
Elimination of non-operating cash flows:		
- Investment income	(1,403)	(1,381)
- Endowment donations	(99)	(160)
Depreciation	449	394
(Surplus)/loss on sale of fixed assets	(2,834)	0
Decrease/(Increase) in stock	5	(3)
Decrease/(Increase) in debtors	145	(141)
(Decrease)/Increase in creditors	83	262
Net cash inflow/(outflow) from operations	(289)	(615)

24 ANALYSIS OF CHANGES IN NET FUNDS

	2013 £'000	Cash flow £'000	2014 £'000
Cash at bank and in hand	150	129	279
Deposits and other short term investments	3,305	(1,831)	1,474
Bank loans due within one year	0	(150)	(150)
Bank loans due after one year	0	(1,350)	(1,350)
	<u>3,455</u>	<u>(3,202)</u>	<u>253</u>

25 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.

One trustee (Dr Bhattacharya) had a loan outstanding from the College at the end of the year.

2014 £'000	2013 £'000
53	55

Interest is charged on the above loan at 1% per annum. The loan is repayable within 25 years or on the departure of the trustee from the College if earlier.