

St Hugh's College

Annual Report and Financial Statements

Year ended 31 July 2014

ST HUGH'S COLLEGE

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Governing Body, Officers and Advisers

Year ended 31 July 2014

MEMBERS OF THE GOVERNING BODY

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

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

		Finance Committee	Investment Committee	Academic Committee	Risk Committee	Remuneration Committee
Dame Elish Angiolini (Principal)		•	•	•	•	
Professor J F Iles				•		
Professor A Watts						
Dr M B Holland				•		
Professor A L Harris						
Professor A W Moore						
Dr G S Garnett						
Dr T M Kuhn						
Professor J T Chalker						
Professor K R Plunkett						
Professor M B Giles						
Professor J S Getzler				•		
Professor L L Wong				•		
Professor G A Stellardi						
Professor P J Mitchell						•
Professor P D McDonald		•				
Professor J K-H Quah			•			

ST HUGH'S COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2014

		Finance Committee	Investment Committee	Academic Committee	Risk Committee	Remuneration Committee
Mrs S J Vainker						
Professor S R Duncan		•				
Professor R K Westbrook		•			•	
Dr S Paseta						
Professor R G Grainger						
Professor C J Stevens						
Professor M R Macnair						
Professor C Wilson						
Professor I A Walmsley						
Dr T C B Rood						
Professor A Harnden						
Mr R Ovenden	(resigned 14/03/2014)					
Dr N E R Perkins				•		
Professor T C Powell						
Professor J Martin			•			•
Professor P Tarres						
Dr E J Emerson		•		•	•	
Professor C Capelli						
Professor D P Marshall						•
Professor R Lewis						
Professor R Perera						
Professor X Zhou						

ST HUGH'S COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2014

		Finance Committee	Investment Committee	Academic Committee	Risk Committee	Remuneration Committee
Mr P R C Marshall						
Professor E E Leach				•		
Professor G Loutzenhiser						
Professor S J Conway						
Professor M Friedman						
Professor A Hammond	(resigned 30 June 2014)					
Professor P Blunsom						
Professor R Baker				•		
Professor E Mann						
Dr T Sanders						
Professor J Riddoch	(retired 31 January 2014)					
Professor J M Kim						•
Ms V C Stott		•	•	•	•	
Dr J Parkin						
Professor EM Husband						
Professor L Jin						
Professor C Ballentine						
Professor D Biro						
Professor D Doyle						
External Committee Members						

ST HUGH'S COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2014

		Finance Committee	Investment Committee	Academic Committee	Risk Committee	Remuneration Committee
Mr R Forrester			•			
Prof M Esiri						•
Ms R Hedley Miller						•
Ms Francesca Barnes						•

COLLEGE SENIOR STAFF

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

A Dame Elish Angiolini	<i>Principal</i>
B Professor R Westbrook	<i>Vice Principal</i>
C Ms V Stott	<i>Bursar</i>
D Dr E J Emerson	<i>Senior Tutor</i>

COLLEGE ADVISERS

Investment managers

BlackRock Advisors (UK) Limited
Murray House
1 Royal Mint Court
London
EC3N 4HH

Oxford University Endowment Management Limited
King Charles House
Park End Street
Oxford
OX1 1JD

Auditor

Critchleys LLP
Chartered Accountants
Greyfriars Court
Paradise Square
Oxford
OX1 1BE

ST HUGH'S COLLEGE

Governing Body, Officers and Advisers
Year ended 31 July 2014

Bankers

Barclays Bank PLC
P O Box 299
Birmingham
B1 3PF

Santander UK PLC
1st Floor, 121 St Aldates
Oxford
OX1 1HB

College address

St Margaret's Road
Oxford
OX2 6LE

Website www.st-hughs.ox.ac.uk

ST HUGH'S COLLEGE

Report of the Governing Body

Year ended 31 July 2014

The Members of the Governing Body present their Annual Report for the year ended 31 July 2014 under the Charities Act 2011 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

St Hugh's College in the University of Oxford, which is known as St Hugh's College, ("the College") is an eleemosynary chartered charitable corporation aggregate. The College was opened in 1886 by Miss Elizabeth Wordsworth under the title of St Hugh's Hall as a society for women students to study for Oxford examinations.

The College registered with the Charities Commission on 6th January 2011 (registered number 1139717).

The names of all Members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Charter, Statutes and Bylaws. In 1891 St Hugh's Hall was placed under the management of a council: it was constituted under a deed of Trust in 1894, and incorporated in 1911 under the Companies (Consolidation) Act (1908) under the title of St Hugh's College. On 1 November 1910 it was recognised by Decree of Convocation, and in 1920 it was admitted to the privileges of *Statt. Tit. XXIII Of Women Students*. In 1926 the College was incorporated under Royal Charter in the style of 'The Council of St Hugh's College', the exercise of the powers thereby conferred being vested entirely in the Council, and the composition of the first Council being duly defined. Since 1951 the Council has consisted of the Principal and Fellows. By a statute approved in Congregation on 3 November 1959 the College was admitted to all the rights and privileges of other colleges in the University of Oxford. In a supplemental charter and new statutes dated 1960 the corporate designation is given as 'The Principal and Fellows of St Hugh's College in the University of Oxford'. In 1977 new college statutes were approved to allow the election of men as fellows and in 1986 the Charter was amended to permit the admission of male undergraduates and graduates.

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 was Baron Brown of Eaton-under-Heywood, PC during the year 2014/15. The Governing Body is self-appointing, and has such powers as are conferred on it by its Charter and subject thereto and to the Statutes, has the entire direction and management of the affairs of the College.

The Governing Body appoints the Principal, Fellows, Tutors, Lecturers, Librarian and such administrative and other Officers as the Governing Body thinks necessary from time to time. The Governing Body appoints Committees and delegates to them such powers as it thinks fit.

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 Principal and is advised by 5 main committees.

ST HUGH'S COLLEGE

Report of the Governing Body

Year ended 31 July 2014

Recruitment and training of Members of the Governing Body

New Members of the Governing Body are normally recruited through a joint appointment process with the University of Oxford in the case of academics, which includes open advertisement of the posts and a professional selection and appointment process. In the case of posts funded solely by the College, recruitment is also through open advertisement of the post followed by a professional selection and appointment process including external representatives as appropriate. New members of the Governing Body are inducted into the workings of the College, including Governing Body policy and procedures, through meetings with the Principal, the Senior Tutor and the Bursar and the provision of a comprehensive set of reference documents.

Members of the Governing Body attend trustee training and information courses as appropriate to keep them informed on current issues in the sector and on regulatory requirements.

Organisational management

The members of the Governing Body meet 9 times a year. The work of developing their policies and monitoring the implementation of these is carried out by 5 main committees:

- The Finance Committee
Responsibility for advising the Governing Body on all matters of financial policy and practice, and in particular on the financial implications of any proposals under consideration; presenting annual statements of accounts for the preceding year; approval of budgets and review of management accounts for each period; annual review of all charges made by the College; review of policy relating to conferences; review of salaries for all College employees and others paid by the College.
- The Investment Committee
Responsibility for review and provision of advice to Governing Body, through Finance Committee, on the investments of the College and the appropriate level of income drawdown.
- The Academic Committee
Responsibility for general planning in academic matters; the appropriateness of the existing establishment of Tutors and Lecturers to the current academic needs of the College; recommending the use of funds available for the purpose of research; presentation to Governing Body of annual reports from Junior Research Fellows and holders of research awards; general responsibility for the supervision of graduate studies.
- The Risk Committee
Responsibility for the review, monitoring and reporting of major risks to the College, and recommendation to Governing Body of actions to mitigate those risks.
- The Remuneration Committee
Review and recommendation to Governing Body through Finance Committee, of remuneration and conditions of employment of Fellows/members of Governing Body and advice to Finance Committee on the framework of pay and conditions of senior non academic staff whose detailed pay and conditions are determined by the Principal and Bursar.

The day-to-day running of the College is delegated to the Principal, the Bursar and the Senior Tutor.

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Report of the Governing Body

Year ended 31 July 2014

Group structure and relationships

The College administers many special trusts, as detailed in Notes 17 to 20 to the financial statements.

The College has two wholly owned non-charitable subsidiaries: St Hugh's Conferences Limited, whose annual profits are donated to the College under the Gift Aid Scheme. The trading activities of St Hugh's Conferences Limited primarily comprise revenue from letting of the College facilities when not in use by the College. The subsidiary's aims and objectives are covered in the relevant sections of this report. The College also owns St Hugh's Estates, whose annual profits are also donated to the College under the Gift Aid Scheme. The trading activities of St Hugh's Estates primarily comprise managing contracts for building the China Centre.

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 Risk Committee, chaired by the Principal or a nominated member of Governing Body. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Committee. In addition, the Bursar and department heads meet regularly to review risks. Training courses and other forms of career development are provided 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 provide for members of the University of Oxford the protection and training of an Academic House, conducted according to the principles of the Church of England, but with full provision for the liberty of those who are not members.
- To do all such other things as are incidental or conducive to advancing education, learning and research in Oxford or elsewhere

Public benefit

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2006. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging. The College remains committed to the aim of providing public benefit in accordance with its founding principles. The College admits as students those who

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Report of the Governing Body

Year ended 31 July 2014

have the highest potential to benefit from the education provided by the College and the University and recruits as academic staff those who are able to contribute most to the academic excellence of the College. In the case of both students and academic staff, recruitment is regardless of financial, social, religious or ethnic background:

The College's aims for the public benefit are:

- To advance education, learning and research, in particular by providing, in conjunction with the University of Oxford, an education for approximately 425 undergraduate and 327 graduate students. This education is recognised internationally as being of the very highest standard and develops students academically, personally and socially, preparing them to play a full and effective role in society. In particular, the College provides:
 - teaching facilities and individual or small-group teaching, together with academic, pastoral and administrative support;
 - IT and other administrative support and welfare services, including the availability of the Chaplain to assist every member of the College of every religious belief and none; and
 - residential, social, cultural, musical, recreational and sporting facilities to enable students to realise as much as possible of their academic and personal potential whilst studying at the College.
- To advance research by providing:
 - official Fellowships, Career Development Fellowships, and Junior and Senior Research Fellowship to outstanding academics, to enable them to develop their research work and disseminate their research in the public domain; and
 - facilities and grants to assist with the pursuit of research, including grants for attendance at national and international academic conferences and assistance with the costs of research trips and research materials.

There are no geographical restrictions to those who may benefit from the College's aims and objects. Students and academic staff of the College are drawn from across the UK and internationally;

There are no age restrictions in the College's objects but students of the College are predominantly between 18 and 24 years old; and

There are no religious restrictions in the College's objects and members of the College have a wide variety of faith traditions or none.

In order to raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the college, the College operates an extensive outreach programme as part of University-wide initiatives to widen access. This programme is under the responsibility of the Senior Tutor and includes an extensive programme of visits by schools to the College, open days, admissions symposia for teachers as well as visits to schools and guidance and information on the College website for prospective applicants.

The College maintains an extensive Library so providing a valuable resource for students and Fellows of the College. On a discretionary basis, the College makes its library available to members of other Colleges and the University of Oxford more widely, external scholars and researchers, as well as local children from maintained and other schools as part of educational visits.

The aim set for the College's conference business subsidiary is to help finance the achievement of the College's aims as above.

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Report of the Governing Body

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Activities and objectives of the College

The College's principal activity, as specified in the College's Objects is to provide for members of the University of Oxford the protection and training of an Academic House.

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

In order to assist undergraduates entitled to financial support, the College provides, through a scheme operated in common with the University and other Colleges, bursary support for those of limited financial means. For the academic year 2013/14, the number of awards made was 105 (including 6 Moritz-Heyman awards of £5.5k each). The average value of the awards was £2,461. That scheme is approved by the Office of Fair Access and provides benefits at a substantially higher level than the minimum OFFA requirement.

To support the costs of graduate students, the College provides substantial financial support. This includes scholarships to fund fees and living costs and 'top-up' funding to fill funding shortfalls in students' funding packages and a grant scheme to assist with the purchase of books and equipment, attendance at conferences and travel grants. The total amount expended by the College in 2013/14 for this purpose was £59,437.

The College also makes awards for academic development and has various scholarships and prizes available to reward academic excellence. During the year the College awarded £17,988.

In addition to its other programmes, the College operates a hardship scheme for all students in financial hardship and provides access to hardship schemes operated by the University. For the academic year 2013/14 the College awarded £15,415 of hardship loans and grants and provided £87,795 of free vacation residence. A programme to encourage legacies to be made to the College is in place and annual fundraising campaigns focus on the provision of support for students suffering financial hardship.

Value for money

The Governing Body of St Hugh's College has considered the processes in place during the financial period ending 31 July 2014 and is satisfied that, with regard to public and publicly accountable funds, the processes for achieving economy, efficiency and effectiveness were appropriate.

In making this confirmation, members of the Governing Body are cognisant of their obligations as Charity Trustees to ensure that funds are correctly applied, in line with the objects of the College.

ACHIEVEMENTS AND PERFORMANCE

The College has continued to provide an extremely high level of education to undergraduate students and to offer a thriving environment for research and teaching, alongside providing an extremely high level of pastoral and administrative support for undergraduate students, graduate students, Fellows, Lecturers and tutors.

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Report of the Governing Body

Year ended 31 July 2014

Degrees

113 students completed undergraduate degrees, with 118 graduate students completing taught Master's degrees and 25 completing research degrees.

Library:

The addition of the room at the top of the library staircase upgraded the library services by providing extra storage and additional seating space for students. The room has been filled up with the most sought after periodicals and editions from the stacks is being heavily used by students wanting to work in pairs or in small groups.

The library continues to work with Fellows to update the collection with relevant textbooks and other key works. A new section has been added to the library collection: 'MFO-HUG'. This section regroups publications presented by their authors, mostly leading French scholars, as part of the St-Hugh's–Maison Française d'Oxford lecture series.

Noteworthy progress has been made with the reclassification project and significant sections such as History and Fine Arts have been completed. The reclassification of the English section is ongoing and more than six thousands books have already been reclassified and re-labelled over the summer 2014.

Student recruitment and widening participation

The College continues to work with schools and colleges to encourage able students to consider Oxford and St Hugh's. Tutors and current students work together to visit schools and colleges and arrange visits to St Hugh's, offering introductory talks about Oxford and university, alongside 'taster' tutorial sessions. The College continues to work with 'Teach First' to offer bursaries to St Hugh's students taking part in teaching programmes in underprivileged schools and to arrange programmes of visits and information for students from those schools. The College has been able considerably to expand its outreach programme, and the work we do with schools.

Early-career development

The College continues its drive to recruit early-career academics to 'Career Development Fellowships' (CDFs). Two new CDFs joined the College – both working in the field of Modern European Literature; and the Development Office continues to raise funds to support further posts of this kind.

Research Environment

The College continues to provide funding and assistance to its Fellows to enable them to continue to produce world-class research, ranging from attendance at conference and networking events to providing research assistance, periods of sabbatical leave for specific projects and the opportunity to hold academic networking events in college.

Chapel

The Chapel continues to provide for religious worship and also to offer the opportunity for students to join its choir.

Development

Alumni Relations engagement continued with events throughout the year both within College and through international reunions, particularly in Hong Kong and the USA. Our annual programme of fundraising also continued with the Annual Giving programme, telephone fundraising campaigns as well as targeted

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fundraising for Career Development Fellowships. During the year £15,993 was raised for student support, £603,725 towards teaching costs and £3,641,432 towards the Dickson Poon University of Oxford China Centre Building, a figure which included some of the final major gifts in the campaign.

New building

The new building, managed by St Hugh's Estates, was completed just before the year end. The building comprises 63 graduate bedrooms; academic offices for the University of Oxford China Centre; a 100 seater lecture theatre; seminar and meeting space; a tea room; and the Bodleian Library's China Collection. The project was complex to run, but has provided us with an extremely high quality addition to the Estate. It was particularly rewarding to welcome His Royal Highness the Duke of Cambridge to open the building on 8th September 2014.

Conference Business

The Conference Office has had a busy year, and the opening of the Dickson Poon Building brings with it the opportunity to set higher targets than we have previously been able to achieve. Servicing this business and ensuring that it doesn't impinge on our core academic mission remains critical to the growth of this area.

Strategy and Planning Horizon

The College has finalised a draft strategic framework to present to Governing Body early in 2014/15 and has continued to keep operational and strategic plans under review. We are making good progress towards our long term target of retained surplus of 5% of income, which will allow us to rebuild working capital reserves and improve our operational sustainability.

Operations

We have seen a great deal of staff turnover in the senior administration team of the College during the year, which has presented some challenges. However, the team returned to full strength just before the end of the year. New team members are already bringing new approaches to

FINANCIAL REVIEW

Total income rose by £3.4m (36%) as a result of some one off items, including significant levels of donations (toward the cost of the Dickson Poon Building); and a provisional sum for liquidated damages. Total expenditure has also risen, by £553k (7%) compared with the previous year. This was driven by provisions for unexpected utility bills; provisions for legal fees relating to the overrun of the building project; and an increase in conference costs caused by the need to book alternative accommodation for conference business due to have been held in the Dickson Poon Building in the period of overrun. This increase in expenditure was balanced by considerable savings against the staff costs and operational budget lines, resulting in an overall operating surplus of £4m, against £1.2m in the previous year. Legacies and donations were £4.7m. Total bank borrowings increased by £4.6m to £9.3m, as a result of obtaining additional financing to bridge the gap between pledge and receipt of donations toward the Dickson Poon Building.

ST HUGH'S COLLEGE

Report of the Governing Body

Year ended 31 July 2014

Operations, funding and capital expenditure

The charitable activities of the College consist of teaching and research, together with the provision of board and lodging to College members in buildings owned by the College.

The income generated by these charitable activities amounted to £6.7m, and increase of 2.7% on the previous year, as follows:

£000s	2014	2013	% change
Teaching and research income	3,280	3,050	+7.5%
Catering and accommodation (members)	2,160	2,111	+2.0%
Catering and accommodation (others)	1,288	1,391	-7.4%

The cost of undertaking these charitable activities amounted to £7.8m, an increase of 6% on the previous year. Of this £4m was attributable to teaching and research and £3.8m to catering and accommodation.

These figures include an apportionment of the College's £791k depreciation charge, 58% of which is allocated to academic activity and 42% to the feeding and housing of College members. Thus, the operating deficit from these charitable activities was £1.1m. Funding for this operating deficit comes from three sources: donations, trading income and transfers from the College's endowment.

Income from non-charitable conferences and other trading activities amounted to £917k, with costs of £434k, contributing £483k net.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall and to allow the College to be managed efficiently and to provide a buffer that would ensure uninterrupted services.

The College's free reserves, including those designated for a specific purpose by Governing Body, at the year-end amounted to £4m (2013: £1m), representing retained unrestricted income reserves excluding an amount of £20m for the book value of fixed assets less associated funding arrangements.

Designated reserves at the year-end comprised £1.7m for a variety of educational purposes. The current intention is for the capital value of these funds to be retained and for the income generated to be expended on those educational purposes.

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;

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Report of the Governing Body

Year ended 31 July 2014

- 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 Investment Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £29.0m. The overall total investment return was 3.2% over the year.

Under the total return accounting basis, it is the Governing Body's policy to extract as income 3.77% (plus costs) of the value of the College's holdings in securities and other investments. To smooth and moderate the amounts withdrawn the 3.77% is calculated on the average of the calendar year end values in each of the last five years. During the year the equivalent of 3.72% of the five year average value of the securities and other investments, plus costs, was extracted as income on this basis. 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.

Within the College's holdings of securities and investments, this income extraction policy is not applied to: one holding of shares in Oxford University's Endowment Management's Oxford Endowment Fund; a small investment in the ISIS College Fund Limited Partnership; and to the joint equity properties which are listed in Note 27 of the financial statements. Any income distributions issued by these investments are treated as income as they are received.

The Portfolio Review Services comprehensive review of the College's investment strategy, which was launched last year, is ongoing, after delays due to staff vacancies in College. This review, which will encompass governance, asset allocation, risk profile and management, will inform the business of Investment Committee over the coming year.

FUTURE PLANS

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

- To continue to provide a world-class education to undergraduates and graduates and a thriving research environment for academics.
- To provide superb facilities for tutorial teaching and study, alongside social, musical and religious facilities for students, academics and staff.
- To increase the information available to prospective students about our teaching and learning environment, primarily via our website.
- To ensure that the College makes clear its commitment to recruiting tutors and students on the basis of academic excellence alone, and to communicate the generous levels of financial and other support available to undergraduates and graduates at St Hugh's.

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.

ST HUGH'S COLLEGE

Report of the Governing Body

Year ended 31 July 2014

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.

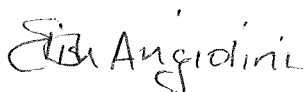
Charity law requires the Governing Body to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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 26 November 2014 and signed on its behalf by:



Principal

ST HUGH'S COLLEGE

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

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

We have audited the financial statements of St Hugh'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 29. 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

Date 28 November 2014

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

ST HUGH'S COLLEGE

Statement of Accounting Policies

Year ended 31 July 2011

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the College and with its wholly owned subsidiary St Hugh's Conferences 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 the consolidated income, expenditure and results of the College are disclosed in note 12.

2. Basis of accounting

The financial statements have been prepared under the Charities Act 2006 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

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

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

4. Incoming resources from donations and legacies

Voluntary income is accounted for 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 purpose of the College is credited to unrestricted funds.

Voluntary income which is subject to specific wishes of the donor is credited to the relevant restricted fund or, where the donation, grant or legacy is required to be held as capital, to the endowment funds. Where donations are received otherwise than in cash, they are valued at the market value of the underlying assets received at the date of receipt.

5. Investment income

Interest on bank balances and fixed interest securities is accounted for in the period to which the interest relates.

Dividend income and similar distributions are accounted for in the period in which they become receivable.

Income from investment properties is accounted for in the period to which the rental income relates.

6. Expenditure

Expenditure is accounted for on an accruals basis. Indirect expenditure is apportioned to expenditure categories based on the estimated amount attributable to that activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the College and its subsidiaries are excluded from trading income and expenditure.

ST HUGH'S COLLEGE

Statement of Accounting Policies

Year ended 31 July 2011

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 and 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	15 years
Equipment	3 - 10 years

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

10. 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.

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

ST HUGH'S COLLEGE

Statement of Accounting Policies

Year ended 31 July 2011

capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a capital supplement to the preserved ('frozen') value of the permanent endowment.

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

For the carrying value of the preserved (frozen) permanent capital, the Governors have taken its open market value as at 31 July 2002, together with the original gift value of all subsequent endowments received.

14. Fund accounting

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the origins of the funds and the terms set by the donors. Endowment funds are further sub-divided into permanent and expendable.

Unrestricted funds can be used in furtherance of the objects of the College at the discretion of the Governing Body. The Governing Body may decide that part of the unrestricted funds shall be used in future for a specific purpose and this will be accounted for by transfers to appropriate designated funds.

Restricted funds comprise gifts, legacies and grants where the donors have earmarked funds for specific purposes. They consist of either gifts where the donor has specified that both the capital and any income arising must be used for the purposes given or the income on gifts where the donor has required that the capital be maintained and the income used for specific purposes.

Permanent endowment funds arise where donors specify that the funds should be retained as capital for the permanent benefit of the College. Any income arising from the capital will be accounted for as unrestricted funds unless the donor has placed restricted the use of that income, in which case it will be accounted for as a restricted fund.

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

15. Pension costs

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

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

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2014 Total £000's	2013 Total £000's
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research and residential		6,728	0	0	6,728	6,552
		<u>6,728</u>	<u>0</u>	<u>0</u>	<u>6,728</u>	<u>6,552</u>
Resources from generated funds						
Legacies and donations		196	3,890	609	4,695	1,686
Trading income	2	917	0	0	917	503
Investment income	3	27	20	348	395	634
Bank and other interest	4	11	26	0	37	4
		<u>1,151</u>	<u>3,936</u>	<u>957</u>	<u>6,044</u>	<u>2,827</u>
Other incoming resources		16	0	0	16	18
Total Incoming Resources		<u>7,895</u>	<u>3,936</u>	<u>957</u>	<u>12,788</u>	<u>9,397</u>
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		473	0	0	473	489
Trading expenditure		434	0	0	434	263
Investment management costs		14	0	0	14	57
		<u>921</u>	<u>0</u>	<u>0</u>	<u>921</u>	<u>809</u>
Charitable activities	5					
Teaching, research and residential		7,101	681	0	7,782	7,342
		<u>7,101</u>	<u>681</u>	<u>0</u>	<u>7,782</u>	<u>7,342</u>
Governance costs	8	17	0	0	17	16
Total Resources Expended		<u>8,039</u>	<u>681</u>	<u>0</u>	<u>8,720</u>	<u>8,167</u>
Net incoming/(outgoing) resources before transfers		(144)	3,255	957	4,068	1,230
Transfers between funds	17	17,768	(17,109)	(659)	0	0
Net incoming/(outgoing) resources before other gains and losses		<u>17,624</u>	<u>(13,854)</u>	<u>298</u>	<u>4,068</u>	<u>1,230</u>
Investment gains/(losses)		536	20	380	936	3,989
Net movement in funds for the year		<u>18,160</u>	<u>(13,834)</u>	<u>678</u>	<u>5,004</u>	<u>5,219</u>
Fund balances brought forward	17	6,436	14,737	25,731	46,904	41,685
Funds carried forward at 31 July	17	<u>24,596</u>	<u>903</u>	<u>26,409</u>	<u>51,908</u>	<u>46,904</u>

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

	Notes	2014 Group £000's	2013 Group £000's	2014 College £000's	2013 College £000's
FIXED ASSETS					
Tangible assets	10	29,160	16,996	29,160	16,996
Securities and other investments	11	28,951	28,886	28,951	28,886
		<u>58,111</u>	<u>45,882</u>	<u>58,111</u>	<u>45,882</u>
CURRENT ASSETS					
Stocks		113	119	112	119
Debtors	14	955	920	3,764	754
Deposits and other short term investments		0	6,654	0	6,654
Cash at bank and in hand		5,047	470	3,855	461
		<u>6,115</u>	<u>8,163</u>	<u>7,731</u>	<u>7,988</u>
CREDITORS: falling due within one year	15	3,267	2,681	4,890	2,506
NET CURRENT ASSETS/(LIABILITIES)		<u>2,848</u>	<u>5,482</u>	<u>2,841</u>	<u>5,482</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		60,959	51,364	60,952	51,364
CREDITORS: falling due after more than one year	16	9,051	4,460	9,051	4,460
Provisions for liabilities and charges		0	0	0	0
NET ASSETS		<u>51,908</u>	<u>46,904</u>	<u>51,901</u>	<u>46,904</u>
FUNDS OF THE COLLEGE					
	17				
Endowment funds		26,409	25,731	26,409	25,731
Restricted funds		903	14,737	903	14,737
Unrestricted funds					
Designated funds		1,737	1,743	1,737	1,743
General funds		22,859	4,693	22,852	4,693
		<u>51,908</u>	<u>46,904</u>	<u>51,901</u>	<u>46,904</u>

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

on: 26 November 2014

Trustee: E.A. Angiolini

Trustee:

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

	Notes	2014 Group £000's	2013 Group £000's
Net cash inflow/(outflow) from operations	23	4,495	2,397
Returns on investments and servicing of finance			
Income from investments		166	243
Finance costs paid		(132)	(63)
		34	180
Capital expenditure and financial investment			
New endowment capital received		609	276
Payments for tangible fixed assets		(12,955)	(5,740)
Proceeds from sales of tangible fixed assets		0	0
Payments for investments		(4)	(260)
Proceeds from sales of investments		1,124	601
		(11,226)	(5,123)
Management of liquid resources			
Net (additions to) / withdrawals from term deposits		6,654	3,437
Net (purchase) / sale of current asset investments		0	0
		6,654	3,437
Financing			
New bank loans		0	0
Bank loans repaid		4,621	(274)
New lease finance		0	0
Capital element of finance lease payments		0	0
		4,621	(274)
Increase/(decrease) in cash in the year		4,578	617
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		4,578	617
Transfers to/(from) term deposits and current investments		(6,654)	(3,437)
(Increase)/decrease in loan and lease finance		(4,621)	274
Change in net funds		(6,697)	(2,546)
Net funds at 1 August		2,413	4,959
Net funds at 31 July	24	(4,284)	2,413

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

1 INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2014 Total £000's	2013 Total £000's
Teaching, research and residential					
Tuition fees - UK and EU students	1,788	0	0	1,788	1,561
Tuition fees - Overseas students	1,074	0	0	1,074	984
Other fees	0	0	0	0	6
Other HEFCE support	289	0	0	289	311
Other academic income	129	0	0	129	188
College residential income	3,448	0	0	3,448	3,502
	<u>6,728</u>	<u>0</u>	<u>0</u>	<u>6,728</u>	<u>6,552</u>

The above analysis includes £1,953k received from Oxford University under the CFF Scheme, net of College fees received directly (2013 - £1,797k)

2 TRADING INCOME

	2014 £000's	2013 £000's
Subsidiary company trading income	917	503
	<u>917</u>	<u>503</u>

3 INVESTMENT INCOME

	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2014 Total £000's	2013 Total £000's
Other property income	0	0	0	0	0
Interest on fixed term deposits and cash	0	0	0	0	0
Other investment income	27	20	348	395	634
	<u>27</u>	<u>20</u>	<u>348</u>	<u>395</u>	<u>634</u>

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2014 Total £000's	2013 Total £000's
Bank interest	11	26	0	37	4
Other interest	0	0	0	0	0
	<u>11</u>	<u>26</u>	<u>0</u>	<u>37</u>	<u>4</u>

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £000's	Other direct costs £000's	Support costs £000's	2014 Total £000's	2013 Total £000's
Costs of generating funds					
Fundraising	273	132	68	473	489
Trading expenditure	103	305	26	434	263
Investment management costs	4	0	10	14	57
Total costs of generating funds	<u>381</u>	<u>437</u>	<u>103</u>	<u>921</u>	<u>809</u>
Charitable expenditure					
Teaching, research and residential	4,021	2,487	1,274	7,782	7,342
Total charitable expenditure	<u>4,021</u>	<u>2,487</u>	<u>1,274</u>	<u>7,782</u>	<u>7,342</u>
Governance costs	<u>0</u>	<u>17</u>	<u>0</u>	<u>17</u>	<u>16</u>
Total resources expended	<u>4,402</u>	<u>2,941</u>	<u>1,377</u>	<u>8,720</u>	<u>8,167</u>

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 £NIL (2013 - £NIL).

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

6 SUPPORT COSTS

	Generating Funds £000's	Teaching, Research and Residential £000's	Public Worship £000's	Heritage £000's	2014 Total £000's	2013 Total £000's
Financial and domestic admin	63	139	0	0	202	231
Human resources	7	75	0	0	82	54
IT	33	138	0	0	171	163
Depreciation	0	791	0	0	791	725
Loss/(profit) on fixed assets	0	0	0	0	0	0
Bank interest payable	0	132	0	0	132	63
Other finance charges	0	0	0	0	0	0
	<u>103</u>	<u>1,275</u>	<u>0</u>	<u>0</u>	<u>1,378</u>	<u>1,236</u>

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

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

IT costs are attributed according to headcount.

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

7 GRANTS AND AWARDS

	Unrestricted Funds £000's	Restricted Funds £000's	2014 Total £000's	2013 Total £000's
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:				
Scholarships, prizes and grants	102	39	141	205
Bursaries and hardship awards	152	0	152	150
Grants to other institutions	0	36	36	34
	<u>254</u>	<u>75</u>	<u>329</u>	<u>389</u>

The above costs are included within the charitable expenditure on Teaching and Research. Grants to other institutions comprises a grant the China Studies Department.

8 GOVERNANCE COSTS

	2014 £000's	2013 £000's
Governance costs comprise:		
Auditor's remuneration - audit services	17	16
Auditor's remuneration - audit services over provision in prior year	0	0
	<u>17</u>	<u>16</u>

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

9 STAFF COSTS

	2014 £000's	2013 £000's
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,875	3,946
Social security costs	249	261
Pension costs	512	492
	<u>4,636</u>	<u>4,699</u>

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

	2014	2013
Tuition and research	19	22
College residential	73	70
Fundraising	6	5
Support	5	6
Total	<u>103</u>	<u>103</u>

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

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

University Lecturers	28	26
CUF Lecturers	9	10
Other teaching and research	4	4
Other	5	5
Total	46	45

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

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

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

£70,001-£80,000	1	1
£80,001-£90,000	0	0

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

1	1
---	---

10 TANGIBLE FIXED ASSETS

Group and College	Freehold land and buildings £000's	Fixtures, Fittings and Equipment £000's	Total £000's
Cost			
At start of year	24,476	1,609	26,085
Additions	11,859	1,096	12,955
Disposals	0	0	0
At end of year	36,335	2,705	39,040
Depreciation			
At start of year	7,856	1,233	9,089
Charge for the year	633	158	791
On disposals	0	0	0
At end of year	8,489	1,391	9,880
Net book value			
At end of year	27,846	1,314	29,160
At start of year	16,620	376	16,996

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.

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

11 SECURITIES AND OTHER INVESTMENTS

	2014 £000's	2013 £000's
Group investments		
Valuation at start of year	28,822	24,824
New money invested	4	260
Amounts withdrawn	(1,124)	(601)
Reinvested income	266	395
Investment management fees	(13)	(45)
(Decrease)/Increase in value of investments	936	3,989
Group investments at end of year	28,891	28,822
Investment in subsidiaries	60	64
College investments at end of year	28,951	28,886

Group investments comprise:	Held outside the UK £000's	Held in the UK £000's	2014 Total £000's	2013 Total £000's
Equity investments	7,792	15,830	23,622	23,007
Global multi-asset funds			0	0
Property funds		1,684	1,684	1,903
Fixed interest stocks		3,155	3,155	3,082
Alternative and other investments		27	27	36
Fixed term deposits and cash		403	403	794
Total group investments	7,792	21,099	28,891	28,822

12 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in St Hugh's Conferences Limited, a company providing conference and other event services on the College premises and 100% of the issued share capital of St Hugh's Estates Limited, a company providing design and build construction services to the College.

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

	St Hugh's Conferences Ltd. £000's	St Hugh's Estates Ltd. £000's
Turnover	607	12,261
Expenditure	(531)	(12,022)
Donation to College under gift aid	(76)	(239)
Result for the year	0	0
Total assets	149	3,964
Total liabilities	(149)	(3,964)
Net funds at the end of year	0	0

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

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 15 May 2002. The investment return to be applied as income is calculated as 3.77% of the average of the year-end values of the relevant relevant investments in each of the last 5 years. The preserved (frozen) value of the invested endowment capital represents its open market value at 31 July 2002 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £000's	Expendable Endowment £000's	Total £000's
Investment total return			
Income distributions	218	130	348
Capital gains/losses	243	137	380
Investment management costs	0		0
Total return for the year	461	267	728
Amount applied as income for spending	(407)	(252)	(659)
Net increase in Unapplied Total Return in the year	54		
Unapplied Total Return at start of year	4,946		
Unapplied Total Return at end of year	5,000		
Preserved value of original permanent endowments	11,753		

14 DEBTORS

	2014 Group £000's	2013 Group £000's	2014 College £000's	2013 College £000's
Amounts falling due within one year:				
Trade debtors	592	430	255	341
Amounts owed by College members	0	0	0	0
Amounts owed by Group undertakings	0	0	2,986	30
Loans repayable within one year	21	22	20	22
Prepayments and accrued income	271	244	267	242
Other Debtors	5	158	170	53
Amounts falling due after more than one year:				
Loans	66	66	66	66
	955	920	3,764	754

15 CREDITORS: falling due within one year

	2014 Group £000's	2013 Group £000's	2014 College £000's	2013 College £000's
Bank overdrafts	0	1	0	1
Bank loans	280	250	280	250
Obligations under finance leases	0	0	0	0
Trade creditors	1,325	503	575	490
Amounts owed to College Members	0	0	0	0
Amounts owed to Group undertakings	0	0	0	1,149
Taxation and social security	172	90	96	89
College contribution	0	0	0	0
Accruals and deferred income	1,126	1,394	3,665	139
Other creditors	364	443	274	388
	3,267	2,681	4,890	2,506

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

16 CREDITORS: falling due after more than one year

	2014 Group £000's	2013 Group £000's	2014 College £000's	2013 College £000's
Bank loans	9,051	4,460	9,051	4,460
	<u>9,051</u>	<u>4,460</u>	<u>9,051</u>	<u>4,460</u>

The College has four bank loans:

One loan is secured on various of the College's properties, is repayable by 31 March 2023 and bears interest at a rate of 0.5% above LIBOR.

The second loan is repayable on 30 September 2019 and bears interest at a rate of 0.5% above LIBOR.

The third loan is repayable by 2029 and bears interest at a rate of 0.275% above base rate.

During the year the College took out an additional unsecured loan which is repayable by 24 February 2024, with an option to renew until 24 February 2037. The loan repayments are interest only until 24 February 2016. £1m of this loan is at a floating rate, which was 3.36% during the year, and the remainder is on a fixed rate of 3.36% until 24 February 2019.

The College also has a loan from the University of Oxford for £30,000. This is repayable on the anniversary of the loan and bears interest at one third of the Bristol & West standard variable rate.

St Hugh'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's	Incoming resources £000's	Resources expended £000's	Transfers £000's	Gains/ (losses) £000's	At 31 July 2014 £000's
Endowment Funds - Permanent						
Bursaries	455	5		(12)	6	454
Fellowships and lectureships	10,517	685		(268)	151	11,085
General educational purposes	1,119	4		(9)	22	1,136
Library	383	17		(11)	6	395
Other purposes	2,237	67		(60)	33	2,277
Prizes	141	2		(4)	2	141
Scholarships	1,586	22		(43)	23	1,588
Endowment Funds - Expendable						
Bursaries	108	6		(5)	2	111
Chapel	217	3		(6)	3	217
Fellowships and lectureships	1,058	18		(30)	16	1,062
General educational purposes	7,289	103		(194)	107	7,305
Library	38	1		(1)	1	39
Other purposes	177	18		(5)	2	192
Scholarships	406	6		(11)	6	407
Total Endowment Funds	25,731	957	0	(659)	380	26,409
Restricted Funds						
Aung San Suu Kyi Summer School	14	2	(10)			6
Burma Exchange Programme		22	(11)			11
Bursaries	113	2			2	117
Capital projects fund	438	116	(124)			430
Career development fellowships	237	75	(74)			238
China Studies building	13,853	3,685	(447)	(17,109)	18	0
College prizes	9	15	(2)			22
Lecture series	41					41
Refurbishment and development of buildings	6					6
Scholarships		19				19
Student Support	26		(13)			13
Total Restricted Funds	14,737	3,936	(681)	(17,109)	20	903
Unrestricted Funds						
General	4,693	7,871	(8,039)	17,823	511	22,859
Designated Funds						
Bursaries	16			(1)		15
Fellowships and lectureships	1,245	18		(38)	18	1,243
General educational purposes	321	4		(9)	5	321
Other purposes	16			(1)		15
Scholarships	145	2		(6)	2	143
Total Unrestricted Funds	6,436	7,895	(8,039)	17,768	536	24,596
Total Funds	46,904	12,788	(8,720)	0	936	51,908

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18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

Bursaries, Fellowships and Lectureships, Library, Prizes, Scholarships	A consolidation of gifts and donations where income, but not capital, can be used for the payment of bursaries, the cost of fellowships and lectureships, the running costs of the library and for student prizes and scholarships.
General Educational Purposes	Capital balance of past donations where related income, but not the original capital, can be used for the general educational purposes of the charity
Other purposes	A consolidation of gifts and donations where income, but not capital, can be used for a variety of educational purposes such as lectures and student support.

Endowment Funds - Expendable:

Bursaries, Fellowships and Lectureships, Library, Chapel, Prizes, Scholarships	A consolidation of gifts and donations where either income, or income and capital, can be used for the payment of bursaries, the cost of fellowships and lectureships, the running costs of the library and for student prizes and scholarships.
General Educational Purposes	Capital balance of past donations where related income, or income and capital, can be used for the general educational purposes of the charity
Other purposes	A consolidation of gifts and donations where either income, or income and capital, can be used for a variety of educational purposes such as travel grants, prizes and student support.

Restricted Funds:

Student support	A consolidation of gifts and donations where both income and capital can be used for student support.
Refurbishment and development of buildings	A consolidation of gifts and donations where both income and capital can be used for the refurbishment and development of buildings.
Capital projects fund	A consolidation of gifts and donations which are being released into unrestricted funds in line with the depreciation of the project that they were raised to finance.
China Studies building	A consolidation of gifts and donations where both income and capital can be used to finance the construction of a China studies building.
Career development fellowships	A consolidation of gifts and donations where both income and capital can be used for career development fellowships.
Lecture series	A gift to be used to provide a series of lectures over a 10 year period.
Bursaries	A gift to be used to provide bursaries.
Aung San Suu Kyi Summer School	A consolidation of gifts to fund a summer school for Burmese students
College Prizes	A consolidation of gifts to fund a named prize in Chemistry

Designated Funds

Bursaries, Fellowships and Lectureships, Scholarships	Unrestricted Funds allocated by the Fellows for future costs of bursaries fellowships and lectureships and scholarships.
General educational purposes	Unrestricted Funds allocated by the Fellows for future general educational purposes of the charity
Other purposes	Unrestricted Funds allocated by the Fellows for a variety of future costs such as the gardens, the library, prizes and student hardship.

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

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19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000's	Restricted Funds £000's	Endowment Funds £000's	Total £000's
Tangible fixed assets	28,729	431	0	29,160
Property investments	0	0	0	0
Securities and other investments	3,230	113	25,609	28,952
Net current assets/(liabilities)	1,688	359	800	2,847
Bank loans	(9,051)	0	0	(9,051)
	<u>24,596</u>	<u>903</u>	<u>26,409</u>	<u>51,908</u>

20 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 reviews the remuneration and conditions of employment of the fellows/trustees.

Trustees of the college fall into the following categories:

Principal
Tutorial Fellow
Professorial Fellow
Senior Research Fellow
Additional Fellow
Senior Tutor
Bursar

Some trustees, particularly tutorial fellows are eligible for college housing schemes. No trustees live in accommodation owned by the College and have a deduction from salary as 'rent'. Some trustees are eligible for a housing allowance which is disclosed within the salary figures below. 3 trustees live rent-free in college accommodation and therefore do not receive a housing allowance. 13 trustees live in houses owned jointly with the College. 1 such house was bought and none were sold during the year.

Some trustees receive additional allowances for additional work carried out as part time college officers eg. Dean, computer/IT Fellow.

The total remuneration and taxable benefits as shown below is £1,278,275 (2012-13 £1,172,741). The total of pension contributions is £188,230 (2012-13 £182,099).

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Remuneration paid to trustees

Range	2013-14		2012-13	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1-£999	2	242	3	1,880
£3,000-£3,999			1	3,246
£5,000-£5,999			1	5,882
£6,000-£6,999			1	6,753
£7,000-£7,999			1	7,816
£8,000-£8,999	3	25,681	1	8,306
£9,000-£9,999			1	9,345
£10,000-£10,999			1	10,882
£14,000-£14,999	1	11,542		
£15,000-£15,999	2	31,862		
£16,000-£16,999			1	16,863
£17,000-£17,999			3	53,278
£18,000-£18,999	2	37,697	2	37,311
£19,000-£19,999	2	38,966	15	291,749
£20,000-£20,999	18	369,549	2	40,676
£22,000-£22,999			1	22,137
£24,000-£24,999	1	24,080		
£38,000-£38,999	1	38,563		
£40,000-£40,999			2	81,293
£42,000-£42,999			2	84,652
£43,000-£43,999	1	43,715		
£45,000-£45,999	2	91,198		
£49,000-£49,999			5	246,883
£50,000-£50,999			1	50,725
£53,000-£53,999	5	267,735		
£55,000-£55,999	1	55,545	1	55,522
£62,000-£62,999	1	62,900		
£66,000-£66,999			1	66,178
£70,000-£70,999			1	70,280
£75,000-£75,999	1	75,299		
£80,000-£80,999	1	80,927		
£90,000-£90,999			1	90,383
£92,000-£92,999			1	92,800
£102,000-£102,999	1	102,237		
£108,000-£108,999	1	108,767		

11 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

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.

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The College is also contributing to the NEST scheme of certain staff who were ineligible to join USS or OSPS. During the year the College continued to make pension payments directly to two retired members, both of whom passed away during the year, and to a Standard Life pensions scheme for one employee of the College.

Actuarial valuations

Qualified actuaries periodically value the Schemes. Both USS and OSPS were valued using the "projected unit" method, embracing a market value

	USS	OSPS
Date of valuation:	31/03/2011	31/03/2013
Date valuation results published:	15/06/2012	23/06/2014
Value of liabilities:	£35,344m	£597m
Value of assets:	£32,434m	£424m
Funding Surplus/(Deficit):	(£2,910m) ^{a&b}	(£173m) ^c
Principal assumptions:		
Rate of	6.1% pa	-
Rate of	6.1% pa	-
Rate of	-	4.4% pa
Rate of	-	4.4% pa
Rate of	4.4% pa	4.5% pa
Rate of	3.4% pa ^d	4.4% pa
Mortality assumptions:		
Assumed life	23.7 yrs	22.5 yrs
Assumed life	25.6 yrs	25.2 yrs
Funding Ratios:		
Technical	92%	71%
Statutory	93%	69%
"Buy-out"	57%	44%
Estimated	82% ^e	75%
Recommended Employer's contribution rate (as % of pensionable salaries):	16% ^e	21.5%,
Effective date of next valuation:	31/03/2014	31/03/2016

Notes

a. USS' actuarial valuation as at 31st March 2011 identified a funding deficit of £2,910m. USS implemented with effect from 1st October 2011 a package of changes, including the admission of new members into a Career Revalued Benefits section. Further details about the changes may be reviewed on USS' website, www.uss.co.uk. After allowing for those changes, the actuary established a long term employer contribution rate of 12.6% of total pensionable salaries for the 2011/12 year, reducing over time. USS agreed with Universities UK, on behalf of all the employers participating in the scheme, to address the deficit by continuing the employer contribution rate at the previously agreed rate of 16% of total pensionable salaries (this being the rate paid by the employers since 1st October 2009) until 31st March 2017, following which the employers will pay an additional 2% of salaries in excess of the blended employer future service cost of accruals. The actuary has certified that the additional contribution should eliminate the deficit by 31st March 2021.

b. 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%.

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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
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year)	increase by £0.8bn	increase by £20m

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's	2013 £000's
Universities Superannuation Scheme	280	265
University of Oxford Staff Pension Scheme	229	227
Other schemes - contributions	5	
	<u>514</u>	<u>492</u>

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 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.

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

	2014 £000's	2013 £000's
Net incoming resources for the year	4,068	1,230
Elimination of non-operating cash flows:		
- Investment income	(432)	(638)
- Endowment donations	(609)	(276)
- Financing costs	145	108
Depreciation	791	725
Loss on investment	0	3
(Surplus)/loss on sale of fixed assets	0	0
Decrease/(Increase) in stock	6	20
Decrease/(Increase) in debtors	(33)	(139)
(Decrease)/Increase in creditors	559	1,364
(Decrease)/Increase in provisions	0	0
Net cash inflow/(outflow) from operations	<u>4,495</u>	<u>2,397</u>

24 ANALYSIS OF CHANGES IN NET FUNDS

	2013 £000's	Cash flow £000's	2014 £000's
Cash at bank and in hand	470	4,577	5,047
Bank overdrafts	(1)	1	0
Rounding			
	<u>469</u>	<u>4,578</u>	<u>5,047</u>
Deposits and other short term investments	6,654	(6,654)	0
Bank loans due within one year	(250)	(30)	(280)
Bank loans due after one year	(4,460)	(4,591)	(9,051)
	<u>2,413</u>	<u>(6,697)</u>	<u>(4,284)</u>

25 FINANCIAL COMMITMENTS

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

	2014 £000's	2013 £000's
Land and buildings		
- expiring within one year	0	0
- expiring between two and five years	0	0
- expiring in over five years	0	0
	<u>0</u>	<u>0</u>
Other		
- expiring within one year	0	8
- expiring between two and five years	12	5
- expiring in over five years		
	<u>12</u>	<u>13</u>

26 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for Boiler replacement and Bedroom refurbishment totalling £270k (2013-£14.8m for Dickson Poon Building which is now completed).

27 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.

Interest is charged at 5% per annum. All loans are repayable on the departure of the trustee from the College.

The College has properties owned jointly with trustees under joint equity ownership agreements between the trustee and the College. The cost of the College's share of these properties is:

	2014 £000's	2013 £000's
Dr G.S. Garnett	37	100
Professor K.R. Plunkett	150	150
Dr E.J. Emerson	0	148
Dr J. Martin	151	151
Mr R. Ovenden	141	141
Dr N.E.R. Perkins	151	151
Mr G. Loutzenhiser	0	153
Dr S.J. Conway	151	151
Dr C. Capelli	151	151
Dr P. Blunsom	151	151
Dr C.J. Stevens	151	151
Dr M. Friedman	151	151
Dr J. Parkin	156	156
Dr A. Jerusalem	145	0

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

28 CONTINGENT LIABILITIES

There are no contingent liabilities requiring disclosure. (2013: £NIL).

29 POST BALANCE SHEET EVENTS

There are no post balance sheet events requiring disclosure. (2013: £NIL).