



Trinity College

Financial Statements

Year ended 31 July 2014

TRINITY COLLEGE
Annual Report and Financial Statements
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TRINITY COLLEGE**Governing Body, Officers and Advisers****Year ended 31 July 2014****MEMBERS OF THE GOVERNING BODY**

The members of the Governing Body who are Professorial Fellows or who have been in post for more than one year are the College's charity trustees under charity law. The members of the Governing Body who served during the year are detailed below. Those members who were not trustees of the College during the year are indicated by an asterisk.

		(1)	(2)	(3)	(4)	(5)
Sir Ivor Roberts (President)		*	*	*	*	*
Professor Frances Ashcroft						
Mr Nicholas Barber			*			
Professor Francis Barr						
Dr Maria del Pilar Blanco						
Mrs Sue Broers	(appointed 12 June 2013)			*		
Dr Keith Buckler						
Professor Chris Butler*	(appointed 1 February 2014)					
Professor Craig Clunas				*		
Dr Louise Curran						
Dr Jan Czernuszka						
Dr Tamas David-Barrett						
Professor Russell Egdell						
Dr Stefano-Maria Evangelista		*				
Professor Paul Fairchild						
Dr Andrea Ferrero*	(appointed 1 September 2013)					
Dr Stephen Fisher						
Dr Kantik Ghosh		*				
Dr Anil Gomes		*				
Dr Ian Hewitt						
Dr Dorit Hockman *	(appointed 1 October 2013)					
Dr Michael Jenkins		*				
Mr John Keeling			*			
Mr Kevin Knott			*	*	*	
Professor Alexander Korsunsky			*		*	
Professor Marta Kwiatkowska			*			*
Dr Dorota Leczykiewicz						
Professor Louis Mahadevan		*				
Professor Martin Maiden						
Professor Jonathan Mallinson						
Mr Peter McCulloch			*			

TRINITY COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2014

		(1)	(2)	(3)	(4)	(5)
Dr James McDougall						
Dr Michael Moody						
Dr Katie Moore						
Professor Kim Nasmyth						
Dr Emma Percy						
Dr Susan Perkin						
Dr Christopher Prior	(retired 30 September 2013)					
Professor Peter Read						
Dr Victor Seidel	(resigned 30 September 2013)					
Dr Stephen Sheard		*				
Professor Steve Shkoller*	(appointed 1 October 2013) / (resigned 30 October 2014)					
Dr Gail Trimble				*		
Mr Bryan Ward-Perkins						
Professor Justin Wark			*		*	
Professor Valerie Worth		*				
Dr Johannes Zachhuber			*			

The activities of the Governing Body are carried out through five main and a number of other committees. For the current academic year, Fellows' membership of the main committees is shown above.

- (1) Academic Committee
- (2) Bursarial Committee
- (3) Development Committee
- (4) Investment Committee
- (5) Remuneration Committee

In addition to the Fellows, the Bursarial, Development, Investment and Remuneration Committees have external members who are appointed on the basis of their experience and expertise in the relevant fields. The Remuneration Committee comprises a majority of external members and is chaired by one of the external members.

COLLEGE OFFICERS

The Officers of the College to whom day to day management is delegated are:

President	Sir Ivor Roberts
Estates Bursar	Kevin Knott
Domestic Bursar	John Keeling
Senior Tutor	Professor Valerie Worth
Development Director	Sue Broers

TRINITY COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2014

COLLEGE ADVISERS

Investment manager

Investec Wealth & Investment Limited, 2 Gresham Street, London EC2 7QP

Land Agent

Laws & Fiennes, Warren Lodge, Broughton, Banbury, Oxfordshire OX15 5EF

Auditor

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

Bankers

Barclays Bank plc, Ground Floor, Apex Plaza, Forbury Road, Reading RG1 1AX

Solicitors

Henmans LLP, 5000 Oxford Business Park South, Oxford OX4 2BH

Farrer & Co LLP, 66 Lincoln's Inn Fields, London WC2A 3LH

COLLEGE ADDRESS

Broad Street, Oxford OX1 3BH

Website

www.trinity.ox.ac.uk

TRINITY 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

The College of the Holy and Undivided Trinity in the University of Oxford, which is known as Trinity College, ("the College") is an eleemosynary chartered charitable corporation. It was founded by Sir Thomas Pope under a Letters of Patent issued by Philip and Mary dated 8 March 1555, and a deed of foundation dated 25 March 1555.

The College registered with the Charities Commission on 12 September 2011 (registered number 1143755). 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 advisers of the College, are given on pages 2 to 4.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is The Lord Bishop of Winchester. The Governing Body is self-appointing.

The majority of the Governing Body members are Official Fellows who are either Tutorial Fellows, jointly appointed with the University on the basis of their academic excellence and ability to meet teaching and research needs of the College, or College Officers appointed to fulfil specific administrative roles in the College.

New members of the Governing Body are recruited by advertisement and inducted into the workings of the College, including the College's policies and procedures, by the President and College Officers. In accordance with College Statutes, new Fellows, other than Professorial Fellows, do not have voting rights at Governing Body meetings during their first year in office, and are therefore not trustees of the charity.

The Governing Body determines the 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 President. It is supported in its role by a number of committees, the most significant of which are listed on page 3. It delegates day-to-day management to the College Officers who are listed on the same page.

Group structure and relationships

The College administers many trusts, as detailed in Notes 17 and 18 to the financial statements.

The College has two wholly owned non-charitable subsidiaries: Trinity College Oxford Limited, whose trading activities primarily comprise letting the College's facilities when not in use for their charitable objects, and Trinity College Developments Limited, which undertakes major building works to the College's listed buildings. The annual profits of the subsidiaries are donated to the College under the Gift Aid Scheme. The subsidiaries' aims are to help finance the achievement of the College's aims as described below.

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 on-going 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 committees. Financial risks are assessed by the Bursarial Committee and investment risks are monitored by the Investment Committee. In addition, the Domestic Bursar chairs a committee that meets regularly to review health and safety issues. Training courses and other forms of career development are available, when required, 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 Object and Aims

Object

The object of the College is to advance education, learning and research through the provision, maintenance, support and conduct of a college within the University of Oxford.

Public benefit

The trustees are mindful of their duty to ensure that the College provides a public benefit, and are satisfied that the College fulfils this duty.

The College advances public learning by providing higher education for undergraduate and postgraduate students within Oxford University, and by supporting the pursuit of publicly disseminated research. The College currently has approximately 300 undergraduates and 110 postgraduates. Tutorial and Professorial Fellows have contractual obligations to teach and to undertake research.

The College provides public benefit by offering higher education to its undergraduates, much of it through the tutorial system which provides the opportunity to meet with a tutor on a weekly basis during term time. In addition, the College provides classes, seminars and other forms of teaching as appropriate, in conjunction with the University's Faculties and Departments.

Graduates at the College form an important part of the academic community. While they are taught and undertake research in Faculties and Departments of the University, every graduate student is assigned a College Graduate Adviser who is a Fellow of the College and who provides academic and pastoral support. In addition, the Senior Tutor maintains oversight of the academic progress of graduates, and of their welfare and needs.

To support student learning, the College provides the use of its library, IT network, chapel, buildings and accommodation. It actively promotes the wider cultural, moral and social development of its students through the provision of facilities for drama, music, sports, welfare support and careers advice, as well as religious worship.

The College employs Junior Research Fellows who, at an early career stage, have already shown outstanding promise in their chosen field of research, to enable them to concentrate on their research topic and to develop their career.

Recruitment and support for students

The College offers undergraduate places on the basis of academic merit. The College aims to attract students who are most able to benefit from an Oxford education regardless of sex, gender, income, ethnic origin, religion, disability or previous educational opportunity, and actively works to recruit students from non-traditional backgrounds by promoting access. There are no geographical restrictions in the College's objectives and students and academic staff are drawn from across the UK and the wider world.

TRINITY COLLEGE
Report of the Governing Body
Year ended 31 July 2014

The College charges students fees which, where applicable, are set in accordance with rates approved by Government, and for accommodation and meals at affordable rates.

Financial support is available to students in financial need to assist them with the costs of tuition fees and living costs whilst at the College. In addition to student loans provided by the Student Loans Company available to undergraduates from within the EU, other financial support, in the form of a bursary, is available to UK undergraduates who are from households where income is below a certain level. In the 2013-14 academic year, students received a total of £80,000 under this bursary scheme. The College also provided further financial support of £396,000 to undergraduates and graduates during the year to alleviate financial hardship or to support their academic or extra-curricular activities. This was made possible through the generosity of donors and through the use of College funds

Subsidiaries

The aims for the College's subsidiaries are to help finance the achievement of the College's object.

ACHIEVEMENTS AND PERFORMANCE

All Tutorial Fellows continued to undertake research as one core part of their duties involving the preparation and completion of monographs and peer-reviewed articles. This research activity ensured that the undergraduates continued to be taught by academics at the leading edge of their subjects to be submitted. The international as well as national impact of Fellows' research is attested, inter alia, by their presence as keynote speakers at a wide range of international conferences.

A detailed report on the individual activities of the President and Fellows can be found in the Trinity College Report 2013-14, which can be obtained directly from the College.

Trinity's undergraduates were again successful in Finals, 24 students securing a First and 43 a 2.1. The percentage achieving a 2.1 or better was 93%. This performance was testimony to the commitment and academic strengths of both the students and their tutors. Of the graduates, 40 completed their course of study, including 17 who were awarded their Doctorate of Philosophy.

Whilst the students' academic success is a key objective, the College seeks to enable students to participate fully in University and College sporting, cultural and recreational activities. At the College level, student clubs and societies, notably the Trinity Players, the Boat Club, the Music Society and the Trinity Orchestra, are particularly active. On the sporting front, 13 students won Blues or Half Blues during the year.

Over the year, under the direction of the Senior Tutor, who was assisted by the Access and Admissions Officer and many undergraduate students, the College undertook a large number of outreach and access events to encourage able pupils from all educational sectors to consider applying to Oxford University. Further information about outreach and access activity over the year can be found in the Trinity College Report 2013-14.

FINANCIAL REVIEW

Total incoming resources increased to £9,960,000 (2013 - £9,741,000). Legacies and donations amounted to £2,659,000 (2013 - £2,571,000). Over £1.5million was given to endow Fellowships and graduate scholarships with the majority of the remainder being restricted donations for the proposed new building and for the refurbishment of the Chapel in 2015/16. The participation rate, i.e. the number of Old Members giving as a percentage of the total number of contactable alumni, increased to 22% (2013 - 19%).

Investment income increased to £2,463,000 (2013 - £2,224,000). Additional investment from the College's liquid investments, partially arising from additional funds being invested and partially from increased dividends was supplemented by increased rental income from the College's property investments.

TRINITY COLLEGE
Report of the Governing Body
Year ended 31 July 2014

Total resources expended increased to £7,974,000 (2013 - £7,560,000). Teaching and residential expenditure increased by £331,000, or 5%, to £6,811,000. This was attributable to increases in both salary and non-salary costs. Salary costs were inflated by the implementation of auto enrolment on 1 February 2014, by additional appointments and as a result of increasing salaries for non-academic staff to match market rates. Non-salary costs increased at levels above inflation for a number of reasons, including higher food costs, a greater investment in alumni activities and exceptional expenditure on a new College website.

The College invested over £600,000 in fixed assets during the year, of which over £440,000 was spent on property refurbishments, primarily on off-site properties.

Consolidated total funds increased to £145.1million (2013 - £126.3million). In addition to the legacies and donations for the endowment, the majority of the remainder arose from the revaluation of the College's investments. The value of the College's property investments increased to £58.3million (2013 - £41.8million). This was primarily due to outline planning permission being obtained for the development of another 350 houses on College land near Banbury. Securities and other investments increased to £74.8million (2013 - £71.2million), arising from additional investment of £1.8million and capital growth of £1.8million.

The realisation of the full value of the development land will take some years to achieve. The College does not now currently expect to receive the first disposal proceeds until the 2015/16 financial year and, given the external factors affecting the housing market, such as the state of the general economy, cannot determine the date of the last receipt. As and when the College has a clearer idea about the likely timing of receipts, it will begin to clear the continuing backlog of major improvements to its Broad Street properties, many of which are important listed buildings.

As reported in Note 21 to the Financial Statements, the College is a member of two pension schemes, the Universities Superannuation Scheme ("USS") and the Oxford Staff Pension Scheme. Both schemes are in deficit and, in order better to report the financial strength, the College has established a designated fund amounting to £1.1million, representing its estimated share of the two deficits. The valuation of USS as at 31st March 2014 is not yet complete but it is expected to result in a larger deficit than that at 31st March 2011.

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.

The College's free reserves at the year-end amounted to £6,274,000 (2013 - £7,097,000), representing retained unrestricted income. The decline in the free reserves arises primarily from the designation of £1.1million as a specific fund reflecting the College's share of the deficits of the two pension schemes of which it is a member.

The College has an on-going programme of property improvements which, when undertaken, will reduce the free reserves considerably.

Investment policy, objectives and performance

The College's investment objectives are to balance the needs of current and future beneficiaries. The investment strategy is to maximise the total return over the long term within acceptable levels of risk. 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 £133,102,000 (2013: £112,971,000)

FUTURE PLANS

The College will continue to recruit and retain world class academics to undertake both teaching and research.

The College will continue to recruit the best possible students from the widest possible background, with a particular focus on encouraging such applicants from communities that are under-represented at Oxford University.

The College will continue to provide academic teaching and guidance to its students so they can achieve to the best of their abilities, and to provide the facilities and environment required for the development and enjoyment of students outside their academic studies.

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 5 November 2014 and signed on its behalf by:

Sir Ivor Roberts KCMG
President

TRINITY COLLEGE

Report of the Auditor to the Members of the Governing Body of Trinity College

We have audited the financial statements of Trinity 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us during the course of performing our audit. 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:

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 subsidiaries, Trinity College Oxford Limited and Trinity College Developments 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 subsidiaries as included the consolidated income, expenditure and results of the College are disclosed in note 13.

2. Basis of accounting

The financial statements have been prepared under the Charities Act 2011 and in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities issued in 2005 ("the Charities SORP") and applicable accounting standards. The financial statements are drawn up on the historical cost basis of accounting as modified by the revaluation of investment properties and other investments.

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

Fees receivable, HEFCE support and charges for services and use of the premises, less any scholarships, bursaries or other allowances granted by the College, but including contributions received from restricted funds, are accounted for in the period in which the related service is provided.

4. Incoming resources from donations and legacies

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

Voluntary income received for the general 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.

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 on equipment costing more than £1,000 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
Leasehold properties	50 years or period of lease if shorter
Building improvements	10 - 20 years
Equipment	2 - 10 years

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

10. Investments

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

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

Gains and losses arising on the investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

11. Stocks

Stocks are valued at the lower of cost and net realisable value, cost being the purchase price on a first in, first out basis.

12. Foreign currencies

Transactions denominated in foreign currencies during the year are translated at prevailing rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates applying at the Balance Sheet date or, where there are related forward foreign exchange contracts, at the contract rates. The resulting exchange differences are taken to the Statement of Financial Activities.

13. 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.

14. 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.

Trinity College
Consolidated Statement of Financial Activities
For the year ended 31 July 2014

		Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2014 Total £000	2013 Total £000
	Notes					
INCOMING RESOURCES						
Resources from charitable activities						
Teaching, research and residential	1	4,436	0	0	4,436	4,506
		<u>4,436</u>	<u>0</u>	<u>0</u>	<u>4,436</u>	<u>4,506</u>
Resources from generated funds						
Legacies and donations		218	940	1,501	2,659	2,571
Trading income	2	402	0	0	402	440
Investment income	3	1,894	569	0	2,463	2,224
Bank and other interest	4	0	0	0	0	0
		<u>2,514</u>	<u>1,509</u>	<u>1,501</u>	<u>5,524</u>	<u>5,235</u>
Other incoming resources		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Incoming Resources		<u>6,950</u>	<u>1,509</u>	<u>1,501</u>	<u>9,960</u>	<u>9,741</u>
RESOURCES EXPENDED						
Cost of generating funds						
Fundraising	5	408	0	0	408	367
Trading expenditure		318	0	0	318	323
Investment management costs		139	0	279	418	373
		<u>865</u>	<u>0</u>	<u>279</u>	<u>1,144</u>	<u>1,063</u>
Charitable activities	5					
Teaching, research and residential		5,970	841	0	6,811	6,480
		<u>5,970</u>	<u>841</u>	<u>0</u>	<u>6,811</u>	<u>6,480</u>
Governance costs	8	19	0	0	19	17
Total Resources Expended		<u>6,854</u>	<u>841</u>	<u>279</u>	<u>7,974</u>	<u>7,560</u>
Net incoming resources						
before transfers		96	668	1,222	1,986	2,181
Transfers between funds	17	0	(319)	319	0	0
Net incoming resources						
before other gains and losses		<u>96</u>	<u>349</u>	<u>1,541</u>	<u>1,986</u>	<u>2,181</u>
Investment gains	17	172	71	16,529	16,772	24,987
Net movement in funds for the year		<u>268</u>	<u>420</u>	<u>18,070</u>	<u>18,758</u>	<u>27,168</u>
Fund balances brought forward	17	17,306	4,842	104,202	126,350	99,182
Funds carried forward	17	<u>17,574</u>	<u>5,262</u>	<u>122,272</u>	<u>145,108</u>	<u>126,350</u>

Trinity College
Consolidated and College Balance Sheets
As at 31 July 2014

		2014 Group £000	2013 Group £000	2014 College £000	2013 College £000
FIXED ASSETS	Notes				
Tangible assets	10	10,121	10,209	10,121	10,209
Property investments	11	58,341	41,778	58,341	41,778
Securities and other investments	12	74,761	71,193	74,761	71,193
		<u>143,223</u>	<u>123,180</u>	<u>143,223</u>	<u>123,180</u>
CURRENT ASSETS					
Stocks		176	179	176	179
Debtors	14	351	498	669	778
Cash at bank and in hand		2,091	3,241	1,727	2,897
		<u>2,618</u>	<u>3,918</u>	<u>2,572</u>	<u>3,854</u>
CREDITORS: falling due within one year	15	<u>658</u>	<u>666</u>	<u>612</u>	<u>602</u>
NET CURRENT ASSETS		<u>1,960</u>	<u>3,252</u>	<u>1,960</u>	<u>3,252</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>145,183</u>	<u>126,432</u>	<u>145,183</u>	<u>126,432</u>
Provisions for liabilities and charges	16	<u>75</u>	<u>82</u>	<u>75</u>	<u>82</u>
NET ASSETS		<u>145,108</u>	<u>126,350</u>	<u>145,108</u>	<u>126,350</u>
FUNDS OF THE COLLEGE	17				
Endowment funds		122,272	104,202	122,272	104,202
Restricted funds		5,262	4,842	5,262	4,842
Unrestricted funds					
Designated funds		11,300	10,209	11,300	10,209
General funds		6,274	7,097	6,274	7,097
		<u>145,108</u>	<u>126,350</u>	<u>145,108</u>	<u>126,350</u>

The financial statements were approved and authorised for issue by the Governing Body of Trinity College on 5 November 2014

Trustee:

Trustee:

Trinity College
Consolidated Cash Flow Statement
For the year ended 31 July 2014

		2014 Group £000	2013 Group £000
Net cash inflow/(outflow) from operations	Notes 23	(1,151)	52
Returns on investments and servicing of finance			
Income from investments		2,463	2,224
		<u>2,463</u>	<u>2,224</u>
Capital expenditure and financial investment			
New endowment capital received		1,501	176
Payments for tangible fixed assets		(604)	(1,361)
Payments for investments		(15,067)	(12,298)
Proceeds from sales of investments		11,708	11,810
		<u>(2,462)</u>	<u>(1,673)</u>
Increase/(decrease) in cash in the year		<u>(1,150)</u>	<u>603</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		(1,150)	603
Change in net funds		(1,150)	603
Net funds brought forward		3,241	2,638
Net funds carried forward		<u>2,091</u>	<u>3,241</u>

Trinity 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	1,191	0	0	1,191	1,111
Tuition fees - Overseas students	401	0	0	401	396
Other fees	0	0	0	0	0
Other HEFCE support	203	0	0	203	233
Other academic income	162	0	0	162	209
College residential income	2,479	0	0	2,479	2,557
	<u>4,436</u>	<u>0</u>	<u>0</u>	<u>4,436</u>	<u>4,506</u>

The above analysis includes £1,369,000 (2013 - £1,357,000) received from Oxford University under the CFF Scheme, net of College fees received directly.

2 TRADING INCOME

	2014 £000	2013 £000
Subsidiary company trading income	402	440
	<u>402</u>	<u>440</u>

3 INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2014 Total £000	2013 Total £000
Agricultural rent	424	0	0	424	417
Commercial rent	267	0	0	267	225
Other property income	1	0	0	1	0
Equity dividends	1,072	508	0	1,580	1,463
Income from fixed interest stocks	8	3	0	11	88
Interest on fixed term deposits and cash	119	57	0	176	24
Other investment income	3	1	0	4	7
	<u>1,894</u>	<u>569</u>	<u>0</u>	<u>2,463</u>	<u>2,224</u>

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2014 Total £000	2013 Total £000
Bank interest	0	0	0	0	0
Other interest	0	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

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	280	104	24	408	367
Trading expenditure	221	97	0	318	323
Investment management costs	0	397	21	418	373
Total costs of generating funds	501	598	45	1,144	1,063
Charitable expenditure					
Teaching, research and residential	3,361	2,357	1,093	6,811	6,480
Total charitable expenditure	3,361	2,357	1,093	6,811	6,480
Governance costs	0	19	0	19	17
Total resources expended	3,862	2,974	1,138	7,974	7,560

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 £110,000 (2013 - £95,000).

6 SUPPORT COSTS

	Generating Funds £000	Teaching Research and Residential £000	2014 Total £000	2013 Total £000
Financial and other administration	42	208	250	287
Human resources	0	0	0	0
IT	3	193	196	153
Depreciation	0	692	692	675
Loss/(profit) on fixed assets	0	0	0	0
Bank interest payable	0	0	0	0
Other finance charges	0	0	0	0
	45	1,093	1,138	1,115

Administration and IT 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.

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	60	210	270	177
Bursaries and hardship awards	58	147	205	275
Grants to other institutions	1		1	3
	119	357	476	455

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

8 GOVERNANCE COSTS

	2014	2013
	£000	£000
Governance costs comprise:		
Auditor's remuneration - audit services	19	17
	<u>19</u>	<u>17</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 disclosed in Note 20.

9 STAFF COSTS

	2014	2013
	£000	£000
The aggregate payroll costs for the year were as follows:		
Salaries and wages	3,274	3,187
Social security costs	228	227
Pension costs	481	433
	<u>3,983</u>	<u>3,847</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	9	7
College residential	52	53
Fundraising	5	5
Support	12	11
Total	<u>78</u>	<u>76</u>

The College had no employees (excluding Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) exceeded £60,000.

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

	2014	2013
University Lecturers	17	14
CUF Lecturers	7	8
Other teaching and research	2	1
Other	5	5
Total	<u>31</u>	<u>28</u>

Details of the remuneration and reimbursed expenses of the College Trustees is disclosed in Note 20.

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

10 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At start of year	14,871	1,330	16,201
Additions	442	162	604
Disposals	0	(87)	(87)
At end of year	15,313	1,405	16,718
Depreciation			
At start of year	4,888	1,104	5,992
Charge for the year	551	141	692
On disposals	0	(87)	(87)
At end of year	5,439	1,158	6,597
Net book value			
At end of year	9,874	247	10,121
At start of year	9,983	226	10,209
College	Freehold land and buildings £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At start of year	14,871	1,330	16,201
Additions	442	162	604
Disposals	0	(87)	(87)
At end of year	15,313	1,405	16,718
Depreciation			
At start of year	4,888	1,104	5,992
Charge for the year	551	141	692
On disposals	0	(87)	(87)
At end of year	5,439	1,158	6,597
Net book value			
At end of year	9,874	247	10,121
At start of year	9,983	226	10,209

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

11 PROPERTY INVESTMENTS

Group and College	Agricultural £000	Commercial £000	Other £000	2014 Total £000	2013 Total £000
Valuation at start of year	39,528	2,250	0	41,778	26,702
Additions and improvements at cost	1,590	0	0	1,590	0
Disposals	(38)	0	0	(38)	(46)
Revaluation gains/(losses) in the year	14,651	360	0	15,011	15,122
Valuation at end of year	55,731	2,610	0	58,341	41,778

Formal valuations of the agricultural and commercial investments are undertaken every three years. The next formal valuation will be undertaken as at 31st July 2015. In the intervening years, the valuations are undertaken jointly by the Estates Bursar and the Land Agent with professional advice as necessary.

12 SECURITIES AND OTHER INVESTMENTS

	2014	2013		
	£000	£000		
Group investments				
Valuation at start of year	71,193	60,794		
New money invested	13,477	12,298		
Amounts withdrawn	(11,670)	(11,765)		
(Decrease)/increase in value of investments	1,761	9,866		
Group investments at end of year	74,761	71,193		
Investment in subsidiaries (see Note 13)	0	0		
College investments at end of year	74,761	71,193		
Group investments comprise:				
	Held outside the UK £000	Held in the UK £000	2014 Total £000	2013 Total £000
Equity investments	0	60,237	60,237	60,228
Property funds	0	5,344	5,344	2,818
Fixed interest stocks	0	5,392	5,392	3,444
Alternative and other investments	512	258	770	1,328
Fixed term deposits and cash	0	3,018	3,018	3,375
Total group investments	512	74,249	74,761	71,193

13 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in Trinity College Oxford Limited ("TCOL"), a company providing conference and other event services on the College premises, and 100% of the issued share capital in Trinity College Developments Limited ("TCDL"), a company providing design and build construction services to the College. The investments are 1 ordinary £1 share in each company.

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

	TCOL	TCDL
	£000	£000
Turnover	402	12
Expenditure	(265)	(2)
Donation to College under Gift Aid	(137)	(10)
Result for the year	0	0
Total assets	195	192
Total liabilities	(195)	(192)
Net funds at the end of year	0	0

14 DEBTORS

	2014	2013	2014	2013
	Group	Group	College	College
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	176	212	156	193
Amounts owed by College members	0	28	0	28
Amounts owed by Group undertakings	0	0	341	302
Loans repayable within one year	0	0	0	0
Prepayments and accrued income	46	20	46	20
Other debtors	129	238	126	235
	<u>351</u>	<u>498</u>	<u>669</u>	<u>778</u>

15 CREDITORS: falling due within one year

	2014	2013	2014	2013
	Group	Group	College	College
	£000	£000	£000	£000
Trade creditors	341	358	334	300
Amounts owed to College Members	7	0	7	0
Amounts owed to Group undertakings	0	0	0	0
Taxation and social security	86	87	86	94
College contribution	110	95	110	95
Accruals and deferred income	114	126	71	109
Other creditors	0	0	4	4
	<u>658</u>	<u>666</u>	<u>612</u>	<u>602</u>

16 PROVISIONS FOR LIABILITIES AND CHARGES

	2014	2013	2014	2013
	Group	Group	College	College
	£000	£000	£000	£000
At start of year	82	100	82	100
Debited / (credited) in the Statement of Financial Activities	(1)	4	(1)	4
Settled in the year	(6)	(22)	(6)	(22)
At end of year	<u>75</u>	<u>82</u>	<u>75</u>	<u>82</u>

This provision relates to the College's liability with regard to a non-contributory retirement benefit scheme for employees.
The scheme is no longer open.

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
Endowment Funds - Permanent						
Permanent Endowment Fund	77,633	15	(279)	0	15,878	93,247
Frank Chadwick Fund	2,692	0	0	0	65	2,757
Ford Fund	1,121	0	0	0	27	1,148
Millard Fund	766	0	0	0	19	785
Blakiston Fund	764	0	0	0	18	782
Dr Blakiston's Fund	1,477	0	0	0	36	1,513
Dr W Hunt Fund	419	0	0	0	10	429
Mrs J H McKeown Fund	860	0	0	0	21	881
Professor John Mitchell Fund	961	0	0	0	23	984
Bursaries Fund	568	0	0	0	14	582
W P Haskett-Smith Fund	472	0	0	0	11	483
Whitehead Travelling Fund	865	0	0	0	21	886
Jeffrey Abbott Fund	437	0	0	0	11	448
Funds for student support	896	0	0	0	22	918
Funds for student prizes and awards	1,775	16	0	1	43	1,835
Funds to support Fellowships	370	0	0	0	9	379
Stephen Christie-Miller Fund	816	0	0	0	20	836
War Memorial Fund	539	0	0	0	13	552
Other funds	1,137	0	0	(16)	27	1,148
Endowment Funds - Expendable						
War Memorial Fund	1,195	0	0	0	29	1,224
Brown Fellowship Fund	1,023	39	0	61	26	1,149
Hunt-Grubbe Fellowship Fund	646	0	0	0	16	662
Henry Birkhead Fund	489	0	0	0	12	501
King's Group Fund	556	0	0	0	13	569
Funds for student support	1,649	540	0	357	49	2,595
Funds to support Fellowships	3,561	891	0	0	86	4,538
Other funds	515	0	0	(84)	10	441
Total Endowment Funds	104,202	1,501	(279)	319	16,529	122,272
Restricted Funds						
New Building Fund	2,918	560	0	0	71	3,549
Levine Bursaries	167	0	(59)	0	0	108
Dr Blakiston's Income Fund	185	19	(21)	0	0	183
Dr W Hunt Income Fund	67	10	0	0	0	77
Mrs J H McKeown Income Fund	33	21	(4)	0	0	50
Professor John Mitchell Income Fund	66	23	(43)	0	0	46
Bursaries Income Fund	54	34	(13)	1	0	76
Funds for student support	259	320	(340)	175	0	414
Funds to support Fellowships	387	182	(154)	(159)	0	256
Other funds	706	340	(207)	(336)	0	503
Total Restricted Funds	4,842	1,509	(841)	(319)	71	5,262
Unrestricted Funds						
General	7,097	6,950	(6,854)	(1,091)	172	6,274
Fixed asset designated Fund	10,209	0	0	(88)	0	10,121
Pension fund deficit designated Fund	0	0	0	1,109	0	1,109
Funds for student support	0	0	0	70	0	70
Total Unrestricted Funds	17,306	6,950	(6,854)	0	172	17,574
Total Funds	126,350	9,960	(7,974)	0	16,772	145,108

18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

Permanent Endowment Fund	A consolidation of gifts and donations which comprise the historic endowment of the College, which the Governing Body considers to be permanent endowment.
Frank Chadwick Fund	For general purposes.
Ford Fund	For general purposes.
Millard Fund	For general purposes.
Blakiston Fund	For general purposes.
Dr Blakiston's Fund	To fund improvements to the fabric of the College.
Dr W Hunt Fund	To fund extraordinary repairs to the fabric of the College.
Mrs J H McKeown Fund	Scholarship fund.
Professor John Mitchell Fund	To fund awards for outstanding 3rd and 4th year undergraduates.
Bursaries Fund	Fund created in 1870's to pool earlier smaller funds; student support.
W P Haskett-Smith Fund	Student support.
Whitehead Travelling Fund	To fund a travel award; balance for general purposes.
Jeffrey Abbott Fund	Scholarship fund.
Stephen Christie-Miller Fund	Student support.
War Memorial Fund	To fund library expenditure.

Endowment Funds - Expendable:

War Memorial Fund	Student support.
Brown Fellowship Fund	To fund the Fellowship in Classics.
Hunt-Grubbe Fellowship Fund	To fund the Fellowship in Engineering Sciences.
Henry Birkhead Fund	To fund study, education or research in history, literature or arts.
King's Group Fund	Scholarship Fund.

Restricted Funds:

New Building fund	Funds donated towards proposed new building.
Levine Bursaries	Student support.

Designated Funds

Fixed asset designated	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Pension fund deficit designated	Unrestricted Funds representing an estimate of the College's share of pension deficits on two final salary schemes, the University of Oxford Staff Pension Scheme and the Universities Superannuation Scheme.

The transfers between funds reflected in Note 17 arise from resolutions approved by the Charity Commission or reclassifications better to reflect the purpose of donors.

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	10,121	0	0	10,121
Property investments	0	0	58,341	58,341
Securities and other investments	5,568	5,262	63,931	74,761
Net current assets	1,885	0	0	1,885
	<u>17,574</u>	<u>5,262</u>	<u>122,272</u>	<u>145,108</u>

20 TRUSTEES' REMUNERATION

The trustees of the College are those Fellows who have been members of the Governing Body for more than one year.

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 remit of the College's Remuneration Committee is to consider remuneration and benefits for all Fellows of the College.

Trustees of the college fall into the following categories:

The President

Official Fellows, who either undertake teaching and research duties or are Officers of the College.

Professorial Fellows

Fellows by Special Election

Junior Research Fellows

Some trustees are eligible for college housing schemes. As at 31 July 2014, seven trustees lived in property owned by the College. Others are eligible for a housing allowance which is disclosed within the remuneration figures below.

Some trustees receive allowances for additional work carried out as part time college officers (such as Dean and Fellow Librarian). These allowances are included within the remuneration figures below.

The total remuneration, taxable benefits and pension contributions as shown below is £1,171,000 (2013 - £1,116,000), of which the total of pension contributions is £158,000 (2013 - £148,000).

Remuneration paid to trustees

	2013-2014	2012-2013
Range	Number of trustees	Number of trustees
£2,000-£2,999	1	
£4,000-£4,999	1	2
£5,000-£5,999	1	
£6,000-£6,999		1
£8,000-£8,999	1	
£9,000-£9,999	2	
£10,000-£10,999	1	2
£17,000-£17,999	1	1
£19,000-£19,999	1	
£21,000-£21,999		2
£22,000-£22,999	5	4
£23,000-£23,999	3	2
£24,000-£24,999	2	
£25,000-£25,999		1
£26,000-£26,999	1	
£27,000-£27,999		2
£28,000-£28,999	2	1
£33,000-£33,999		1
£40,000-£40,999	1	
£41,000-£41,999	2	1
£52,000-£52,999		2
£53,000-£53,999	1	
£54,000-£54,999		2
£55,000-£55,999	2	
£58,000-£58,999	1	
£61,000-£61,999		1
£69,000-£69,999	1	
£79,000-£79,999		4
£81,000-£81,999	3	
£104,000-£104,999		1
£106,000-£106,999	1	

9 trustees are not employees of the College and do not receive remuneration.

All trustees are eligible for private health insurance as part of their package of 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

Pension schemes

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ("the 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 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 the 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 employee will be charged to that employer.

Actuarial valuations

Qualified actuaries periodically value the Schemes. Both USS and OSPS were valued using the "projected unit" method, embracing a market value approach. The resulting levels of contribution take account of actuarial surpluses or deficits in each scheme. The financial assumptions were derived from market conditions prevailing at the valuation date. The results of the latest actuarial valuations and the assumptions which have the most significant effect on the results of the latest valuations and the determination of the contribution levels are shown in the following table.

	USS	OSPS
Date of valuation:	31/03/2011	31/03/2013
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	(£173m) ^b
Principal assumptions:		
Rate of interest (past service liabilities)	6.1% pa	-
Rate of interest (future service liabilities)	6.1% pa	-
Rate of interest (periods up to retirement)	-	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 ^c	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%	75%
Recommended Employer's contribution rate (as % of pensionable salaries):	16% ^d	21.5% ^e
		Increasing to 23.5%
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. 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%.

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	2013
	£000	£000
Universities Superannuation Scheme	193	186
University of Oxford Staff Pension Scheme	280	238
Other Schemes - contributions	8	4
Total:	<u>481</u>	<u>428</u>

22 TAXATION

The College is able to take advantage of the tax exemptions available to charities 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.