



***ST CATHERINE'S COLLEGE***

FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2015

St Catherine's College

Annual Report and Financial Statements

Year ended 31 July 2015

**St Catherine's College**  
**Annual Report and Financial Statements**  
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**MEMBERS OF THE GOVERNING BODY**

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

	(1)	(2)	(3)	(4)	(5)
Professor R W Ainsworth	•	•	•	•	
Professor R J Parish					
Dr F E Dinshaw	•	•			
Professor P D Battle					
Professor A G Rosser					
Professor J S Foord			•		
Dr R A Leese					
Professor L L Fawcett					
Professor S C Cooper					
Professor P R Franklin					
Mr J C Smith					
Professor P A Handford					
Professor R I Todd					
Professor M Lackenby	•				
Dr M E Mulholland					
Professor G Lowe					
Professor R M Berry					
Professor A I Handa			•		
Mr J L Bennett	•			•	
Professor D J Womersley	•	•			
Ms C E Chappell			•	•	
Professor D R H Gillespie					
Professor P P Edwards					
Professor P S Grant					•
Dr J N Pila					
Professor B B van Es			•		
Professor T Pizzari					
Professor B W Byrne		•	•		
Dr R M Bailey				•	
Professor G Scerif	•				•
Professor C Reisinger			•		

Professor K E Shepherd-Barr						
Professor A J Bunker						
Professor A L Smith						
Professor A Muench						
Professor U C T Oppermann						
Professor A Goriely						
Dr D A Robertson						
Professor P T Ireland						
Professor P J Hamalainen						
Dr B A F Bollig		•				
Professor E P J Stride						
Mr P S Davies				•		
Dr G Southcombe						
Professor D B Huffman					•	
Professor H de Wet						
Professor P E Koralus						
Professor A J Dickinson		•				
Professor I P J Shipsey						
Dr F R McConnell					•	
Professor L Tunbridge						
Professor K Nobre						
Professor S A Whiteson	Elected					
Dr A L Power	Elected					
Professor J M Goodman	Elected					

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

- (1) Finance Committee
- (2) Investment Subcommittee (reports to Finance)
- (3) Academic Policy Committee
- (4) Student Liaison Committee
- (5) Remuneration Committee

The Remuneration Committee includes, in addition to the Fellows indicated above, two external members, Mr A W Henfrey and Mr S Clark. Mr Henfrey is also a member of the Investment Subcommittee.

**COLLEGE SENIOR STAFF**

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

Master	<i>Professor R W Ainsworth</i>
Senior Tutor	<i>Dr B Van Es</i>
Dean	<i>Dr R Bailey</i>
Finance Bursar	<i>Dr F E Dinshaw</i>
Home Bursar	<i>Mr J L Bennett</i>

**COLLEGE ADVISORS**

**Broker**

JP Morgan  
25 Bank Street  
Canary Wharf  
London E14 5JP

**Custodian**

Northern Trust  
50 Bank Street  
London E14 5NT

**Auditor**

Critchleys LLP  
Greyfriars Court  
Paradise Square  
Oxford OX1 1BE

**Bankers**

Lloyds TSB  
The Atrium  
Davidson House  
Forbury Square  
Reading RG1 3EU

**College address**

St Catherine's College, Manor Rd, Oxford OX1 3UJ

**Website** [www.stcatz.ox.ac.uk](http://www.stcatz.ox.ac.uk)

The Members of the Governing Body present their Annual Report for the year ended 31 July 2015 under the Charities Act 2011 together with the audited financial statements for the year.

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

St Catherine's College in the University of Oxford, which is known as St Catherine's College, ("the College") is an eleemosynary chartered charitable corporation aggregate. It was founded under a royal charter granted on 1 October 1963.

The College registered with the Charities Commission on 15 September 2011 (registered number 1143817),

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 dated 1 October 1963 and Statutes last amended June 2004.

### **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 HRH Prince Philip, Duke of Edinburgh. The Governing Body is self-appointing and consists of The Master, Bursars, Academic Registrar, Development Director, Official Tutorial fellows (Class A), Professorial Fellows and some other Fellows. New members of the Governing Body are elected on the basis of a recommendation to Governing Body of the Fellowships Committee.

The Governing Body determines the continuing 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 Master and is advised by five principal committees.

### **Recruitment and training of Members of the Governing Body**

New Fellows, including those who are ex officio members of the Governing Body, are recruited in open competition following established conventions for advertisement. They are inducted into the workings and procedures of the College, including Governing Body policy, by the Master and College Officers. Members of the Governing Body are briefed on good practice for trustees and made aware of current issues and regulatory requirements in the sector.

Representatives of junior members are present at meetings of the Governing Body and of certain College Committees.

### **Organisational management**

The members of the Governing Body meet 10 times a year. The work of developing their policies and monitoring the implementation of these is carried out by five principal Committees:

- The Finance Committee has oversight over all matters of financial strategy including the generation and expenditure of capital and income, the investment of the endowment and the monitoring of risk.
- The Investment Subcommittee assists the Finance Committee to formulate investment policy and is responsible for its implementation.
- The Academic Policy Committee has oversight over all aspects of the academic strategy and educational activity of the College.
- The Student Liaison Committee has oversight over all matters affecting students directly, ranging from academic matters through to the domestic arrangements of the College.
- The Remuneration Committee is responsible for recommending to Finance Committee and Governing Body levels of remuneration for all members of the Governing Body, for keeping them under review, and for ensuring that any conflicts of interest that may arise are acknowledged and appropriately addressed.

The day-to-day running of the College is delegated to the Master and senior College Officers, The Master chairs all meetings of the principal committees with the exception of Remuneration Committee.

#### **Group structure and relationships**

The College administers a number of special trusts, as detailed in Notes 19 and 20 to the financial statements. The College has two wholly owned non-charitable subsidiaries: St Catherine's College Management Ltd and St Catherine's College Development Ltd whose annual profits are donated to the College under the Gift Aid Scheme. The subsidiaries' aims, objectives and achievements are covered in the relevant sections of this report.

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

#### **Risk management**

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 reasonable but not absolute assurance that major risks have been managed.

The College is engaged in risk assessment on a continuous basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College Committee, chaired by the Master or one of the Bursars. Financial and overall strategic risks are assessed by the Finance Committee; investment risks are monitored by the Investment Subcommittee; the Home Bursar and domestic heads of department meet regularly to review health and safety issues. Training courses and other forms of career development are available, when appropriate, to members of staff to enhance their skills in risk-related areas. The College's risk register is formally reviewed at Governing Body once a year.



## **OBJECTIVES AND ACTIVITIES**

### **Charitable Objects and Aims**

The College's Charitable Objects are to advance learning, education and research in the arts and sciences and to provide for men and women who shall be members of the University a College wherein they may work for degrees in the University or may carry out postgraduate or other special studies.

The aims of the College's subsidiaries are to help finance the achievement of the College's aims as above.

### **Activities and objectives of the College**

The College's principal activity, as specified in the Charter and Statutes, is to fulfil its educational purposes with respect to both teaching and research and promote its best interests, having regard to both the obligations and rights that ensue from its incorporation within the Collegiate University and its status as a registered charity.

### **Public benefit**

The Governing Body confirm that they have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission. 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's aims for the public benefit are to engage in educational activities as defined in our Objects above.

The College is one of the constituent colleges of the University of Oxford chiefly admitting undergraduate and postgraduate students. Such students must be members of a college in order to study for degrees at the University of Oxford, and many Faculty posts in the University are joint appointments between a college and the University. The College therefore carries out its education and research activities jointly with the University.

The College supplements the education provision provided jointly with the University with further tutorial teaching provided by college-only appointed teachers, its own library and IT facilities, and welfare, domestic, social, cultural and recreational facilities to enable each of its students to realise their academic and personal potential to its fullest extent.

The College also supplements the research activities it promotes jointly with the University through joint appointments by providing College Research Fellowships, providing funding in support of research, providing facilities for visiting researchers and for national and international conferences, and a social environment for interaction between researchers. Additionally, the College supports outreach activities designed to promote aspiration among United Kingdom school-leavers to engage in University study.

The College provides various forms of financial assistance to both undergraduate and postgraduate students through prizes, scholarships and grants, and to alleviate cases of hardship.

The College admits undergraduates; postgraduates are admitted jointly with the University. The College admits undergraduate students from the EU and elsewhere without any restriction except the satisfaction of stated academic criteria. Tuition fees for Home and EU students are regulated and financed on a national basis, and for other

students in conformity to University-wide agreements. The College charges its students for accommodation and food; students are eligible for Student Loans under the national scheme, and for Oxford Bursaries and Moritz-Heyman Scholarships on a means-tested basis to cover these and related core maintenance costs.

Non-EU undergraduates and postgraduates need also to satisfy the College in advance of being enrolled on a course that they have sufficient funding to cover the University and College fees for Year 1 of their course, and declare their willingness to meet all University and College fees and living costs for the duration of their course.

The private benefit accruing to the Master, Fellows and other employees of the College by means of salaries and employment-related benefits is objectively reasonable. Where the recipients of benefits are members of the Governing Body, and therefore are trustees, the Governing Body has directed that all forms of benefits and remuneration are determined by a Remuneration Committee including a Chair and majority of suitably qualified individuals who are not members of the Governing Body or not eligible to receive such remuneration or benefits.

The College does not consider that any detriment or harm arises from carrying out the College's aims.

The College remains committed to the aim of providing public benefit in accordance with its founding principles.

#### **ACHIEVEMENTS AND PERFORMANCE**

In the Final Honours School examinations of 2015 45 candidates were awarded a first, 81 a II(i), 6 a II(ii) and 1 a III. This placed the College 6th in the Norrington Table contributing to an average Norrington position of 13th over the last three years. For the largest college in the University this is a very creditable achievement. In the First Public Exams of 2015 32 students of the College were awarded distinctions. There were some notable results from individual students. Harriet Smith-Hughes took the top First across the university in English Finals. Courtney Spoerer (2012, Experimental Psychology) was awarded a Congratulatory First won the George Humphrey Prize in Psychological Studies, the Gibbs Prize for the Best Psychological Studies Library Dissertation and the British Psychological Society Undergraduate Award. Kirubin Pillay (2014, Engineering Science) won a national student design award for his eye control wheelchair design. Sabrina Barrett (2011, Engineering Science) wins the ARM Prize for Digital Technology for her project "Acoustic Signal Processing to Battle Malaria Mosquitoes". Wilfred Diment (2013, Chemistry) won the SABMiller Joint 3rd Prize for Performance in FHS Part IA. Iona Richards (2011, Engineering) won the Institution of Civil Engineers Student Prize for the Best Performance in Civil Engineering. Sagar Shah (2011, EEM) won the Maurice Lubbock Prize for the Best Performance in the Honour School of EEM. Amelia Davy (2012, Geography) won the Herbertson Prize for the Best Human Geography Dissertation. Latifah Sat (2014, Law) won the Law Faculty Prize for Best Performance in A Roman Introduction to Private Law. Samuel Taylor (2012, Law) won a Gibbs Book Prize and the 5 Stone Building Prize for Trusts. Kalyi Chen (2014, Materials Science) won the Armourers and Brasiers' Company / Rolls Royce Prize for Outstanding Performance in Prelims. Frederica Onslow (2011, Materials Science) won the Worshipful Company of Ironmongers Prize for Best Part II Talk. Carolyn Scott (2011, Molecular & Cellular Biochemistry) won a Gibbs Book Prize.

During the year 141 new undergraduates and 192 new graduates were admitted. 44 candidates from 17 different Faculties and Departments were granted leave to supplicate for the DPhil. A further 127 graduates were successful in other graduate examinations. 28 of these were awarded distinctions. Undergraduate applications numbered 823 in December 2014, compared with 689 in 2013.

The college elected 8 new academic fellows during the year: 3 Tutorial Fellows (in Computer Science, History and French) 5 Research Fellows (2 in Chemistry and 1 in each of Anthropology, Modern Languages and Engineering Science). Simon Russell Beale took up the role of Cameron Mackintosh Visiting Professor of Contemporary Theatre. The year also marked the retirement of Professor Richard Parish, Tutor in French and Professor Susan Cooper, Professor of Experimental Physics, who were elected to Emeritus Fellowships.

Notable achievements of Fellows during the year include the following: the University awarded Professor David Womersley the Degree of DLitt in recognition of the distinction of his academic research. Professor Richard Parish was made a Commandeur of the Ordre des Palmes Académiques. Professor Tom Pizzari was awarded the London Zoological Society's Scientific Medal for his research on the evolutionary ecology of sexual behaviour. Lord Stern, Honorary Fellow and current President of the British Academy, has been made a Fellow of the Royal Society, in recognition of his distinguished career in mathematical economics. Professor Kia Nobre, Professorial Fellow in Translational Cognitive Neuroscience, was elected to a Fellowship of the British Academy. Professor Angela Brueggemann was awarded the Freedom of the City of London for her outreach work in state schools in Southeast London. Professor Eleanor Stride was awarded the Institution of Engineering and Technology AF Harvey Engineering Research Prize.

Work on the fabric of the buildings has included a continuing programme of improvements to conserve energy and the completion of major refurbishments to St Catherine's house and 13-15 Bath St to provide improved accommodation for graduate students and visiting fellows. Three of these houses were previously held as endowment properties and have been transferred, at market values, into the college's fixed assets at the point of being taken into college use.

## FINANCIAL REVIEW

The accounts are presented in the format prescribed by Statute XV of the University in conformity with UK Charity Statement of Recommended Practice. The operating results for the year are satisfactory. In assessing the results for the year the Governing Body differentiates between core recurring operations which are predictable, such as the transfer of total return from capital funds at a sustainable annual level, and those which are likely to evidence a significant degree of volatility year on year, such as donations and legacies. If the sustainable spending transfers are included but donations excluded, then the net operating surplus for the year is £1,295K (2014: £1,272K). Donations for the year amounted to £5,545K (2014: £2,528K) including a legacy of £3m from the estate of Professor Michael Sullivan and an anonymous benefaction of £756K.

### **Risk management**

The major risks, to which the College is exposed, as identified by the Governing Body, have been reviewed and systems have been established to mitigate these risks.

### **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 at the year-end show a positive balance of £133K. Ideally the Governing Body considers that a general free reserve of £3 million should be built up as circumstances permit.

### **Investment policy, objectives and performance**

The College's investment objectives are to balance the needs of current and future beneficiaries by:

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

The investment strategy, policy and performance are supervised and monitored by the Investment Subcommittee, which reports to the Finance Committee. 2014-15 marks the first year since the college resumed full control of investment management after 8 years when the endowment was substantially invested in the TWIM Partners' Fund (formerly OXIP). For the year ending 31 July 2015 the Committee agreed that the College's long term investment objective ('the real return benchmark') should be reduced from CPI +4.5% to CPI +4%. At the year end, the College's long term investments, combining securities, cash and property investments, totalled £65,760K. The total return on endowment for the year was +20.5% for the year compared with 11.2% for the equity benchmark (MSCI World TR in GBP) and 4.1% for CPI +4%. It is now nine years since the establishment of the College's current policy of diversified investment. The cumulative endowment performance in the 9 years from 1 August 2006 to 31 July 2015 has been +71.2% compared with +82% for the real return benchmark, representing an annualised real return of 3.72% . Over the same period CPI has been +24.2%. The endowment continues to be well diversified and managed for total return. A composite benchmark comprising 70% global equities and 30 % UK government securities would have returned 12.82% during the year.

The Subcommittee's general direction from the Governing Body and its Finance Committee is to provide for a prudent and sustainable percentage of the expected long run return on endowment to fund the College's objectives, while at the same time aiming for some growth in real endowment capital. The Subcommittee believes that its sustainable spending target should range between 3% and 4% of the average of the

endowment value at 31 July in the previous three years. This year the transfer was set at 3%.

### **FUTURE PLANS**

The College's future plans are

- to continue to strive by all possible means for excellence in teaching, learning and research within the framework of an Oxford college
- to raise further endowment to secure a sufficient degree of College autonomy against a background of considerable financial uncertainty in higher education. The College will continue to raise money for its core purposes: student support, teaching, the development of its facilities, and the general endowment to sustain its activities.
- to ensure that risks are clarified in order to minimise the impact of unexpected or undesirable consequences so that the College continues to enhance its ability to provide a first-class education.

### **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.

**St Catherine's College**

**Report of the Governing Body  
Year ended 31 July 2015**

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Approved by the Governing Body on 4 November 2015 and signed on its behalf by:

Professor R W Ainsworth  
Master

## ST CATHERINE'S COLLEGE

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

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We have audited the financial statements of St Catherine's College for the year ended 31 July 2015 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 31. 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 2015 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: 12th November 2015

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

**1. Scope of the financial statements**

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the College and with its wholly owned subsidiaries, St Catherine's College Management Ltd and St Catherine's College Development Ltd. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiaries as included in 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"), with the exception of the presentation of the transfer of Total Return Applied to income, detailed below, and in accordance with 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.

Under the Charities SORP, the transfer from Endowment under total return accounting is required to be shown under Net Incoming Resources before Transfers. The Trustees consider that, under total return accounting, this represents a form of income on which college budgets are based, and that it is preferable, in order to present a 'true and fair' picture of the financial affairs of the college, to include this transfer as Total Return Applied as Income' in the income section of the SOFA. This has no net effect on the total incoming resources, nor on the net movement of funds. There are no disclosures required by the SORP that have not been provided.

This change in accounting policy has been introduced in these financial statements. No prior year adjustment is required as there is no change to the prior year balance sheet or to the total funds in the SOFA.

**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 in the period in which it is received.

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. Tangible fixed assets

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods. Expenditure on equipment costing more than £1K 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.

## 8. 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	30 years
Building improvements	20 - 30 years
Equipment	4 - 10 years

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

## 9. 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.

## 10. 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.

### 11. 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.

### 12. Total Return investment accounting

The College statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a capital supplement to the preserved ('frozen') value of the permanent endowment.

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

For the carrying value of the preserved (frozen) permanent capital, the Governors have taken its open market value as at 2003-04, together with the original gift value of all subsequent endowments received.

### 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 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 its 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.

**St Catherine's College**  
**Consolidated Statement of Financial Activities**  
**For the year ended 31 July 2015**

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
<b>INCOMING RESOURCES</b>						
<b>Resources from charitable activities</b>	1					
Teaching, research & residential		7,879	-	-	7,879	8,060
		<u>7,879</u>	<u>-</u>	<u>-</u>	<u>7,879</u>	<u>8,060</u>
<b>Resources from generated funds</b>						
Legacies and donations	1		174	5,370	5,545	2,528
Trading income	2	1,157	-	-	1,157	921
Investment income	3	-	-	351	351	210
Total Return applied to income	14, 19	1,137	-	(1,137)	-	-
Bank and other interest	4	34	-	-	34	33
		<u>2,329</u>	<u>174</u>	<u>4,584</u>	<u>7,087</u>	<u>3,692</u>
<b>Other incoming resources</b>		22	-	-	22	54
<b>Total Incoming Resources</b>		<u>10,230</u>	<u>174</u>	<u>4,584</u>	<u>14,988</u>	<u>11,806</u>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>	5					
Fundraising		311	-	-	311	298
Trading expenditure		632	-	-	632	663
Investment management costs		-	-	63	63	35
		<u>943</u>	<u>-</u>	<u>63</u>	<u>1,006</u>	<u>996</u>
<b>Charitable activities</b>	5					
Teaching, research & residential		8,062	405	-	8,467	8,163
		<u>8,062</u>	<u>405</u>	<u>-</u>	<u>8,467</u>	<u>8,163</u>
<b>Governance costs</b>	8	16	-	-	16	15
<b>Total Resources Expended</b>		<u>9,021</u>	<u>405</u>	<u>63</u>	<u>9,489</u>	<u>9,174</u>
<b>Net incoming/(outgoing) resources before transfers</b>		1,209	(231)	4,521	5,499	2,632
Transfers between funds	19	(263)	247	16	0	-
<b>Net incoming/(outgoing) resources before other gains and losses</b>		<u>946</u>	<u>16</u>	<u>4,537</u>	<u>5,499</u>	<u>2,632</u>
Investment gains/(losses)		-	-	10,126	10,126	3,438
<b>Net movement in funds for the year</b>		<u>946</u>	<u>16</u>	<u>14,663</u>	<u>15,625</u>	<u>6,070</u>
Fund balances brought forward	19	19,684	366	51,096	71,146	65,076
<b>Funds carried forward at 31 July</b>	19	<u>20,630</u>	<u>382</u>	<u>65,759</u>	<u>86,771</u>	<u>71,146</u>

**St Catherine's College**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2015**

	Notes	2015 Group £'000	2014 Group £'000	2015 College £'000	As restated 2014 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	10	20,485	18,049	20,485	18,049
Property investments	11	705	1,621	705	1,621
Securities and other investments	12	65,054	49,380	65,054	49,380
		<b>86,244</b>	69,050	<b>86,244</b>	69,050
<b>CURRENT ASSETS</b>					
Stocks		170	179	170	179
Debtors	15	1,307	604	1,262	563
Cash at bank and in hand		3,630	5,904	3,604	5,853
		<b>5,107</b>	6,687	<b>5,036</b>	6,595
<b>CREDITORS: falling due within one year</b>	16	<b>1,880</b>	1,691	<b>1,809</b>	1,599
<b>NET CURRENT ASSETS</b>		<b>3,227</b>	4,996	<b>3,227</b>	4,996
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>89,471</b>	74,046	<b>89,471</b>	74,046
<b>CREDITORS: falling due after more than one year</b>	17	<b>2,700</b>	2,900	<b>2,700</b>	2,900
<b>Provisions for liabilities and charges</b>	18	-	-	-	-
<b>NET ASSETS</b>		<b>86,771</b>	71,146	<b>86,771</b>	71,146
<b>FUNDS OF THE COLLEGE</b>					
	19				
<b>Endowment funds</b>		<b>65,759</b>	51,096	<b>65,759</b>	51,096
<b>Restricted funds</b>		<b>382</b>	366	<b>382</b>	366
<b>Unrestricted funds</b>					
Designated funds		20,497	19,087	20,497	19,087
General funds		133	597	133	597
		<b>86,771</b>	71,146	<b>86,771</b>	71,146

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

on: 4th November 2015

Trustee:

Trustee:

**St Catherine's College**  
**Consolidated Cash Flow Statement**  
**For the year ended 31 July 2015**

	Notes	2015 Group £'000	2014 Group £'000
<b>Net cash inflow/(outflow) from operations</b>	25	<b>524</b>	2,515
<b>Returns on investments and servicing of finance</b>			
Income from investments		385	243
Finance costs paid		(185)	(204)
		<b>200</b>	39
<b>Capital expenditure and financial investment</b>			
New endowment capital received		5,370	1,481
Payments for tangible fixed assets		(2,749)	(666)
Payments for investments		(45,049)	(1,093)
Proceeds from sales of investments		40,417	425
		<b>(2,798)</b>	147
<b>Management of liquid resources</b>			
Net (additions to) / withdrawals from term deposits		-	-
Net (purchase) / sale of current asset investments		-	-
		-	-
<b>Financing</b>			
Bank loans repaid		(200)	(200)
		<b>(200)</b>	(200)
<b>Increase/(decrease) in cash in the year</b>		<b>(2,274)</b>	2,501
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(decrease) in cash in the year		(2,274)	2,501
(Increase)/decrease in loan and lease finance		200	200
<b>Change in net funds</b>		<b>(2,074)</b>	2,701
<b>Net funds at 1 August</b>		<b>2,604</b>	(97)
<b>Net funds at 31 July</b>		<b>530</b>	2,604

**St Catherine's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2015**

**1 INCOME FROM CHARITABLE ACTIVITIES**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
<b>Teaching, research &amp; residential</b>					
Tuition fees - UK and EU students	2,049	0	0	2,049	1,984
Tuition fees - Overseas students	952	0	0	952	841
Other fees	771	0	0	771	868
Other HEFCE support	293	0	0	293	315
Other academic income	176	0	0	176	179
College residential income	3,638	0	0	3,638	3,873
	<b>7,879</b>	<b>0</b>	<b>0</b>	<b>7,879</b>	<b>8,060</b>

The above analysis includes £2,068k received from Oxford University under the CFF Scheme, net of College fees received directly (2014 - £2,070k)

**2 TRADING INCOME**

	2015 £'000	2014 £'000
Subsidiary company trading income	1,157	921
	<b>1,157</b>	<b>921</b>

**3 INVESTMENT INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
Other property income	0	0	11	11	17
Interest on fixed term deposits and cash	0	0	59	59	16
Other investment income	0	0	281	281	177
	<b>0</b>	<b>0</b>	<b>351</b>	<b>351</b>	<b>210</b>

**4 BANK AND OTHER INTEREST INCOME**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
Bank interest	34	0	0	34	33
	<b>34</b>	<b>0</b>	<b>0</b>	<b>34</b>	<b>33</b>

**5 ANALYSIS OF RESOURCES EXPENDED**

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2015 Total £'000	2014 Total £'000
<b>Costs of generating funds</b>					
Fundraising	196	115	0	311	298
Trading expenditure	223	79	330	632	663
Investment management costs	0	0	63	63	35
<b>Total costs of generating funds</b>	<b>419</b>	<b>194</b>	<b>393</b>	<b>1,006</b>	<b>996</b>
<b>Charitable expenditure</b>					
Teaching and research	3,705	3,152	1,610	8,467	8,163
<b>Total charitable expenditure</b>	<b>3,705</b>	<b>3,152</b>	<b>1,610</b>	<b>8,467</b>	<b>8,163</b>
<b>Governance costs</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>15</b>
<b>Total resources expended</b>	<b>4,124</b>	<b>3,362</b>	<b>2,003</b>	<b>9,489</b>	<b>9,174</b>

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 £33k (2014 - £28k).

**St Catherine's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2015**

**6 SUPPORT COSTS**

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2015 Total £'000	2014 Total £'000
Financial and domestic admin	63	427	0	0	490	544
Human resources	0	55	0	0	55	53
IT	0	173	0	0	173	181
Depreciation	330	770	0	0	1,100	1,131
Bank interest payable	0	185	0	0	185	204
	<u>393</u>	<u>1,610</u>	<u>0</u>	<u>0</u>	<u>2,003</u>	<u>2,113</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 time allocated to each activity. Interest and other finance charges are attributed according to the purpose of the related financing.

**7 GRANTS AND AWARDS**

	Unrestricted Funds £'000	Restricted Funds £'000	2015 Total £'000	2014 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	36	405	441	340
Bursaries and hardship awards	90	0	90	98
	<u>126</u>	<u>405</u>	<u>531</u>	<u>438</u>

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

The total cost to the College of bursaries paid by the College for Oxford Opportunity Bursaries and fee waivers was £132k of which £75k was funded by a transfer from permanent endowment funds.

**8 GOVERNANCE COSTS**

	2015 £'000	2014 £'000
<b>Governance costs comprise:</b>		
Auditor's remuneration - audit services	16	15
Other governance costs	0	0
	<u>16</u>	<u>15</u>

Details of the remuneration of the Fellows and their reimbursed expenses are included as a separate note within these financial statements.

**St Catherine's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2015**

**9 STAFF COSTS**

	2015	2014
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	3,885	3,818
Social security costs	231	242
Pension costs	483	458
	<u>4,599</u>	<u>4,518</u>

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

	2015	2014
Tuition and research	31	30
College residential	89	87
Fundraising	4	4
Support	12	11
Total	<u>136</u>	<u>132</u>

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

University Lecturers	22	23
CUF Lecturers	7	7
Other teaching and research	7	7
Other	16	13
Total	<u>52</u>	<u>50</u>

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

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

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:

£60,001-£70,000	0	0
£70,001-£80,001	0	0
£80,001-£90,001	0	0
£90,001-£100,001	0	0
£100,001-£110,001	0	0
	<u>0</u>	<u>0</u>

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

In defined benefits schemes	83	71
In defined contribution schemes	<u>32</u>	<u>0</u>
	£'000	£'000

The College contributions to defined benefit pension schemes totalled

480	456
<u>480</u>	<u>456</u>



**St Catherine's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2015**

**10 TANGIBLE FIXED ASSETS**

Group	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Total £'000
<b>Cost</b>					
At start of year	0	27,405	0	1,638	29,043
Additions	0	2,733	0	16	2,749
Transfer from property investments	0	787	0	0	787
<b>At end of year</b>	<b>0</b>	<b>30,925</b>	<b>0</b>	<b>1,654</b>	<b>32,579</b>
<b>Depreciation</b>					
At start of year	0	9,721	0	1,273	10,994
Charge for the year	0	1,006	0	94	1,100
<b>At end of year</b>	<b>0</b>	<b>10,727</b>	<b>0</b>	<b>1,367</b>	<b>12,094</b>
<b>Net book value</b>					
At end of year	0	20,198	0	287	20,485
At start of year	0	17,684	0	365	18,049
<b>College</b>					
<b>Cost</b>					
At start of year (as restated)	0	27,405	0	1,638	29,043
Additions	0	2,733	0	16	2,749
Transfer from property investments	0	787	0	0	787
<b>At end of year</b>	<b>0</b>	<b>30,925</b>	<b>0</b>	<b>1,654</b>	<b>32,579</b>
<b>Depreciation</b>					
At start of year	0	9,721	0	1,273	10,994
Charge for the year	0	1,006	0	94	1,100
<b>At end of year</b>	<b>0</b>	<b>10,727</b>	<b>0</b>	<b>1,367</b>	<b>12,094</b>
<b>Net book value</b>					
At end of year	0	20,198	0	287	20,485
At start of year	0	17,684	0	365	18,049

The College has historic assets all of which are used in the course of the College's teaching and research activities. These comprise mainly listed buildings on the College site, together with their contents including some works of art. In some cases 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.

The 2014 figures have been restated to remove the profit element of historical invoices from the College's subsidiary company, St Catherine's College Developments Ltd, amounting to £417k.

**11 PROPERTY INVESTMENTS**

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2015 Total £'000	2014 Total £'000
Valuation at start of year	0	0	1,621	1,621	1,468
Additions and improvements at cost	0	0	3	3	0
Transfer to tangible fixed assets	0	0	(786)	(786)	0
Disposals net proceeds	0	0	(157)	(157)	0
Revaluation gains/(losses) in the year	0	0	24	24	153
<b>Valuation at end of year</b>	<b>0</b>	<b>0</b>	<b>705</b>	<b>705</b>	<b>1,621</b>

The endowment properties which are all residential and include houses purchased under the College's joint equity scheme with staff. Properties are valued annually by reference to changes since the purchase date in the Nationwide House Price index for the outer South East or where applicable according to the terms of the joint equity agreements.

**St Catherine's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2015**

**12 SECURITIES AND OTHER INVESTMENTS**

	2015	2014
	£'000	£'000
<b>Group investments</b>		
Valuation at start of year	49,380	45,427
New money invested	45,046	1,093
Amounts withdrawn	(39,474)	(425)
Reinvested income	0	0
Investment management fees	0	0
(Decrease)/increase in value of investments	10,102	3,285
<b>Group investments at end of year</b>	<b>65,054</b>	<b>49,380</b>
Investment in subsidiaries	0	0
<b>College investments at end of year</b>	<b>65,054</b>	<b>49,380</b>

**Group investments comprise:**

	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000	2014 Total £'000
Equity investments	0	21,882	21,882	0
Global multi-asset funds	0	0	0	40,031
Property funds	0	7,240	7,240	2,658
Fixed interest stocks	0	0	0	3,268
Alternative and other investments	0	20,506	20,506	1,731
Fixed term deposits and cash	0	15,426	15,426	1,692
<b>Total group investments</b>	<b>0</b>	<b>65,054</b>	<b>65,054</b>	<b>49,380</b>

**13 SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in St Catherine's College Management Ltd, a company providing conference and other event services on the College premises, and 100% of the issued share capital in St Catherine's College Developments Ltd, 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.

	College Management £'000	College Developments £'000
Turnover	1,113	2,262
Expenditure	(325)	(2,218)
Donation to College under gift aid	(788)	(44)
<b>Result for the year</b>	<b>0</b>	<b>0</b>
Total assets	476	2,665
Total liabilities	(476)	(2,665)
<b>Net funds at the end of year</b>	<b>0</b>	<b>0</b>

**St Catherine's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2015**

**14 STATEMENT OF INVESTMENT TOTAL RETURN**

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 2007/08. The investment return to be applied as income is calculated as 3% of the average of the year-end values of the relevant investments in each of the last 3 years. The preserved (frozen) value of the invested endowment capital represents its open market value in 2003/04 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
<b>Investment total return</b>			
Income distributions	0	0	0
Capital gains/losses	1,827	8,299	10,126
Investment management costs	0	0	0
Total return for the year	<u>1,827</u>	<u>8,299</u>	<u>10,126</u>
Amount applied as income for spending	<u>(212)</u>	<u>(925)</u>	<u>(1,137)</u>
Net increase in Unapplied Total Return in the year	1,615		
Unapplied Total Return at start of year	2,024		
Unapplied Total Return at end of year	<u>3,639</u>		
Preserved value of original permanent endowments	<u>11,459</u>		

Investment costs are not considered material and have therefore not been separately disclosed.

**15 DEBTORS**

	2015 Group £'000	2014 Group £'000	2015 College £'000	2014 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	723	405	237	236
Amounts owed by College members	1	2	1	2
Amounts owed by Group undertakings	0	0	443	128
Loans repayable within one year	8	8	8	8
Prepayments and accrued income	575	185	573	185
Other Debtors	0	2	0	2
<b>Amounts falling due after more than one year:</b>				
Loans	0	2	0	2
	<u>1,307</u>	<u>604</u>	<u>1,262</u>	<u>563</u>

**16 CREDITORS: falling due within one year**

	2015 Group £'000	2014 Group £'000	2015 College £'000	2014 College £'000
Bank loans	200	200	200	200
Trade creditors	654	623	583	531
Amounts owed to College Members	115	100	115	100
Amounts owed to Group undertakings	0	0	0	0
Taxation and social security	185	198	185	198
College contribution	33	16	33	16
Accruals and deferred income	370	239	370	239
Other creditors	323	315	323	315
	<u>1,880</u>	<u>1,691</u>	<u>1,809</u>	<u>1,599</u>

**St Catherine's College**  
**Notes to the financial statements**  
**For the year ended 31 July 2015**

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

	2015 Group £'000	2014 Group £'000	2015 College £'000	2014 College £'000
Bank loans	2,700	2,900	2,700	2,900
	<u>2,700</u>	<u>2,900</u>	<u>2,700</u>	<u>2,900</u>

**18 PROVISIONS FOR LIABILITIES AND CHARGES**

	2015 Group £'000	2014 Group £'000	2015 College £'000	2014 College £'000
At start of year	-	-	-	-
Charged in the Statement of Financial Activities	-	-	-	-
Settled in the year	-	-	-	-
<b>At end of year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**19 FUNDS OF THE COLLEGE MOVEMENTS**

	At 1 August 2014 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2015 £'000
<b>Endowment Funds - Permanent</b>						
Scholarships & Prizes	4,090	388	-	(98)	813	5,193
Fellowships	4,170	149	-	(70)	826	5,075
Students	883	74	-	(26)	175	1,106
Buildings	68	7	-	(2)	13	86
<b>Endowment Funds - Expendable</b>						
General endowment	32,144	2,037	(63)	(891)	6,366	39,593
Research	7,221	-	-	(26)	1,430	8,625
Scholarships & Prizes	2,356	35	-	3	470	2,864
Fellowships	164	3,031	-	(11)	33	3,217
<b>Total Endowment Funds</b>	<u>51,096</u>	<u>5,721</u>	<u>(63)</u>	<u>(1,121)</u>	<u>10,126</u>	<u>65,759</u>
<b>Restricted Funds</b>						
Scholarships & prizes	65	66	(25)		-	106
Students	207	39	(53)		-	193
Research	94	68	(64)	(15)	-	83
Expenditure from endowment funds on specific purposes	-	-	(262)	262	-	0
<b>Total Restricted Funds</b>	<u>366</u>	<u>173</u>	<u>(404)</u>	<u>247</u>	<u>-</u>	<u>382</u>
<b>Unrestricted Funds</b>						
General reserve	597	6,772	(8,336)	1,100	-	133
Fixed Asset Designated Fund	19,076	2,735	(1,100)	(226)	-	20,485
Other academic reserve	11	1	-		-	12
<b>Total Unrestricted Funds</b>	<u>19,684</u>	<u>9,508</u>	<u>(9,436)</u>	<u>874</u>	<u>-</u>	<u>20,630</u>
<b>Total Funds</b>	<u>71,146</u>	<u>15,402</u>	<u>(9,903)</u>	<u>0</u>	<u>10,126</u>	<u>86,771</u>

Included in the transfers above are transfers amounting to £33k which are not part of the total return transfer.

A transfer of £226k out of the Fixed Asset Designated Fund into General Reserves has been made in order to align the balance on the designated fund with the book value of fixed assets at 31 July 2015.

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**20 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds - Permanent:**

Scholarships & prizes	A consolidation of gifts and donations where income, but not capital, can be used for scholarships and prizes.
Fellowships	A consolidation of gifts and donations where income, but not capital, can be used for Fellowships.
Students	A consolidation of gifts and donations where income, but not capital, can be used for student hardship.
Buildings	A consolidation of gifts and donations where income, but not capital, can be used for the buildings of the College.

**Endowment Funds - Expendable:**

General endowment	A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the charity
Scholarships & Prizes	A consolidation of gifts and donations where either income, or income and capital, can be used for scholarships and prizes.
Research	A fund whose income and in certain circumstances capital may be used for research.
Fellowships	A consolidation of gifts and donations where either income, or income and capital, can be used for Fellowships.

**Restricted Funds:**

Scholarships	A consolidation of gifts and donations where both income and capital can be used for scholarships.
Students	A consolidation of gifts and donations where both income and capital can be used for the benefit of students.
Research	A consolidation of gifts and donations where both income and capital can be used for research.

**Designated Funds**

Fixed Asset Designated Fund	Unrestricted Funds which are represented by the fixed assets of the College and therefore not available for expenditure on the College's general purposes
Other academic reserve	Unrestricted Funds allocated by the Governing Body for designated academic purposes.

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

**21 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	20,485	-	-	20,485
Property investments	-	-	705	705
Securities and other investments	-	-	65,054	65,054
Net current assets	145	382	0	527
	<u>20,630</u>	<u>382</u>	<u>65,759</u>	<u>86,771</u>

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**22 TRUSTEES' REMUNERATION**

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

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

Trustees of the college fall into the following categories:

The Master  
 Official Tutorial Fellows  
 Official non-Tutorial Fellows  
 Professorial Fellows  
 Readers  
 Fellows by Special Election  
 Stipendiary Lecturers  
 Faculty Lecturers

Some trustees are eligible to partipate in the College's joint equity scheme; others may be eligible for a housing allowance which is disclosed within the salary figures below. Four trustees live in houses owned jointly with the college. One such house was sold during the year.

Some trustees receive additional allowances for additional work carried out as part time college officers. For example, Senior Tutor, Dean, Tutor for Admissions, Tutor for Graduates. These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,042k (2013-14 £940k). The total of pension contributions is £157k (2013-14 £141k).

**Remuneration paid to trustees**

Range	2014-15		2013-14	
	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £	Number of trustees/fellows	Gross remuneration, taxable benefits and pension contributions £
£0-£999	12	0	9	0
£1,000-£1,999	0	0	2	2,618
£2,000-£2,999	1	2,530	0	0
£4,000-£5,000	1	4,837	1	4,827
£6,000-£6,999	1	6,972	0	0
£9,000-£9,999	1	9,674	0	0
£10,000-£10,999	1	10,884	2	20,414
£11,000-£11,999	0	0	1	11,888
£12,000-£12,999	1	12,303	0	0
£13,000-£13,999	1	13,157	0	0
£14,000-£14,999	0	0	3	43,594
£15,000-£15,999	2	30,887	1	15,819
£17,000-£17,999	1	17,552	0	0
£18,000-£18,999	0	0	1	18,717
£19,000-£19,999	1	19,583	9	176,909
£20,000-£20,999	14	286,206	6	123,097
£21,000-£21,999	1	21,506	0	0
£23,000-£23,999	1	23,188	1	23,317
£28,000-£28,999	0	0	1	28,963
£42,000-£42,999	1	42,987	2	85,295
£44,000-£44,999	0	0	1	44,210
£45,000-£45,999	1	45,041	1	45,593
£46,000-£46,999	2	92,555	0	0
£49,000-£49,999	0	0	2	99,532
£50,000-£50,999	2	101,669	1	50,757
£51,000-£51,999	1	51,953	0	0
£52,000-£52,999	1	52,345	2	104,883
£53,000-£53,999	1	53,883	0	0
£59,000-£59,999	0	0	1	59,760
£61,000-£61,999	1	61,080	0	0
£63,000-£63,999	1	63,320	1	63,803
£69,000-£69,999	0	0	1	69,329
£70,000-£70,999	1	70,504	0	0
£98,000-£98,999	0	0	1	98,421
£104,000-£104,999	1	104,528	0	0

Twelve 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.

**Other transactions with trustees**

None

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23 PENSION SCHEMES

1. The pension schemes:

The College participates in two principal pension schemes for its staff - the Universities Superannuation Scheme ('USS') and the University of Oxford Staff Pension Scheme ('OSPS'). Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and 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.

The College is also contributing to the NEST pension scheme for certain staff who were ineligible to join USS or OSPS.

2. Actuarial valuations

Qualified actuaries periodically value the Schemes. Both USS and OSPS were valued using the "projected unit" method, embracing a market 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:	31/03/2014	31/03/2013
Date valuation results published:	24/07/2015	23/06/2014
Value of liabilities:	£46.9bn	£597m
Value of assets:	£41.6bn	£424m
Funding Surplus/(Deficit):	(£5.3bn) <sup>a</sup>	(£173m) <sup>b</sup>
Principal assumptions:		
Investment return	5.2% pa <sup>c</sup>	-
Rate of interest (periods up to retirement)	-	4.4% pa
Rate of interest (periods after retirement)	-	4.4% pa
Rate of increase in salaries	RPI + 1% pa <sup>d</sup>	4.5% pa
Rate of increase in pensions	CPI pa <sup>d</sup>	4.4% pa
Mortality assumptions:		
Assumed life expectancy at age 65 (males)	24.2 yrs	22.5 yrs
Assumed life expectancy at age 65 (females)	26.3 yrs	25.2 yrs
Funding Ratios:		
Technical Provisions basis:	89%	71%
Statutory Pension Protection Fund basis:	82%	69%
"Buy-out" basis:	54%	44%
Estimated FRS17 basis	72%	75%
Recommended Employer's contribution rate (as % of pensionable salaries):	18% <sup>e</sup>	21.5% increasing to 23.5% <sup>f</sup>
Effective date of next valuation:	31/03/2017	31/03/2016

Notes:

a. USS' actuarial valuation as at 31st March 2014 takes in to account the revised benefit structure effective 1 April 2016 agreed both by the Joint Negotiating Committee and the Trustee in July 2015 following the Employers' consultation which concluded in June 2015. Key changes agreed include: for Final Salary section members, the benefits built up to 31 March 2016 will be calculated as at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members will accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 pa; member contributions will be 8% of salary; a defined contribution benefit for salary in excess of the salary threshold at the total level of 20% of salary in excess of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section of which the first 1% of salary is to be matched by the employer. Further details about the changes may be reviewed on USS' website, [www.uss.co.uk](http://www.uss.co.uk). For the period up to 1 April 2016 the employer deficit contribution will be 0.7% pa of salaries based on the assumptions made. After allowing for those changes, the actuary established a long term employer contribution rate of 18% pa of salaries for the period from 1 April 2016 to 31 March 2031. On the assumptions made and once the salary threshold and defined contribution section are introduced this gives rise to deficit contributions of at least 2.1% pa of salaries.

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b. OSPS' actuarial valuation as at 31st March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries, but also a funding deficit of £173m. The University, 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 30th June 2026.

c. USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years.

d. USS' actuary has assumed that general pay growth will be CPI in year 1, CPI +1% in year 2 and RPI + 1% pa thereafter. It is assumed that CPI is based on the RPI assumption (market derived price inflation of 3.6% pa less an inflation risk premium) less RPI/CPI gap of 0.8% pa.

e. As noted above (note a.), the USS employer contribution rate is 18% of salaries from 1 April 2016. Prior to that date it is 16% of salaries. The total employer contributions include provisions for the cost of future accrual of defined benefits (net of member contributions to the DB section), deficit contributions, administrative expenses of 0.4% of salaries and from the implementation of the salary threshold the employer contribution towards DC benefits including employer matching contributions and certain investment management costs relating to the DC section.

f. As noted above (note b.), the OSPS employer contribution rate required for future service benefits alone at the date of the valuation was 20.1% of total pensionable salaries. It was agreed that employers increase contribution rate by 0.5% each year to 1 August 2017 to 23.5%.

3. Sensitivity of actuarial valuation assumptions:

Surpluses or deficits which arise at future valuations may impact on the College's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on USS liabilities
Initial discount rate	increase/reduced by 0.25%	decrease / increase by £0.8bn
Discount rate in 20 years	increase/reduced by 0.25%	decrease / increase by £1.1bn
RPI inflation	increase/decrease by 0.1%	increase / decrease by £0.8bn
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year).	increase by £0.5bn

Assumption	Change in assumption	Impact on OSPS liabilities
Valuation rate of interest	increase/decrease by 0.5%	decrease / increase by £63m
Rate of pension increases	increase/decrease by 0.5%	increase / decrease by £41m
Rate of salary growth	increase/decrease by 0.5%	increase / decrease by £13m
Rate of mortality	more prudent assumption (mortality used at last valuation, rated down by a further year).	increase by £20m

4. Pension charge for the year:

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

Scheme	2015 £'000	2014 £'000
Universities Superannuation Scheme	302	266
University of Oxford Staff Pension Scheme	178	190
Total:	480	456



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**24 TAXATION**

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No liability to corporation tax arises in the College's 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.

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

	2015 £'000	2014 £'000
<b>Net incoming resources for the year</b>	<b>5,499</b>	2,632
Elimination of non-operating cash flows:		
- Investment income	(385)	(243)
- Endowment donations	(5,370)	(1,481)
- Financing costs	185	204
Depreciation	1,100	1,131
Decrease/(Increase) in stock	9	6
Decrease/(Increase) in debtors	(703)	51
(Decrease)/Increase in creditors	189	215
<b>Net cash inflow/(outflow) from operations</b>	<b>524</b>	<b>2,515</b>

**26 ANALYSIS OF CHANGES IN NET FUNDS**

	2014 £'000	Cash flow £'000	2015 £'000
Cash at bank and in hand	5,904	(2,274)	3,630
Bank loans	(200)	-	(200)
	5,704	(2,274)	3,430
Bank loans due within one year	(200)	-	(200)
Bank loans due after one year	(2,900)	200	(2,700)
	<b>2,604</b>	<b>(2,074)</b>	<b>530</b>

**27 FINANCIAL COMMITMENTS**

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

	2015 £'000	2014 £'000
<b>Land and buildings</b>		
- expiring within one year	-	-
- expiring between two and five years	-	-
- expiring in over five years	-	-
	<b>-</b>	<b>-</b>
<b>Other</b>		
- expiring within one year	-	-
- expiring between two and five years	-	-
- expiring in over five years	-	-
	<b>-</b>	<b>-</b>

**28 CAPITAL COMMITMENTS**

The College had contracted commitments at 31 July for future capital projects totalling £220k (2014 - £1,089k)

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**29 RELATED PARTY TRANSACTIONS**

The College is part of the collegiate University of Oxford. Material interdependencies between the University and of the College arise as a consequence of this relationship. For reporting purposes, the University and the other Colleges are not treated as related parties as defined in FRS8 ("Related party disclosures").

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 8, receive remuneration and facilities as employees of the College. Details of these payments and reimbursed expenses as trustees are disclosed separately in these financial statements.

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

	2015 £'000	2014 £'000
Professor J Foord	1	1
Professor M Lackenby	0	1
Professor R Parish	0	1

Interest is charged on the above loans at HMRC's official rate of interest. All loans are repayable within 25 years or on the departure of the trustee from the College if earlier.

The College has properties with the following net book values owned jointly with trustees under joint equity ownership agreements between the trustee and the College.

	2015 £'000	2014 £'000
Mr J L Bennett	152	146
Dr B Byrne	0	159
Dr R Bailey	70	69

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

**30 CONTINGENT LIABILITIES**

None

**31 POST BALANCE SHEET EVENTS**

None