



The Queen's College Oxford

Annual Report and Financial Statements

Year ended 31 July 2015

The Queen's College, Oxford
Annual Report and Financial Statements
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The Queen's College, Oxford
Governing Body, Officers and Advisers
Year ended 31 July 2015

MEMBERS OF THE GOVERNING BODY

The members of the Governing Body are the College's charity trustees under charity law. They are listed below:

	Committees
Prof P A Madden (Provost)	1,2,3,4,5,6*
Prof R A G Pearson	1
Dr A M Bowie (Pro-Provost)	^2
Prof W J Blair	
Prof P A Robbins	1
Prof J Hyman	^2,3
Dr R B Nickerson	1,^5,6*
Dr J H Davis	(2,3)
Prof R A Taylor	1
Prof J A Langdale	
Prof E J C Mellor	
Dr N J Owen	3,^5
Prof Sir J M Ball	
Dr O L Rees	
Mr N C Bamforth	
Dr L Irving-Bell (retired 30/09/2015)	(1,2,5)
Dr K A Q O'Reilly	2,5
Dr C B Louth	
Prof C J Norbury	(3,5)
Prof J P K Doye	3
Dr M J Buckley	^2
Prof S Aldridge	3
Dr Y Capdeboscq	^1

	Committees
Dr A Timms	1,^2,^4,5
Dr P Papazoglou	
Dr L Lonsdale	^3
Dr R L Beasley	3
Prof I P M Tomlinson	
Dr C V Crowther	
Prof C A O'Callaghan	(1),2
Prof R N N Robertson	
Dr L Phalippou	1
Dr D Meyer	
Dr A Gardner	
Dr P Tamaro	
Dr L A Turnbull	
Dr J L Guest	
Mr H R Jee (resigned 31/08/2014)	
Prof R J M Blackett (resigned 30/09/2014)	
Prof R B Parkinson	
Dr Y Heller (elected 22/10/2014)	
Prof A Gordon-Reed (elected 22/10/2014, resigned 30/09/2015)	
Prof K L Hoganson (elected 21/10/2015)	

Fellows are listed in order of appointment to the Governing Body. Fellows elected to the Governing Body do not have voting rights during their first year and are therefore not considered to be trustees during that period.

Unembellished numbers indicate committee membership during the year ended 31 July 2015. Where a Fellow has subsequently relinquished membership of a particular committee, this is shown by the enclosure of the relevant number(s) in parentheses. The ^ symbol indicates that a Fellow has joined a particular committee since 31 July 2015. * indicates non-voting membership of a committee.

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During the year the activities of the Governing Body were carried out through committees. The structure of committees was reviewed during the year, and the Domestic Committee and Conference & Business Oversight Committee have been merged into a new Domus Committee. Membership of the principal committees in the new structure is shown above for each Fellow. The committees now included are:

- (1) Estates and Finance; (2) Domus; (3) Academic; (4) Development; (5) Personnel; and (6) Remuneration (at which Governing Body members who receive remuneration are in attendance only and may not vote).

The external members of the Remuneration Committee are: Mr A Beecroft, Mr C Doley, Mr D Gillard, Mr N Kitchen, Mr P Newton, Mr D Seymour (chairman), Ms Z Wright.

COLLEGE DAY-TO-DAY MANAGEMENT

The members of the Governing Body to whom day-to-day management of the College is delegated are as follows:

Provost	<i>Prof P A Madden</i>
Bursar	<i>Dr A Timms</i>
Senior Tutor	<i>Dr N J Owen (Prof C J Norbury to 30 Sep 2015)</i>
Dean	<i>Prof C A O'Callaghan</i>
Tutor for Undergraduates	<i>Prof J Hyman (Dr J H Davis to 30 Sep 2015)</i>
Tutor for Graduates	<i>Prof S Aldridge</i>
Tutor for Admissions	<i>Prof J P K Doye</i>

COLLEGE ADVISERS

Investment property managers

Savills incorporating Smiths Gore, Wytham Court, 11 West Way, Oxford, OX2 0QL
Lambert Smith Hampton, 5 Town Quay, Southampton, SO14 2HJ

Investment portfolio advisor

Cambridge Associates, 80 Victoria Street, Cardinal Place, London, SW1E 5JL

Auditors

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

Bankers

The Royal Bank of Scotland, 32 St Giles, Oxford, OX1 3ND

Solicitors

Bond Dickinson LLP, Oceana House, 39-49 Commercial Road, Southampton, SO15 1GA
Darbys Solicitors LLP, Midland House, West Way, Botley, Oxford, OX2 0PH

College address

The Queen's College, High Street, Oxford, OX1 4AW

Website

www.queens.ox.ac.uk

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

REFERENCE AND ADMINISTRATIVE INFORMATION

The Provost and Scholars of The Queen's College in the University of Oxford, which is known as The Queen's College ("the College"), is an eleemosynary, chartered charitable corporation aggregate. It was founded, under licence granted 18 January in the year 1341 by King Edward the Third, by Robert de Eglesfield, Clerk, Chaplain to Queen Philippa.

The College registered with the Charities Commission on 23 June 2011 (registered number 1142553).

The names of all members of the Governing Body at the date of this report and of those in office during the year, together with details of the senior staff and advisers of the College, are given on pages 2 to 3.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes dated 26 May 2010.

Governing Body

The Governing Body is constituted and regulated in accordance with the College Statutes, the terms of which are enforceable ultimately by the Visitor, who is the Archbishop of York. The Governing Body appoints the Provost, Fellows, Lecturers, and such administrative and other officers as the Governing Body deems necessary from time to time.

New members of the Governing Body are elected in accordance with the College Statutes. Membership is extended to the Provost, all Fellows holding University Lecturerships or statutory professorial chairs, and such other Fellows of the College as the Governing Body deems appropriate on the basis of the Statutes.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Provost and is advised by committees which it constitutes.

Recruitment and training of members of the Governing Body

New members of the Governing Body are recruited by competitive application for advertised vacancies and inducted into the workings of the College, including Governing Body policy and procedures, by meetings with College officers and reference to operating manuals.

Members of the Governing Body are briefed annually by the Provost on current issues in the sector and updates to regulatory requirements. Student representatives attend the Governing Body for the unreserved part of the agenda, and some members of the senior staff of the College attend the Governing Body for unreserved and reserved items of the agenda that are relevant to their posts.

Organisational management

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

- The Estates and Finance Committee includes the Provost, Bursar, and four further Fellows, and meets nine times per year. The Finance Officer attends meetings. The role of the Committee is to examine the management of the College's property and assets and all matters connected with the finances of the College.
- The Domus Committee includes the Provost, Bursar, Dean, Tutor for Undergraduates, IT Fellow, Steward of Common Room, and two elected Fellows, and meets six times per year. The Chaplain, Domestic Bursar, IT Officer and Conference and Functions Officer attend meetings together with student representatives. The Committee oversees the use of facilities, routine maintenance and refurbishment, accommodation and catering, IT provision, and conference and trading activities.

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Report of the Governing Body
Year ended 31 July 2015

- The Academic Committee includes the Provost, Senior Tutor, Tutor for Undergraduates, Tutor for Graduates, Tutor for Admissions, and at least two further Fellows, together with two student representatives, and meets six times per year. It oversees the academic activities of the College and in particular makes recommendations to the Governing Body in relation to academic appointments, strategy, feedback, and governance.
- The Development Committee consists of the Provost, Bursar, at least two further Fellows, and a number of Old Members, and meets three times per year. The Director of Development and Old Members' Officer attend meetings. Its role is to maintain good relationships with Old Members of the College and to oversee the College's fundraising activities.
- The Personnel Committee consists of the Provost, Bursar, Senior Tutor, Equalities Officer, and two further Fellows. The Domestic Bursar attends meetings. Its role is to consider personnel matters that relate to the non-academic employees of the College.
- The Remuneration Committee meets to consider the remuneration of members of the Governing Body. The Committee consists of six members elected by the Governing Body from among the Honorary, Emeritus, and Professorial Fellows, and Old Members of the College who are not members of the Governing Body. It is attended by the Provost and another Fellow who acts as secretary. No voting member of the committee may draw a stipend from the College.

The day-to-day running of the College is delegated to the Provost, supported by other senior staff. The Provost normally chairs all meetings of the Governing Body and its committees. In the 2015-16 academic year the College has elected Dr A M Bowie to the office of Pro-Provost, so that the Provost's work in the College may be supported during his period of service as Chair of the Conference of Colleges.

Group structure and relationships

The College also administers many trusts and specific funds, as outlined in notes 18 and 19 to the financial statements and has two wholly owned non-charitable subsidiaries: The Queen's College Oxford Trading Limited ("QCOTL") and The Queen's College Oxford Developments Limited ("QCODL").

QCOTL primarily provides letting of the College facilities for conference and other events when not in use by the College. Any profits are donated to the College through Gift Aid.

QCODL was incorporated on 2 July 2015 for design and development services in respect of the College's buildings. Any profits are donated to the College through Gift Aid. This company did not trade during the 2014-15 financial year.

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

Risk management

The College is engaged in risk assessment on an ongoing basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant College committee, chaired by the Provost. Financial and investment risks are assessed by the Estates and Finance Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues taking advice from professional advisers and action where appropriate. A health and safety audit was carried out in May 2015 and matters raised have been formally followed up. Training courses and other forms of career development are available to members of staff to enhance their skills in risk-related areas.

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

OBJECTIVES AND ACTIVITIES

Charitable objects and aims

The College's objects are to maintain a College for the advancement of education and research and the advancement of religion.

The College's aims for the public benefit are:

- (1) The advancement of education and research for the benefit of the public, in a range of subject areas as determined from time to time by its Governing Body, including through: (a) the provision of teaching, supervision, accommodation and other forms of support for undergraduate and graduate students; and (b) the provision of a Library which shall include works for consultation by qualified scholars.
- (2) The advancement of religion for the benefit of the public, including through the provision of a Chapel affiliated with the Church of England and through the holding of services and associated events.

The Governing Body is mindful of the long-standing requirement to provide public benefit and of the disclosure requirements of the Charities Act 2011. In this connection the Governing Body has monitored closely the general and supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

Activities and objectives of the College and subsidiaries

- (1) To carry out education and research activities jointly with the University. This involves payment of salaries and the provision of infrastructure including office space and administrative support.
- (2) To supplement the education provided jointly with the University with tutorial teaching provided by college-only appointed teachers, and by provision of its own Library and IT facilities, and welfare, social, cultural and recreational facilities to enable each of its students to realise their academic and personal potential to its fullest extent.
- (3) To supplement the research activities it promotes jointly with the University by providing college-only funded research Fellowships and by providing an environment for interaction between researchers. In addition it provides funding in support of their research to members of the College, and provides facilities for visiting researchers, including access to a valued research Library.
- (4) To admit undergraduate and graduate students without any restriction subject only to satisfaction of publicized academic criteria. Tuition fees are regulated on a national basis. The College accommodates almost all of its undergraduates and roughly one third of its graduates. For such costs and other costs Home/EU undergraduate students are eligible for Student Loans under the national scheme and for Oxford Opportunity Bursaries on a means-tested basis.
- (5) To provide various forms of financial assistance to both undergraduate and graduate students through prizes, scholarships, and grants to allow them to pursue projects which further their studies, and to provide targeted support in cases of hardship.
- (6) To support a number of access-related activities, provided to ensure that the information needed to apply for admission to the University is disseminated as widely as possible.
- (7) To provide and support a Chapel affiliated with the Church of England and through the holding of daily services and associated events that are open to the public. The employment of a Chaplain to provide the above and ministry to all students without regard to religious affiliation. The support of a Chapel Choir to assist in delivery of services.

The aim of The Queen's College Oxford Trading Limited is to provide financial support for the achievement of the College's aims as set out above.

The aim of The Queen's College Oxford Developments Limited (incorporated 2 July 2015) is to provide design and development services in respect of the College's buildings.

Activities and objectives of the College and subsidiary (continued)

The College admitted 98 new undergraduate students and 57 postgraduate students during the year, bringing the total numbers in residence to 345 and 152 respectively, plus two registered visiting students. Two new full-time and three new part-time College Lecturers were appointed to supplement the teaching provided by Fellows, and a College association was extended to a University Lecturer without College Tutorial Fellowship responsibilities. The Lecturer in the latter category contributes importantly to the arrangement of teaching, admissions, interviewing, and research activities of the College. Three Research Fellows were appointed and a new appointment was made to a Career Development Fellowship. Two residential Junior Deans were appointed from among the graduate students of the College and a third Junior Dean from another college.

College representatives made 55 visits to address pupils from groups of schools to explain the admissions procedure and the benefits of studying at Oxford, while pupils from a total of 151 schools visited Queen's during the course of the year (this figure includes schools visiting through combined college events). The College's commitment to improving access to higher education for all, and in particular for those from backgrounds without a strong tradition of university education, was affirmed through increasing the resources allocated to Schools Liaison and Outreach, where a total of £52,223 was spent in the year.

The College believes that the best academic work takes place in a balanced environment and supported undergraduate sport, music and other non-academic activities during the year. £106,850 was spent in support of all sports, £19,085 in support of music (in addition to its support of the Chapel Choir), and £30,157 on the student common rooms.

The Library was open to students 24 hours a day during all three terms. It purchased new resources as required in support of the students at a cost of £33,525.

Members of the College were very active in research in a wide range of fields. The College supported this work with research grants and allowances to a total of £47,171. This contribution makes a significant difference to the final quality of work that can be achieved in many disciplines.

77 choral services were held over the year (mainly on Sunday, Wednesday, and Friday evenings) and attracted significant numbers of local residents as well as students and Fellows. The Chaplain is much involved in counselling and in the pastoral care of the College.

Public benefit

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

It admits as students those who have the highest potential for benefitting from the education provided by the College and University and recruits as academic staff those who are able to contribute most to the academic excellence of the College, regardless of financial, geographical, ethnic, social, age or religious background.

It provides accommodation and meals to students at reasonable rates. It offers accommodation to all of the undergraduate body and to roughly half of the graduates, including all of those in their first year of study. The yearly level of subsidy applied by the College to these costs is estimated at £656 per capita. In order to assist undergraduates entitled to financial support the College provides funds to the Oxford Opportunity Bursary Scheme (OOBS). For the academic year 2014/15 the number of awards made to Queen's students was 66 the total value of which was £135,829. Furthermore, 12 Queen's students were awarded Moritz-Heyman Bursaries totalling £66,000. In addition the College awarded 16 Scholarships, each with a value of £450, 18 Junior Scholarships, each with a value of £300, and 24 Exhibitions, each with a value of £150, to undergraduates on academic merit, without reference to background. To support the costs of graduate students the College made a number of Scholarship awards, including a small number of fully funded studentships for both fees and living costs, to a total value of £166,557. In addition the College operates a targeted Hardship Scheme, which makes awards to both undergraduates and graduates up to a total value of £15,000.

The College provides academic support to students through book and equipment grants and an academic travel grant scheme which together made awards totalling £28,625 in 2014/15.

Public benefit (continued)

The College operates an outreach programme to raise educational aspiration and attract outstanding applicants who might not otherwise have considered applying to the College. It employs a full-time Schools Liaison and Outreach Officer and the programme involves visits by schools to the College, open days, and guidance and information to applicants and teachers.

During term-time the Chapel hosts daily morning and evening services on weekdays (the evening service taking the form of Choral Evensong on Wednesdays and Fridays), and Holy Communion and Choral Evensong on Sundays. All services are open to the public and Choral Evensong, in particular, is very well attended thanks, in part, to the outstanding quality of the Chapel Choir. The Choir also sang for several external events around the country and toured mainland China and Hong Kong during the 2014 summer vacation.

The College has a substantial programme of musical performances that are well attended by the public, including weekly organ and instrumental recitals. In addition the College hosts, free of charge, a number of concerts by Oxford-based ensembles, including the now-celebrated Oxford Lent Concerts, the proceeds from which are donated to charities.

As well as providing an excellent service to current members of the College, the Library holds an outstanding collection of pre-1800 books and manuscripts, many of which are unique. 230 external readers consulted 583 items from the special collections. In addition, a substantial number of public interest visits to the Library to view the building and parts of the collection were hosted. An underground extension to the Library is now under construction, which will result in a significant expansion of reader spaces and greatly improved storage conditions for the historic collections and archives.

The College maintains a sports ground, primarily for the use of its members, but which is also used extensively by local clubs, especially during the vacations.

ACHIEVEMENTS AND PERFORMANCE

91 undergraduates passed final examinations in June 2015, including 26 with first class honours, and during the course of the 2014/15 academic year 10 post-graduates completed doctoral research degrees. A further 34 completed post-graduate taught courses and six completed the Clinical Medicine (BM BCh) degree.

In the financial year 2014/15 the College received £716,000 in gifts from Old Members and other benefactors. The College is very grateful for this generous support.

FINANCIAL REVIEW

The College's financial performance during the year was satisfactory. Expenditure in all departments was broadly in line with budgets. Net incoming resources for the year before investment gains were £1,258,000. This result compares favourably with last year, and is the consequence of slightly higher income from charitable activities and investments, as well as rather less expenditure on maintenance and refurbishment. Fund-raising receipts were modest by recent standards, reflecting an unexpected temporary reduction in the staffing of the relevant office.

The endowment assets produced a total return of 8.3%, of which 6.5% was capital growth. This was an adequate result, reflecting a generally muted year for global equities, and in particular a difficult year for the College's emerging-market investments.

At the end of the year the funds of the College had increased from £247,963,000 to £264,919,000 net of long term bank borrowings of £15,000,000.

Following a review of its long-term borrowings, on 24 September 2015 the College issued £20,000,000 of senior notes; the notes carry a coupon of 3.41% payable semi-annually in arrears, and mature on 24 September 2045.

Reserves policy

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

The statuses of the College's funds, including free and designated reserves, are described in notes 18 and 19 to the financial statements. The Governing Body, advised by the Estates and Finance Committee, has determined the reserves to be sufficient.

Investment policy, objectives and performance

The College's investment objectives are to balance current and future beneficiary needs by:

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

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return.

The investment strategy, policy, and performance are monitored by the Estates and Finance Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £252,617,000.

Under the total return accounting basis, it is the Governing Body's policy to extract as income a percentage of the total endowment value. The figure depends on the split between property and securities and in the current year was 3.4% (plus the costs of running the endowment). To smooth and moderate the amounts withdrawn this figure is calculated using the average of the year-end endowment values in each of the last five years, corrected for inflation.

The Governing Body will keep the level of income withdrawn under review to balance the needs and interests of current and future beneficiaries of the College's activities.

FUTURE PLANS

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

- to work with the University of Oxford to identify, encourage applications from, and offer places to, prospective students solely on the basis of their academic excellence and potential to benefit from the opportunities provided by the College;
- to provide the best possible environment for the scholarly pursuit of knowledge in the arts, sciences, humanities, and social sciences, including the provision of individual or small-group teaching and supervision and the support of academic research, and to support and encourage members of the College in ways that will help them to achieve their full academic potential;
- to increase support for members of the College who would otherwise be unable to engage fully in scholarly pursuit as a consequence of financial disadvantage or disability;
- to ensure the long-term financial security of the College, and the integrity of its residential and educational facilities.

Specific development plans have been agreed for the separate departments within the College to ensure that the College continues to enhance its ability to provide a first-class education in an academic environment rooted in research. In the year 2015/16 the College will:

- continue building the underground extension to the Library;
- seek planning permission and listed building consent for the refurbishment of the Florey Building;
- continue to investigate ways of improving the academic results attained by its undergraduates.

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 December 2015 and signed on its behalf by:

Prof P A Madden
Provost

The Queen's College, Oxford

Report of the Auditor to the Members of the Governing Body of The Queen's College

We have audited the financial statements of The Queen's College for the year ended 31 July 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 30. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the College's Governing Body in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governing Body and auditor

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governing Body; and the overall presentation of the financial statements.

We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements 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 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 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

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

1. Scope of the financial statements

The financial statements present the Consolidated Statement of Financial Activities (SOFA), the Consolidated and College Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the College and its wholly owned subsidiary, The Queen's College Oxford Trading Limited. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiary as included in the consolidated income, expenditure and results of the College are disclosed in note 13.

A new wholly owned subsidiary, The Queen's College Oxford Developments Limited, was incorporated during the year but did not trade prior to 31 July 2015.

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

2. Basis of accounting

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

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

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

4. Incoming resources from donations and legacies

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

Voluntary income received for the general purposes of the College is credited to unrestricted funds.

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

5. Investment income

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

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

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

6. Expenditure

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

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

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

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

7. Leases

Rentals payable under operating leases are charged in the SOFA on a straight line basis over the relevant lease terms.

The cost of the assets held under finance leases is included within fixed assets and depreciation is charged in accordance with the accounting policy for each class of asset concerned. The corresponding capital obligations under these leases are shown as liabilities. The finance charge element of rentals is charged to the Statement of Financial Activities and classified within finance costs as incurred.

8. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings costing more than £10,000 together with expenditure on equipment costing more than £10,000 is capitalised and carried in the balance sheet at historical cost.

Other expenditure on equipment incurred in the normal day-to-day running of the College and its subsidiaries is charged to the Statement of Financial Activities as incurred.

9. Depreciation

Depreciation is provided to write off the cost of all relevant tangible fixed assets, less their estimated residual value, in equal annual instalments over their expected useful economic lives as follows:

Freehold properties, including major extensions	50 years
Building improvements	10 - 50 years
Equipment	4 - 10 years

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

10. Investments

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

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

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

11. Stocks

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

12. Foreign currencies

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

13. Total Return investment accounting

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

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

For the carrying value of the preserved (frozen) permanent capital, the Governing Body has taken its open market value as at 1 August 2002, together with the original gift value of all subsequent endowments received.

14. Fund accounting

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

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

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

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

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

15. Pension costs

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

The Queen's College
Consolidated Statement of Financial Activities
For the year ended 31 July 2015

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
INCOMING RESOURCES						
Resources from charitable activities	1					
Teaching, research and residential		4,978	0	0	4,978	4,957
Resources from generated funds						
Legacies and donations		0	79	637	716	1,397
Trading income	2,13	389	0	0	389	340
Investment income	3	318	78	3,992	4,388	3,900
Bank and other interest	4	1	1	13	15	63
		708	158	4,642	5,508	5,700
Other incoming resources	10	351	0	0	351	0
Total Incoming Resources		6,037	158	4,642	10,837	10,657
RESOURCES EXPENDED						
Cost of generating funds	5					
Fundraising		80	0	0	80	112
Trading expenditure	13	217	0	0	217	172
Investment management costs		81	11	552	644	774
		378	11	552	941	1,058
Charitable activities	5					
Teaching, research and residential		7,873	650	99	8,622	10,603
Governance costs	8	16	0	0	16	18
Total Resources Expended		8,267	661	651	9,579	11,679
Net (outgoing) / incoming resources before transfers		(2,230)	(503)	3,991	1,258	(1,022)
Transfers between funds	18	6,596	(110)	(6,486)	0	0
Net (outgoing) / incoming resources before other gains and losses		4,366	(613)	(2,495)	1,258	(1,022)
Investment gains		1,121	503	14,074	15,698	7,518
Net movement in funds for the year		5,487	(110)	11,579	16,956	6,496
Fund balances brought forward	18	36,441	5,432	206,090	247,963	241,467
Funds carried forward at 31 July	18	41,928	5,322	217,669	264,919	247,963

The Queen's College
Consolidated and College Balance Sheets
As at 31 July 2015

	Notes	2015 Group £'000	2014 Group £'000	2015 College £'000	2014 College £'000
FIXED ASSETS					
Tangible assets	10	21,141	18,613	21,141	18,613
Property investments	11	72,739	61,753	72,739	61,753
Securities and other investments	12	179,878	180,173	179,878	180,173
		273,758	260,539	273,758	260,539
CURRENT ASSETS					
Stocks		362	372	362	372
Debtors	15	1,552	1,530	1,504	1,469
Cash at bank and in hand		5,979	2,109	5,974	2,064
		7,893	4,011	7,840	3,905
CREDITORS: falling due within one year	16	1,732	1,587	1,679	1,481
NET CURRENT ASSETS		6,161	2,424	6,161	2,424
TOTAL ASSETS LESS CURRENT LIABILITIES		279,919	262,963	279,919	262,963
CREDITORS: falling due after more than one year	17	15,000	15,000	15,000	15,000
NET ASSETS		264,919	247,963	264,919	247,963
FUNDS OF THE COLLEGE					
	18				
Endowment funds		217,669	206,090	217,669	206,090
Restricted funds		5,322	5,432	5,322	5,432
Unrestricted funds					
Designated funds		35,361	30,933	35,361	30,933
General funds		6,567	5,508	6,567	5,508
		264,919	247,963	264,919	247,963

*The financial statements were approved and authorised for issue by the Governing Body of
The Queen's College
on 5 December 2015*

Trustee:

Trustee:

The Queen's College
Consolidated Cash Flow Statement
For the year ended 31 July 2015

	Notes	2015 Group £'000	2014 Group £'000
Net cash outflow from operations	24	<u>(3,236)</u>	<u>(5,732)</u>
Returns on investments and servicing of finance			
Income from investments		4,403	3,963
Finance costs paid		(201)	(193)
		<u>4,202</u>	<u>3,770</u>
Capital expenditure and financial investment			
New endowment capital received		637	1,353
Payments for tangible fixed assets		(3,095)	(28)
Proceeds from sales of tangible fixed assets		355	0
Payments for investments		(7,852)	(14,738)
Proceeds from sales of investments		12,859	4,379
		<u>2,904</u>	<u>(9,034)</u>
Increase in cash in the year		<u>3,870</u>	<u>(10,996)</u>
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		3,870	(10,996)
Change in net funds		<u>3,870</u>	<u>(10,996)</u>
Net funds at start of year		(12,891)	(1,895)
Net funds at end of year		<u>(9,021)</u>	<u>(12,891)</u>

The Queen'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
Teaching, research and residential					
Tuition fees - UK and EU students	1,416	0	0	1,416	1,278
Tuition fees - Overseas students	433	0	0	433	447
Other HEFCE support	226	0	0	226	230
Other academic income	39	0	0	39	61
College residential income	2,864	0	0	2,864	2,941
	4,978	0	0	4,978	4,957

The above analysis includes £1,620,000 received from Oxford University under the CFF Scheme, net of College fees received directly (2014 - £1,567,000)

2 TRADING INCOME

		2015 £'000	2014 £'000
Subsidiary company trading income	<i>Note 13</i>	389	340
		389	340

3 INVESTMENT INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
Agricultural rent	40	10	496	546	486
Commercial rent	148	36	1,862	2,046	1,781
Other property income	2	1	30	33	2
Equity dividends	128	31	1,604	1,763	1,631
	318	78	3,992	4,388	3,900

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
Bank interest	1	1	13	15	63

The Queen's College
Notes to the financial statements
For the year ended 31 July 2015

5 ANALYSIS OF RESOURCES EXPENDED

	Direct staff costs £'000	Other direct costs £'000	Support costs £'000	2015 Total £'000	2014 Total £'000
Costs of generating funds					
Fundraising	54	26	0	80	112
Trading expenditure	85	103	29	217	172
Investment management costs	0	218	426	644	774
Total costs of generating funds	139	347	455	941	1,058
Charitable expenditure					
Teaching, research and residential	4,376	2,880	1,366	8,622	10,603
Total charitable expenditure	4,376	2,880	1,366	8,622	10,603
Governance costs	<i>Note 8</i> 0	16	0	16	18
Total resources expended	4,515	3,243	1,821	9,579	11,679

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 £230,000 (2014 - £250,000).

6 SUPPORT COSTS

	Generating Funds £'000	Teaching and Research £'000	2015 Total £'000	2014 Total £'000
Financial and domestic admin	258	595	853	775
Human resources	0	36	36	33
IT	4	164	168	168
Depreciation	0	563	563	554
Bank interest payable	193	0	193	186
Other finance charges	0	8	8	7
	455	1,366	1,821	1,723

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	100	168	268	258
Bursaries and hardship awards	117	5	122	114
	217	173	390	372

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

The Queen's College
Notes to the financial statements
For the year ended 31 July 2015

8 GOVERNANCE COSTS

	2015	2014
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	16	18
	<u>16</u>	<u>18</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 are included in note 21.

9 STAFF COSTS

	2015	2014
	£'000	£'000
The aggregate payroll costs for the year were as follows.		
Salaries and wages	4,465	4,207
Social security costs	293	299
Pension costs (Note 22)	603	575
	<u>5,361</u>	<u>5,081</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	26	25
College residential	76	73
Fundraising	2	2
Support	44	42
Total	<u>148</u>	<u>142</u>

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

	2015	2014
University Lecturers	19	16
CUF Lecturers	10	11
Other teaching and research	1	0
Other	3	3
Total	<u>33</u>	<u>30</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 in note 21 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	2	2
	<u>2</u>	<u>2</u>

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

In defined benefits schemes	2	2
	<u>2</u>	<u>2</u>

The Queen's College
Notes to the financial statements
For the year ended 31 July 2015

10 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £'000	Fixtures, Fittings and Equipment £'000	Total £'000
Cost			
At start of year	23,523	51	23,574
Additions	3,057	38	3,095
Disposals	(4)	(23)	(27)
At end of year	26,576	66	26,642
Depreciation			
At start of year	4,912	49	4,961
Charge for the year	552	11	563
On disposals	0	(23)	(23)
At end of year	5,464	37	5,501
Net book value			
At end of year	21,112	29	21,141
At start of year	18,611	2	18,613
College			
Cost			
At start of year	23,523	51	23,574
Additions	3,057	38	3,095
Disposals	(4)	(23)	(27)
At end of year	26,576	66	26,642
Depreciation			
At start of year	4,912	49	4,961
Charge for the year	552	11	563
On disposals	0	(23)	(23)
At end of year	5,464	37	5,501
Net book value			
At end of year	21,112	29	21,141
At start of year	18,611	2	18,613

During the year the College disposed of a freehold property which has been used as staff accommodation. The profit on disposal of £351,000 (2014: £Nil) has been included in Other Incoming Resources

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.

The Queen's College
Notes to the financial statements
For the year ended 31 July 2015

11 PROPERTY INVESTMENTS

Group and College	Agricultural £'000	Commercial £'000	Other £'000	2015 Total £'000	2014 Total £'000
Valuation at start of year	39,002	21,820	931	61,753	58,684
Additions and improvements at cost	1,475	6,377	0	7,852	2,450
Disposals net proceeds	(18)	(71)	(7)	(96)	(3,203)
Revaluation gains in the year	228	2,969	33	3,230	3,822
Valuation at end of year	40,687	31,095	957	72,739	61,753

A formal valuation of the agricultural properties was prepared by Smiths Gore as at 31 July 2013 and updated to 31 July 2015

A formal valuation of the commercial and other properties was prepared by Lambert Smith Hampton as at 31 July 2013 and updated to 31 July 2015

12 SECURITIES AND OTHER INVESTMENTS

	2015 £'000	2014 £'000
Group investments		
Valuation at start of year	180,173	165,365
New money invested	0	12,288
Amounts withdrawn	(12,763)	(1,176)
Increase in value of investments	12,468	3,696
Group investments at end of year	179,878	180,173
Investment in subsidiaries	0	0
College investments at end of year	179,878	180,173

Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000	2014 Total £'000
Equity investments		155,782	155,782	156,635
Alternative and other investments	23,900	196	24,096	23,538
Total group investments	23,900	155,978	179,878	180,173

The Queen's College
Notes to the financial statements
For the year ended 31 July 2015

13 SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in The Queen's College Oxford Trading Limited, a company established to provide conference and other event services on the College premises. The results of this subsidiary and its assets and liabilities at the year end were as follows.

	2015	2014
	£'000	£'000
Turnover	389	340
Expenditure	(217)	(172)
Donation to College under gift aid	(172)	(168)
Result for the year	0	0
Total assets	62	108
Total liabilities	(62)	(108)
Net funds at the end of year	0	0

The College also holds 100% of the issued share capital in The Queen's College Oxford Developments Limited, This company was incorporated during the year but did not trade prior to 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 1 August 2002. The investment return to be applied as income is based on the return on the classes of investments held and the average of the year-end values of the relevant investments in each of the last five years adjusted for inflation. For this year the transfer was 3.4%

The preserved (frozen) value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at date of gift.

	Permanent Endowment £'000	Expendable Endowment £'000	Total £'000
Investment total return			
Income distributions	3,642	363	4,005
Capital gains/losses	12,786	1,288	14,074
Investment management costs	(502)	(50)	(552)
Total return for the year	<u>15,926</u>	<u>1,601</u>	<u>17,527</u>
Amount applied as income for spending	<u>(6,089)</u>	<u>(397)</u>	<u>(6,486)</u>
Net increase in Unapplied Total Return in the year	9,837		
Unapplied Total Return at start of year	110,191		
Unapplied Total Return at end of year	<u>120,028</u>		
Preserved value at start of year	77,296		
Permanent Endowment donations in the year	244		
Preserved value of original permanent endowments	<u>77,540</u>		

The Queen's College
Notes to the financial statements
For the year ended 31 July 2015

15 DEBTORS

	2015	2014	2015	2014
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	210	243	153	180
Amounts owed by College members	194	203	194	203
Amounts owed by Group undertakings	0	0	9	2
Loans repayable within one year	109	71	109	71
Prepayments and accrued income	14	10	14	10
Amounts falling due after more than one year:				
Loans	1,025	1,003	1,025	1,003
	<u>1,552</u>	<u>1,530</u>	<u>1,504</u>	<u>1,469</u>

16 CREDITORS: falling due within one year

	2015	2014	2015	2014
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Trade creditors	340	476	340	476
Taxation and social security	155	119	135	88
College contribution	230	240	230	240
Accruals and deferred income	618	418	585	343
Other creditors	389	334	389	334
	<u>1,732</u>	<u>1,587</u>	<u>1,679</u>	<u>1,481</u>

17 CREDITORS: falling due after more than one year

	2015	2014	2015	2014
	Group	Group	College	College
	£'000	£'000	£'000	£'000
Bank loans	15,000	15,000	15,000	15,000
	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>

The bank loans are unsecured.

Bank loans include a £7m loan due for repayment in 2038. A second loan for £8m is due for repayment in 2017.

The Queen's College
Notes to the financial statements
For the year ended 31 July 2015

18 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
Endowment Funds - Permanent						
Corpus Permanent Endowment	135,700	2,632	(363)	(4,403)	9,242	142,808
Trusts within College objects	40,470	786	(108)	(1,313)	2,756	42,591
Trusts outside College objects	189	6	(1)	(6)	13	201
Endowment Funds	11,128	462	(30)	(367)	775	11,968
Endowment Funds - Expendable						
Corpus Expendable Endowment	10,101	197	(75)	(280)	687	10,630
Donations Fund	5,644	505	(22)	(69)	406	6,464
Pension Fund	2,858	54	(52)	(48)	195	3,007
Total Endowment Funds	206,090	4,642	(651)	(6,486)	14,074	217,669
Restricted Funds						
Trusts within College objects	1,987	38	(280)	497	135	2,377
Trusts outside College objects	87	1	(1)	6	6	99
Endowment funds	111	2	(350)	367	6	136
Specific funds	1,938	117	(30)	(980)	137	1,182
Specific balances	1,309				219	1,528
Total Restricted Funds	5,432	158	(661)	(110)	503	5,322
Unrestricted Funds						
General Funds	5,508	5,799	(5,914)	892	282	6,567
Fixed Assets Reserve	18,613		(563)	3,091		21,141
Building Fund	12,320	238	(1,790)	2,613	839	14,220
Total Unrestricted Funds	36,441	6,037	(8,267)	6,596	1,121	41,928
Total Funds	247,963	10,837	(9,579)	0	15,698	264,919

The Queen's College
Notes to the financial statements
For the year ended 31 July 2015

19 FUNDS OF THE COLLEGE DETAILS

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

In this note, "income" refers to the excess of total return generated over the level of return deemed sufficient to maintain the estimated real value of capital over time.

Endowment Funds:

Permanent

Corpus Permanent Endowment	A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the College
Trusts within College objects	Capital element of gifts and donations held in formal trusts where income but not capital may be used for particular purposes within the College objects
Trusts outside College objects	Capital element of gifts and donations held in formal trusts where income but not capital may be used for particular purposes falling outside College objects
Endowment Funds	A consolidation of gifts and donations whose donor has specified that income but not capital may only be used for particular purposes within the College objects

Expendable

Corpus Expendable Endowment	A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the College, but will normally be held for the long term.
Donations Fund	A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the College, but will normally be held for the long term.
Pension Fund	A fund held for the payment of certain pensions where income and capital can be used for the purpose but will normally be held for the long term

Restricted Funds:

Trusts within College objects	Accumulated income from gifts and donations held in formal trusts which may be used for particular purposes within the College objects
Trusts outside College objects	Accumulated income from gifts and donations held in formal trusts which may be used for particular purposes outside the College objects
Endowment Funds	Accumulated income from gifts and donations whose donor has specified that income but not capital may only be used for particular purposes within the College objects
Specific funds	A consolidation of gifts and donations where the donor has specified they may only be used for particular purposes within the College objects
Specific balances	A consolidation of gifts and donations where the donor has specified they may only be used for particular purposes within the College objects and where the investment is held in particular assets specified by the donor.

Unrestricted Funds:

General Funds

Fixed Assets Reserve	General Unrestricted Funds represent accumulated income from the College's activities and other sources that are available for the general purposes of the College An allocation from general funds to represent the accumulated net book value of the College fixed assets
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Designated Funds

Building Fund	Unrestricted Funds allocated by the Fellows for future costs of maintenance and refurbishment of College buildings
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20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	Total £'000
Tangible fixed assets	21,141	0	0	21,141
Property investments	4,504	1,169	67,066	72,739
Securities and other investments	11,050	4,394	164,434	179,878
Net current assets	6,161	0	0	6,161
Long term loans	(928)	(241)	(13,831)	(15,000)
	41,928	5,322	217,669	264,919

21 TRUSTEES' REMUNERATION

Trustee remuneration

The trustees of the College comprise the Governing Body, primarily fellows who are teaching and research employees of the College and who sit on Governing Body by virtue of their employment.

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

The Remuneration Committee meets to consider remuneration of members of the Governing Body. The Committee consists of six members elected by the Governing Body from among the Honorary, Emeritus and Professorial Fellows, and Old Members of the College who are not members of the Governing Body. It has been attended by the Provost and Dr Nickerson, who acts as secretary. No voting member of the Committee may draw a stipend or any other form of benefit from the College.

Trustees comprise Fellows holding University Lecturerships or statutory professorial chairs, and such other Fellows of the College as the Governing Body deems appropriate on the basis of the Statutes.

There were three trustees, Prof PA Madden (Provost) , Dr L Irving-Bell (Home Bursar until 30/09/2015), and Dr A Timms (Development Director until 31/08/2014 and Bursar since 01/09/2014) who worked full-time on management and fund-raising.

Some trustees are eligible for College housing schemes. Some may be eligible for a housing allowance which is disclosed within the salary figures below. Thirteen trustees live in houses partly funded by loans from the College. Details of these loans are disclosed in note 28.

Some trustees receive additional allowances for additional work carried out as part time College officers. These amounts are included within the remuneration figures below. The total remuneration and taxable benefits as shown below is £1,539,000 (2013-14 £1,352,000). The total of pension contributions is £172,000 (2013-14 £167,000).

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21 TRUSTEES' REMUNERATION (Continued)

Remuneration paid to trustees

Range	2014-2015		2013-2014	
	Number of trustees	Gross remuneration, taxable benefits and pension contributions £	Number of trustees	Gross remuneration, taxable benefits and pension contributions £
£1 - £4,999	5	11,263	3	8,772
£5,000 - £9,999	0	0	1	9,188
£10,000 - £14,999	1	10,045	1	14,161
£25,000 - £29,999	2	57,613	1	28,379
£30,000 - £34,999	8	257,937	7	236,418
£35,000 - £39,999	3	112,290	3	111,211
£40,000 - £44,999	1	40,126	1	41,169
£50,000 - £54,999	3	155,385	2	108,320
£55,000 - £59,999	2	115,857	2	117,458
£60,000 - £64,999	3	185,817	2	124,502
£65,000 - £69,999	2	133,672	2	134,282
£70,000 - £74,999	0	0	2	144,216
£85,000 - £89,999	1*	87,488	2	173,116
£90,000 - £94,999	1	90,868	0	0
£100,000 - £104,999	0	0	1	100,800
£105,000 - £109,999	1^	106,754	0	0

7 (2013-14: 9) trustees were not employees of the College and did not receive remuneration.

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

* In respect of the Fellow whose regular remuneration fell into this band, an additional payment of £124,000 was due as a result of a redundancy agreement. The additional payment has been charged to expenses in the year ended 31 July 2015

^ In respect of the Trustee whose regular remuneration fell within this band, the College has, on the recommendation of the Remuneration Committee, agreed to pay the trustee an additional sum of £50,000 in recognition of the impact of a capital project on his contractual accommodation arrangements. This additional sum has been charged to expenses in the year ended 31 July 2015.

Trustee expenses

No Fellow claimed any expenses for work as a trustee.

Other transactions with trustees

Other transactions with the trustees are disclosed in note 28.

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22 PENSION SCHEMES

The Pension Schemes

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

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

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

Actuarial valuations

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

	USS	OSPS
Date of valuation	31/03/2014	31/03/2013
Date valuation results published	15/07/2015	23/06/2014
Value of liabilities	£46.9bn	£597M
Value of assets	£41.6bn	£424m
Funding Surplus / (Deficit):	(£5.3bn) ^a	(£173m) ^b
Principal assumptions		
Investment return	5.2% ^c 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	RPI + 1% ^d pa	4.5% pa
Rate of increase in pensions	CPI pa ^d	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% ^e	44%
Estimated FRS17 basis	72% ^e	75%
		21.5%
		increasing to
Recommended Employer's contribution rate (as % of pensionable salaries)	18% ^e	23.5% ^f
Effective date of next valuation	31/03/2017	31/03/2016

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22 PENSION SCHEMES (Continued)

Notes:

a. USS's actuarial valuation as at 31 March 2014 takes into 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 that 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 p.a.; 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 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 the USS website, www.uss.co.uk. For the period up to 1 April 2016 the employer deficit contribution will be 0.7% p.a. 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

b. OSPS' actuarial valuation as at 31 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 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 three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30 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 their 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 USS liabilities
Initial discount rate	Increase / reduced by 0.25%	decrease / increase by £0.8bn
Discount rate in 20 years' time	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

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22 PENSION SCHEMES (Continued)

Pension charge for the year:

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

	2015	2014
	£'000	£'000
Universities Superannuation Scheme	294	300
University of Oxford Staff Pension Scheme	309	275
	603	575

23 TAXATION

The College is able to take advantage of the exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes.

No liability to corporation tax arises in the College's subsidiary 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 companies under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

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

	2015	2014
	£'000	£'000
Net incoming resources for the year	1,258	(1,022)
Elimination of non-operating cash flows:		
- Investment income	(4,403)	(3,963)
- Endowment donations	(637)	(1,353)
- Financing costs	201	193
Depreciation	563	554
(Surplus)/loss on sale of fixed assets	(351)	0
Decrease in stock	10	1
Increase in debtors	(22)	(118)
Decrease / (Increase) in creditors	145	(24)
Net cash (outflow) from operations	(3,236)	(5,732)

25 ANALYSIS OF CHANGES IN NET FUNDS

	2014	Cash flow	2015
	£'000	£'000	£'000
Cash at bank and in hand	2,109	3,870	5,979
Bank loans due after one year	(15,000)	0	(15,000)
	(12,891)	3,870	(9,021)

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26 FINANCIAL COMMITMENTS

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

27 CAPITAL COMMITMENTS

At 31 July the College intended to enter a contractual commitment for a future capital project totalling £6.6m (2014 - £Nil).

28 RELATED PARTY TRANSACTIONS

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

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

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

	2015	2014
	£'000	£'000
Aldridge S	58	63
Beasley R	75	80
Buckley M	95	102
Crowther C	122	0
Doye J	60	65
Gardner A	123	130
Lonsdale L	70	75
Louth C	36	41
Madden P	25	25
Meyer D	113	113
Owen NJ	21	25
Papazoglou P	112	119
Phalippou L	109	116
Rees OL	<u>112</u>	<u>118</u>

No interest is charged on the above loans, which are secured on the trustees' homes. This results in a benefit in kind which is included within the remuneration disclosed in note 21.

All loans are normally repayable within 20 years or on the departure of the trustee from the College if earlier.

29 CONTINGENT LIABILITIES

There are no contingent liabilities at the year end

30 POST BALANCE SHEET EVENTS

On 24 September 2015 the College issued £20m of senior notes, with a coupon of 3.41% payable semi-annually in arrears, maturing on 24 September 2045.