



Trinity College
Annual Report and Financial Statements

Year ended 31 July 2015

Registered Charity No. 1143755

TRINITY COLLEGE
Annual Report and Financial Statements
Contents

	Page
Governing Body, Officers and Advisers	2
Report of the Governing Body	5
Auditor's Report	10
Statement of Accounting Policies	11
Consolidated Statement of Financial Activities	14
Consolidated and College Balance Sheets	15
Consolidated Cash Flow Statement	16
Notes to the Financial Statements	17

TRINITY COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2015

MEMBERS OF THE GOVERNING BODY

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

		(1)	(2)	(3)	(4)	(5)
Sir Ivor Roberts (President)		*	*	*	*	*
Professor Dame Frances Ashcroft						
Mr Nicholas Barber			*			
Professor Francis Barr						
Dr Maria del Pilar Blanco			*			
Mrs Sue Broers				*		
Dr Keith Buckler						
Professor Chris Butler						
Professor Craig Clunas				*		
Dr Louise Curran						
Dr Jan Czernuszka						
Mr Tamas David-Barrett						
Ms Elizabeth Drummond						
Professor Russell Egdell	(Resigned 30 September 2014)					
Dr Stefano-Maria Evangelista						
Professor Paul Fairchild						
Dr Andrea Ferrero						
Dr Stephen Fisher						
Dr Kantik Ghosh		*				
Dr Anil Gomes		*				
Dr Ian Hewitt						
Dr Dorit Hockman						
Dr Michael Jenkins		*				
Mr John Keeling			*			
Mr Kevin Knott			*	*	*	
Professor Alexander Korsunsky			*		*	
Professor Marta Kwiatkowska			*			*
Dr Julia Langbein*	(Appointed 1 October 2014)					
Dr Dorota Leczykiewicz	(Resigned 30 September 2014)					
Professor Louis Mahadevan		*				
Professor Martin Maiden						
Professor Jonathan Mallinson				*		

TRINITY COLLEGE
Governing Body, Officers and Advisers
Year ended 31 July 2015

Professor Jonathan Mallinson				*		
		(1)	(2)	(3)	(4)	(5)
Professor Peter McCulloch			*			
Dr James McDougall						
Dr Michael Moody						
Dr Katie Moore	(Resigned 30 September 2014)					
Professor Kim Nasmyth						
Revd Dr Emma Percy						
Dr Susan Perkin					*	
Professor Peter Read						
Dr Stephen Sheard		*				
Professor Steve Shkoller	(Resigned 30 October 2014)					
Dr Gail Trimble				*		
Professor Bryan Ward-Perkins						
Professor Justin Wark			*		*	
Professor Valerie Worth		*				
Professor Johannes Zachhuber			*			

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

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

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

COLLEGE OFFICERS

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

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

TRINITY COLLEGE

Governing Body, Officers and Advisers

Year ended 31 July 2015

COLLEGE ADVISERS

Investment manager

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

Land Agent

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

Auditor

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

Bankers

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

Solicitors

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

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

COLLEGE ADDRESS

Broad Street, Oxford OX1 3BH

Website

www.trinity.ox.ac.uk

TRINITY COLLEGE

Report of the Governing Body

Year ended 31 July 2015

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

The College registered with the Charity Commission on 12 September 2011 (registered number 1143755).

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes.

Governing Body

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

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

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

The Governing Body determines the strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the President. It is supported in its role by a number of committees, the most significant of which are listed on page 3. It delegates day-to-day management to the College Officers who are listed on the same page.

Group structure and relationships

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

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

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

Risk management

The College is engaged in risk assessment on an on-going basis. When it is not able to address risk issues using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies and procedures within the College are reviewed by the relevant committees. Financial risks are assessed by the Bursarial Committee and investment risks are monitored by the Investment

TRINITY COLLEGE

Report of the Governing Body

Year ended 31 July 2015

Committee. In addition, the Domestic Bursar chairs a committee that meets regularly to review health and safety issues. Training courses and other forms of career development are available, when required, to members of staff to enhance their skills in risk-related areas.

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

OBJECTIVES AND ACTIVITIES

Charitable Object and Aims

Object

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

Public benefit

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

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

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

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

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

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

Recruitment and support for students

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

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

TRINITY COLLEGE

Report of the Governing Body

Year ended 31 July 2015

Financial support is available to students in financial need to assist them with the costs of tuition fees and living costs whilst at the College. In addition to student grants and loans available to undergraduates from within the EU, other financial support, in the form of an Oxford Bursary, is available to UK undergraduates who are from households where income is below a certain level. During the course of the academic year, 49 (2014 - 54) students received total support from the University and College in the form of fee waivers and bursaries of £124,000 (2014 - £130,000) under this programme; the cost to the College was £81,000 (2014 - £80,000). A further £118,000 (2014 - £125,000) in financial support was provided to undergraduates and graduates by the College.

The College also awarded scholarships, prizes and grants to undergraduates and graduates amounting to £309,000 (2014 - £270,000). A total of 26 (2014 - 16) scholarships were awarded, amounting to £168,000 (2014 - £130,000). Another 78 (2014 - 56) students received £141,000 (2014 - £140,000) in total in the form of academic prizes, and grants to support their academic activity.

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

ACHIEVEMENTS AND PERFORMANCE

All Tutorial Fellows continued to undertake research as one core part of their duties involving the preparation and completion of monographs and peer-reviewed articles. The impact of Fellows' research is attested, inter alia, by their presence as keynote speakers at a wide range of international conferences.

A detailed report on the individual activities of the President and Fellows can be found in the Trinity College Report 2014-15, which can be obtained directly from the College.

Trinity's undergraduates were again successful in Finals, 25 (2014 - 24) students securing a First and 56 (2014 - 43) a 2.1. The percentage achieving a 2.1 or better was over 95% (2014 - 93%). This performance is continuing testimony to the commitment and academic strengths of both the students and their tutors. Of the graduates, 44 completed their course of study, including 14 who were awarded their Doctorate of Philosophy.

Whilst the students' academic success is a key objective, the College seeks to enable students to participate fully in University and College sporting, cultural and recreational activities, and many students continue to do so. At the College level, student clubs and societies, notably the Trinity Players, the Boat Club, the Music Society and the Trinity Orchestra, are particularly active. On the sporting front, 12 students won Blues or Half Blues during the year.

Over the year, under the direction of the Senior Tutor, who was assisted by the Access and Admissions Officer and many undergraduate students, the College undertook a large number of outreach and access events to encourage able pupils from all educational sectors to consider applying to Oxford University. Further information about outreach and access activity over the year can be found in the Trinity College Report 2014-15.

FINANCIAL REVIEW

Income from the College's teaching activities and from residential lettings increased by £409,000. Fees from a larger numbers of overseas students generated an additional £248,000 and student accommodation income rose by £119,000, as a result of both more students living in College accommodation and higher charges. The latter was partly offset by lower trading income, which fell by £50,000, partly because of less accommodation being available for letting to third parties.

Total costs increased by £540,000 to £8,514,000. Staff costs increased by £175,000 whilst non-staff costs increased by £365,000. The Fellows' employment costs increased by £225,000, partly due to increased salaries and partly due to higher pension costs, which was offset by lower outside tuition costs. The main

TRINITY COLLEGE

Report of the Governing Body

Year ended 31 July 2015

causes of the higher non-staff costs was an increase in property maintenance which primarily related to the costs of the refurbishment of the College's Grade I listed Chapel.

Investment income from the College's property and other investments increased by £93,000 to £2,556,000.

Legacies and donations amounted to £2,253,000, a drop of £406,000 on the previous year. Donations vary across time, the quantum being substantially influenced by the timing of larger donations. Of this income, £966,000 was for the endowment, and £979,000 and £308,000 for restricted and unrestricted funds respectively. Against this decline in legacies and donations, over one quarter of all contactable alumni made a donation to the College in the financial year for the first time. The Governing Body is grateful for this increasing support of the College which is both helping to secure its long-term financial sustainability and, also, to support current students who, for example, become in financial need whilst at Trinity.

Investment gains amounted to £2.2million. Gains on the College's non-property investments of £4million were offset by revaluation losses of £1.8million on property assets. The latter figures breaks down into a revaluation gain on the agricultural and commercial assets of £3.5million and a revaluation loss of £5.3million on the development land at Banbury. The valuation of the development land was reduced as a result of substantial abnormal costs of development being identified during the year.

Whilst the College has had another satisfactory year, it continues to be under-capitalised. In addition to the backlog of property maintenance and improvement, it needs to increase the funding available to provide financial support for undergraduates and, increasingly, graduates where funding is becoming ever harder to obtain.

As reported in Note 21 to the Financial Statements, the College is a member of two pension schemes, the Universities Superannuation Scheme ("USS") and the Oxford Staff Pension Scheme. Both schemes are in deficit and, in order better to report its overall financial situation, the College has a designated fund amounting to £1.6million (2013-14 £1.1million), representing its estimated share of the deficits. The increase in the designated fund arises primarily from the revaluation of USS as at 31st March 2014.

Reserves policy

The College's reserves policy is to maintain sufficient free reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

The College's free reserves at the year-end amounted to £6,347,000 (2014: £6,274,000), representing retained unrestricted income. The College has outstanding property improvements which will, in due course, reduce the free reserves to bring them into line with the reserves policy.

Investment policy, objectives and performance

The College's investment objectives are to balance the needs of current and future beneficiaries. The investment strategy is to maximise the total return over the long term within acceptable levels of risk. The investment strategy, policy and performance are monitored by the Investment Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £135,677,000 (2014: £133,102,000)

FUTURE PLANS

The College will continue to recruit and retain world class academics to undertake both teaching and research. It will also continue to recruit the best possible students from the widest possible background, with a particular focus on encouraging such applicants from communities that are under-represented at Oxford University.

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

TRINITY COLLEGE

Report of the Governing Body

Year ended 31 July 2015

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 18 November 2015 and signed on its behalf by:

Sir Ivor Roberts KCMG
President

TRINITY COLLEGE

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

We have audited the financial statements of Trinity College for the year ended 31 July 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 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of Governing Body and auditor

As explained more fully in the Statement of Accounting and Reporting Responsibilities, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Scope of the audit of the financial statements

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

We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

In addition, we read all the financial and non-financial 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 material 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

Date: 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, Trinity College Oxford Limited and Trinity College Developments Limited. No separate SOFA has been presented for the College alone as permitted by paragraph 397 of the Charities SORP 2005. The results of the subsidiaries as included the consolidated income, expenditure and results of the College are disclosed in note 13.

2. Basis of accounting

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

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

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

4. Incoming resources from donations and legacies

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

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

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

5. Investment income

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

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

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

6. Expenditure

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

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

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

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

7. Leases

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

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

TRINITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2015

8. Tangible fixed assets

Expenditure on the acquisition, construction or enhancement of land and buildings and on equipment costing more than £1,000 is capitalised and carried in the balance sheet at historical cost.

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

9. Depreciation

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

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	10 - 20 years
Equipment	2 - 10 years

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

10. Investments

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

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

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

11. Stocks

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

12. Foreign currencies

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

13. Fund accounting

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

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

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

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

TRINITY COLLEGE

Statement of Accounting Policies

Year ended 31 July 2015

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

14. Pension costs

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

Trinity College
Consolidated Statement of Financial Activities
For the year ended 31 July 2015

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000	2014 Total £'000
INCOMING RESOURCES						
Resources from charitable activities						
Teaching, research and residential	1	4,845	0	0	4,845	4,436
		<u>4,845</u>	<u>0</u>	<u>0</u>	<u>4,845</u>	<u>4,436</u>
Resources from generated funds						
Legacies and donations		308	979	966	2,253	2,659
Trading income	2	352	0	0	352	402
Investment income	3	1,924	632	0	2,556	2,463
Bank and other interest	4	2	0	0	2	0
		<u>2,586</u>	<u>1,611</u>	<u>966</u>	<u>5,163</u>	<u>5,524</u>
Other incoming resources		0	0	0	0	0
Total Incoming Resources		<u>7,431</u>	<u>1,611</u>	<u>966</u>	<u>10,008</u>	<u>9,960</u>
RESOURCES EXPENDED						
Cost of generating funds						
Fundraising	5	460	0	0	460	408
Trading expenditure		324	0	0	324	318
Investment management costs		164	0	278	442	418
		<u>948</u>	<u>0</u>	<u>278</u>	<u>1,226</u>	<u>1,144</u>
Charitable activities						
Teaching, research and residential	5	6,477	793	0	7,270	6,811
		<u>6,477</u>	<u>793</u>	<u>0</u>	<u>7,270</u>	<u>6,811</u>
Governance costs	8	18	0	0	18	19
Total Resources Expended		<u>7,443</u>	<u>793</u>	<u>278</u>	<u>8,514</u>	<u>7,974</u>
Net incoming resources						
before transfers		(11)	818	687	1,494	1,986
Transfers between funds	17	150	(163)	13	0	0
Net incoming resources		<u>139</u>	<u>655</u>	<u>700</u>	<u>1,494</u>	<u>1,986</u>
before other gains and losses						
Investment gains	17	388	185	1,640	2,213	16,772
Net movement in funds for the year		<u>528</u>	<u>840</u>	<u>2,339</u>	<u>3,707</u>	<u>18,758</u>
Fund balances brought forward	17	17,574	5,262	122,272	145,108	126,350
Funds carried forward	17	<u>18,102</u>	<u>6,102</u>	<u>124,611</u>	<u>148,815</u>	<u>145,108</u>

Trinity 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	10,085	10,121	10,085	10,121
Property investments	11	57,237	58,341	57,237	58,341
Securities and other investments	12	78,440	74,761	78,440	74,761
		145,762	143,223	145,762	143,223
CURRENT ASSETS					
Stocks		139	177	139	177
Debtors	14	1,126	351	1,405	669
Cash at bank and in hand		2,587	2,090	2,279	1,726
		3,852	2,618	3,823	2,572
CREDITORS: falling due within one year	15	716	658	693	612
		3,136	1,960	3,130	1,960
NET CURRENT ASSETS					
		148,899	145,183	148,892	145,183
TOTAL ASSETS LESS CURRENT LIABILITIES					
Provisions for liabilities and charges	16	84	75	84	75
		148,815	145,108	148,808	145,108
NET ASSETS					
FUNDS OF THE COLLEGE					
	17				
Endowment funds		124,611	122,272	124,611	122,272
Restricted funds		6,102	5,262	6,102	5,262
Unrestricted funds					
Designated funds		11,755	11,299	11,755	11,299
General funds		6,347	6,275	6,339	6,275
		148,815	145,108	148,808	145,108

The financial statements were approved and authorised for issue by the Governing Body of Trinity College on 18 November 2015

Trustee:

Trustee:

Trinity College
Consolidated Cash Flow Statement
For the year ended 31 July 2015

	Notes	2015 Group £'000	2014 Group £'000
Net cash inflow/(outflow) from operations	23	<u>(1,975)</u>	<u>(1,150)</u>
Returns on investments and servicing of finance			
Income from investments		2,558	2,463
		<u>2,558</u>	<u>2,463</u>
Capital expenditure and financial investment			
New endowment capital received		966	1,501
Payments for tangible fixed assets		(689)	(604)
Payments for investments		(11,754)	(15,068)
Proceeds from sales of investments		11,390	11,708
		<u>(87)</u>	<u>(2,463)</u>
Increase/(decrease) in cash in the year		<u>496</u>	<u>(1,150)</u>
Reconciliation of net cash flow to movement in net funds			
Increase/(decrease) in cash in the year		496	(1,150)
Change in net funds		<u>496</u>	<u>(1,150)</u>
Net funds brought forward		2,091	3,241
Net funds carried forward		<u>2,587</u>	<u>2,091</u>

Trinity 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	1,202	0	0	1,202	1,191
Tuition fees - Overseas students	649	0	0	649	401
Other fees	5	0	0	5	0
Other HEFCE support	195	0	0	195	203
Other academic income	169	0	0	169	162
College residential income	2,625	0	0	2,625	2,479
	<u>4,845</u>	<u>0</u>	<u>0</u>	<u>4,845</u>	<u>4,436</u>

The above analysis includes £1,437,000 (2014 - £1,369,000) received from Oxford University under the CFF Scheme, net of College fees received directly.

2 TRADING INCOME

	2015 £000	2014 £000
Subsidiary company trading income	<u>352</u>	<u>402</u>
	<u>352</u>	<u>402</u>

3 INVESTMENT INCOME

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2015 Total £000	2014 Total £000
Agricultural rent	428	0	0	428	424
Commercial rent	261	0	0	261	267
Other property income	0	0	0	0	1
Equity dividends	1,077	552	0	1,629	1,580
Income from fixed interest stocks	150	76	0	226	176
Interest on fixed term deposits and cash	8	4	0	12	11
Other investment income	0	0	0	0	4
	<u>1,924</u>	<u>632</u>	<u>0</u>	<u>2,556</u>	<u>2,463</u>

4 BANK AND OTHER INTEREST INCOME

	Unrestricted Funds £000	Restricted Funds £000	Endowed Funds £000	2015 Total £000	2014 Total £000
Bank interest	2	0	0	2	0
Other interest	0	0	0	0	0
	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>

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	307	129	24	460	409
Trading expenditure	233	91	0	324	317
Investment management costs	0	421	21	442	418
Total costs of generating funds	540	641	45	1,226	1,144
Charitable expenditure					
Teaching, research and residential	3,486	2,656	1,128	7,270	6,811
Total charitable expenditure	3,486	2,656	1,128	7,270	6,811
Governance costs	0	18	0	18	19
Total resources expended	4,026	3,315	1,173	8,514	7,974

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 £120,000 (2014 - £110,000).

6 SUPPORT COSTS

	Generating Funds £000	Teaching Research and Residential £000	2015 Total £000	2014 Total £000
Financial and other administration	42	262	304	250
IT	3	193	196	196
Depreciation	0	724	724	692
Loss/(profit) on fixed assets	0	(50)	(50)	0
	45	1,129	1,174	1,138

Administration and IT costs are attributed according to the estimated staff time spent on each activity.

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

7 GRANTS AND AWARDS

During the year, the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:

	Unrestricted Funds £000	Restricted Funds £000	2015 Total £000	2014 Total £000
Scholarships, prizes and grants	45	264	309	270
Bursaries and hardship awards	36	163	199	205
Grants to other institutions	1	0	1	1
	82	427	509	476

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

8 GOVERNANCE COSTS

	2015 £000	2014 £000
Governance costs comprise:		
Auditor's remuneration - audit services	18	19
Auditor's remuneration - other services	0	0
	<u>18</u>	<u>19</u>

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

9 STAFF COSTS

The aggregate payroll costs for the year were as follows:	2015 £000	2014 £000
Salaries and wages	3,373	3,274
Social security costs	232	228
Pension costs	521	481
	<u>4,126</u>	<u>3,983</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	10	9
College residential	53	52
Fundraising	5	5
Support	12	12
Total	<u>80</u>	<u>78</u>

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

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

University Lecturers	16	17
CUF Lecturers	7	7
Other teaching and research	3	2
Other	5	5
Total	<u>31</u>	<u>31</u>

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

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

10 TANGIBLE FIXED ASSETS

Group	Freehold land and buildings £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At start of year	15,313	1,405	16,718
Additions	538	151	689
Disposals	0	0	0
At end of year	15,851	1,556	17,407
Depreciation			
At start of year	5,439	1,158	6,597
Charge for the year	574	151	725
On disposals	0	0	0
At end of year	6,013	1,309	7,322
Net book value			
At end of year	9,838	247	10,085
At start of year	9,874	247	10,121
College			
	Freehold land and buildings £000	Fixtures, fittings and equipment £000	Total £000
Cost			
At start of year	15,313	1,405	16,718
Additions	538	151	689
Disposals	0	0	0
At end of year	15,851	1,556	17,407
Depreciation			
At start of year	5,439	1,158	6,597
Charge for the year	574	151	725
On disposals	0	0	0
At end of year	6,013	1,309	7,322
Net book value			
At end of year	9,838	247	10,085
At start of year	9,874	247	10,121

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

11 PROPERTY INVESTMENTS

Group and College	Agricultural £000	Commercial £000	Other £000	2015 Total £000	2014 Total £000
Valuation at start of year	55,731	2,610	0	58,341	41,778
Additions and improvements at cost	394	0	318	712	1,590
Disposals	(47)	0	0	(47)	(38)
Revaluation gains/(losses) in the year	(2,074)	305	0	(1,769)	15,011
Valuation at end of year	54,004	2,915	318	57,237	58,341

A formal valuation of the agricultural investments as at 31 July 2015 was prepared by Carter Jonas LLP; of the development land, which is still subject to agricultural lettings, by Savills LLP; and of the commercial investment by Cluttons LLP. The basis of the valuations was open market value.

12 SECURITIES AND OTHER INVESTMENTS

	2015 £000	2014 £000		
Group investments				
Valuation at start of year	74,762	71,192		
New money invested	11,043	13,479		
Amounts withdrawn	(11,343)	(11,671)		
Increase in value of investments	3,978	1,761		
Group investments at end of year	78,440	74,761		
Investment in subsidiaries (see Note 13)	0	0		
College investments at end of year	78,440	74,761		
Group investments comprise:				
	Held outside the UK £000	Held in the UK £000	2015 Total £000	2014 Total £000
Equity investments	22,331	34,703	57,034	60,237
Property funds	0	5,898	5,898	5,344
Fixed interest stocks	5,515	6,305	11,820	5,392
Alternative and other investments	484	523	1,007	770
Fixed term deposits and cash	0	2,681	2,681	3,018
Total group investments	28,330	50,110	78,440	74,761

13 SUBSIDIARY UNDERTAKINGS

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

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

	TCOL £000	TCDL £000
Turnover	351	12
Expenditure	(250)	(1)
Donation to College under Gift Aid	(102)	0
Result for the year	(1)	11
Total assets	137	182
Total liabilities	(137)	(175)
Net funds at the end of year	0	7

14 DEBTORS

	2015 Group £000	2014 Group £000	2015 College £000	2014 College £000
Amounts falling due within one year:				
Trade debtors	122	176	111	156
Amounts owed by College members	53	0	53	0
Amounts owed by Group undertakings	0	0	294	341
Prepayments and accrued income	81	46	81	46
Other debtors	870	129	867	126
Amounts falling due after more than one year:				
Loans	0	0	0	0
	<u>1,126</u>	<u>351</u>	<u>1,405</u>	<u>669</u>

15 CREDITORS: falling due within one year

	2015 Group £000	2014 Group £000	2015 College £000	2014 College £000
Trade creditors	421	341	418	334
Amounts owed to College Members	0	7	0	7
Taxation and social security	94	86	93	86
College contribution	120	110	120	110
Accruals and deferred income	81	114	62	71
Other creditors	0	0	0	4
	<u>716</u>	<u>658</u>	<u>693</u>	<u>612</u>

16 PROVISIONS FOR LIABILITIES AND CHARGES

	2015 Group £000	2014 Group £000	2015 College £000	2014 College £000
At start of year	75	82	75	82
Debited / (credited) in the Statement of Financial Activities	9	(1)	9	(1)
Settled in the year	0	(6)	0	(6)
At end of year	<u>84</u>	<u>75</u>	<u>84</u>	<u>75</u>

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

17 FUNDS OF THE COLLEGE MOVEMENTS

	At 1 August 2014 £000	Incoming resources £000	Resources expended £000	Transfers £000	Gains/ (losses) £000	At 31 July 2015 £000
Endowment Funds - Permanent						
Permanent Endowment Fund	93,247	8	(278)	0	130	93,107
Frank Chadwick Fund	2,757	0	0	0	143	2,900
Ford Fund	1,148	0	0	0	60	1,208
Millard Fund	785	0	0	0	41	826
Blakiston Fund	782	0	0	0	41	823
Dr Blakiston's Fund	1,513	0	0	0	79	1,591
Dr W Hunt Fund	430	0	0	0	22	452
Mrs J H McKeown Fund	881	0	0	0	46	927
Professor John Mitchell Fund	984	0	0	0	51	1,035
Bursaries Fund	582	115	0	0	30	727
W P Haskett-Smith Fund	483	0	0	0	25	508
Whitehead Travelling Fund	886	0	0	0	46	932
Jeffrey Abbott Fund	448	0	0	0	23	471
Funds for student support	918	0	0	0	48	966
Funds for student prizes and awards	1,835	1	0	(331)	78	1,583
Funds to support Fellowships	378	461	0	332	37	1,208
Stephen Christie-Miller Fund	836	0	0	0	43	879
War Memorial Fund	552	0	0	0	29	581
Other funds	1,148	0	0	0	60	1,208
Endowment Funds - Expendable						
War Memorial Fund	1,224	0	0	0	64	1,288
Brown Fellowship Fund	1,149	119	0	13	60	1,341
Hunt-Grubbe Fellowship Fund	662	0	0	0	34	696
Henry Birkhead Fund	501	0	0	0	26	527
King's Group Fund	569	0	0	0	30	599
Funds for student support	2,595	6	0	(1)	135	2,735
Funds to support Fellowships	4,538	130	0	0	236	4,904
Other funds	441	126	0	0	23	589
Total Endowment Funds	122,272	966	(278)	13	1,640	124,611
Restricted Funds						
New Building Fund	3,549	701	0	0	185	4,435
Levine Bursaries	108	0	(73)	0	0	35
Dr Blakiston's Income Fund	183	19	(1)	0	0	201
Dr W Hunt Income Fund	77	10	0	0	0	87
Mrs J H McKeown Income Fund	50	21	(4)	0	0	67
Professor John Mitchell Income Fund	46	24	(41)	0	0	29
Bursaries Income Fund	76	37	(8)	0	0	105
Funds for student support	414	333	(251)	(56)	0	440
Funds to support Fellowships	256	233	(189)	(61)	0	239
Other funds	503	233	(225)	(47)	0	464
Total Restricted Funds	5,262	1,611	(793)	(163)	185	6,102
Unrestricted Funds						
General	6,275	7,431	(7,443)	(306)	388	6,347
Fixed asset designated Fund	10,120	0	0	(35)		10,085
Pension fund deficit designated Fund	1,109			491		1,600
Funds for student support	70			0		70
Total Unrestricted Funds	17,574	7,431	(7,443)	150	388	18,102
Total Funds	145,108	10,008	(8,514)	0	2,213	148,815

18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent:

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

Endowment Funds - Expendable:

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

Restricted Funds:

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

Designated Funds

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

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

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

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Endowment Funds £000	Total £000
Tangible fixed assets	10,085	0	0	10,085
Property investments	0	0	57,237	57,237
Securities and other investments	4,964	6,102	67,374	78,440
Net current assets	3,053	0	0	3,053
	<u>18,102</u>	<u>6,102</u>	<u>124,611</u>	<u>148,815</u>

20 TRUSTEES' REMUNERATION

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

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

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

Trustees of the college fall into the following categories:

The President

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

Professorial Fellows

Fellows by Special Election

Junior Research Fellows

Some trustees are eligible for college housing schemes. As at 31 July 2015, six trustees lived in property owned by the College. Others are eligible for a housing allowance which is disclosed within the remuneration figures below.

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

The total remuneration, taxable benefits and pension contributions as shown below is £1,300,000 (2014 - £1,171,000), of which the total of pension contributions is £179,500 (2014 - £158,000).

Remuneration paid to trustees

Range	2014-2015	2013-2014
	Number of trustees	Number of trustees
£2,000-£2,999	3	1
£4,000-£4,999	1	1
£5,000-£5,999	0	1
£8,000-£8,999	0	1
£9,000-£9,999	1	2
£10,000-£10,999	2	1
£11,000-£11,999	1	0
£12,000-£12,999	1	0
£13,000-£13,999	1	0
£16,000-£16,999	1	0
£17,000-£17,999	0	1
£19,000-£19,999	0	1
£20,000-£20,999	1	0
£22,000-£22,999	1	5
£23,000-£23,999	0	3
£24,000-£24,999	0	2
£25,000-£25,999	2	0
£26,000-£26,999	7	1
£27,000-£27,999	1	0
£28,000-£28,999	0	2
£29,000-£29,999	1	0
£40,000-£40,999	0	1
£41,000-£41,999	0	2
£43,000-£43,999	1	0
£45,000-£45,999	1	0
£46,000-£46,999	1	0
£53,000-£53,999	0	1
£55,000-£55,999	0	2
£57,000-£57,999	1	0
£58,000-£58,999	1	1
£59,000-£59,999	1	0
£61,000-£61,999	1	0
£69,000-£69,999	0	1
£72,000-£72,999	1	0
£76,000-£76,999	1	0
£81,000-£81,999	0	3
£85,000-£85,999	3	0
£106,000-£106,999	0	1
£108,000-£108,999	1	0

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

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

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

Trustee expenses

No fellow claimed any expenses for work as a trustee.

21 PENSION SCHEMES

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.

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)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%pad	4.5% pa
Rate of increase in pensions	CPI pad	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%
Recommended employer's contribution rate (as % of pensionable salaries):	18%e	increasing
Effective date of next valuation:	31/03/2017	31/03/2016

Notes:

- 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 2015 will be calculated as 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 3/75th 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 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.
- 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 implemented over the three years to 1 August 2017. The actuary has certified that the additional contribution should eliminate the deficit by 30 June

- 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%.

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' 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

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	196	193
University of Oxford Staff Pension Scheme	317	280
Other Schemes - contributions	9	8
Total:	£522	481

22 TAXATION

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

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

	2015 £000	2014 £000
Net incoming resources for the year	1,494	1,986
Elimination of non-operating cash flows:		
- Investment income	(2,558)	(2,463)
- Endowment donations	(966)	(1,501)
- Financing costs	0	0
Depreciation	725	692
(Surplus)/loss on sale of fixed assets	0	0
Decrease/(Increase) in stock	37	3
Decrease/(Increase) in debtors	(773)	148
(Decrease)/Increase in creditors	57	(8)
(Decrease)/Increase in provisions	9	(7)
Net cash inflow/(outflow) from operations	<u>(1,975)</u>	<u>(1,150)</u>

24 ANALYSIS OF CHANGES IN NET FUNDS

	2014 £000	Cash flow £000	2015 £000
Cash at bank and in hand	2,090	497	2,587
Bank overdrafts	0	0	0
	<u>2,090</u>	<u>497</u>	<u>2,587</u>

25 FINANCIAL COMMITMENTS

At 31 July 2015, the College had no annual commitments under non-cancellable operating leases (2014 - nil).

26 CAPITAL COMMITMENTS

The College had no contracted commitments at 31 July 2015 for future capital projects (2014 - £354,000).

27 RELATED PARTY TRANSACTIONS

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

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

During the year, the College acquired one property equally with a trustee, Dr A Ferrero, under a joint equity ownership agreement. The joint equity property is subject to sale on the departure of the trustee from the College. The net book value of the College's interest in the property at 31st July 2015 was £317,500.

The College also made an interest bearing loan of £6,000 during the year to another trustee, Dr M Moody. The loan is being repaid over 14 months. The balance outstanding as at the 31st of July, 2015 is £4,500.00

28 CONTINGENT LIABILITIES

As at 31 July 2015, there were no contingent liabilities (2015 - nil).

29 POST BALANCE SHEET EVENTS

There are no post balance sheet events to report.