

St Edmund Hall

Annual Report and Financial Statements

Year ended 31 July 2016

St Edmund Hall
Annual Report and Financial Statements
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Governing Body, Officers and Advisers

Year ended 31 July 2016

MEMBERS OF THE GOVERNING BODY

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

		(1)	(2)	(3)	(4)
Dr R Benson					•
Dr S Blamey				•	
Prof A Briggs				•	
Prof P Bruce					
Prof G Clark					
Mr S Costa		•	•	•	•
Prof N Cronk					
Mr N Davidson		•			
Prof S Ferguson			•	•	
Dr J Gaiger					
Prof P Goulart					•
Prof K Gull		•	•	•	•
Prof H Johansen-Berg					
Prof P Johnson					
Prof A Kahn					•
Dr A Kavanagh				•	
Prof H Laehnemann					
Prof D Manolopoulos		•			•
Prof M Martin		•			
Prof R Mountford			•		
Dr K Nabulsi		•			
Prof L Newlyn					
Dr L Nguyen					
Prof M Pasta					
Prof I Pavord					
Prof P Podsiadlowski			•		
Dr D Priestland			•		
Dr C Quintana-Domeque			•		

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Year ended 31 July 2016

Prof P Rothwell					
Prof O Riordan		•		•	
Dr J Tseng					•
Dr D Tsomocos					•
Dr R Walker		•			•
Prof R Whittaker			•		
Dr R Wilkins		•	•		
Dr R Willden		•		•	
Dr C Williams					
Dr J Yates		•			
Dr L Yueh					
Dr A Zavatsky					

During the year the activities of the Governing Body were carried out through four core committees. The membership of these committees during the year is shown above for each Fellow.

- (1) Academic Committee
- (2) Finance Committee
- (3) General Purpose & Bursarial Committee
- (4) Development Committee

The Remuneration Committee is comprised solely of independent members, as follows:

Sir Jon Shortridge (Chair)

Ms C Davies

Mr P Johnson

Mr R Price

Prof M Stevens

Prof D Wyatt

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Governing Body, Officers and Advisers

Year ended 31 July 2016

COLLEGE SENIOR STAFF

The senior staff of the College to whom day to day management was delegated during the year were as follows.

A. Prof K Gull	<i>Principal</i>
B. Dr R Wilkins	<i>Senior Tutor</i>
C. Mr A Walters	<i>Academic Administrator & Registrar</i>
D. Mr S Costa	<i>Senior & Finance Bursar</i>
E. Ms J Taylor	<i>Domestic Bursar</i>
F. Mr C Wood	<i>College Accountant (Until 30 September 2015)</i>
Ms J Lambert	<i>College Accountant (From 14 March 2016)</i>

COLLEGE ADVISERS

Investment managers

Oxford Endowment Fund, Citco Fund Services, Netherlands

Investment property managers

Cluttons Styles & Whitlock, Oxford

Auditor

Crowe Clark Whitehill LLP, London

Bankers

RBS/NatWest PLC, Oxford

Solicitors

Blake Morgan LLP, Oxford

Darbys Solicitors LLP, Oxford

Surveyors

Cluttons Styles & Whitlock, Oxford

College address

St Edmund Hall, Queen's Lane, Oxford OX1 4AR

Website

www.seh.ox.ac.uk

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Report of the Governing Body

Year ended 31 July 2016

The Members of the Governing Body present their Annual Report for the year ended 31 July 2016 under FRS102 together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Principal, Fellows and Scholars of St Edmund Hall in the University of Oxford, which is known as St Edmund Hall (the “College” or the “Hall”), is an eleemosynary chartered charitable corporation aggregate. It was incorporated under a Royal Charter dated 15 February 1957, although the Hall has been in existence since the 14th Century.

The College registered with the Charities Commission on 13 August 2010 (registered number 1137470).

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The College is governed by its Statutes dated 20 February 1974; these Statutes are in the process of being revised.

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 Chancellor of The University of Oxford. The Governing Body is self-appointing: new members are generally elected according to the nature of their Fellowships at the College; retirements generally occur on the same basis.

The Governing Body determines the ongoing strategic direction of the College and regulates its administration and the management of its finances and assets. It meets regularly under the chairmanship of the Principal and is advised by its four core Committees and the Remuneration Committee.

Recruitment and training of members of the Governing Body

New members of the Governing Body are recruited as Fellows, and are inducted into the workings of the College according to the nature of their Fellowships and by attending Governing Body meetings.

The Governing Body understands the importance of being kept informed on current issues in the sector and on regulatory requirements; however, it does not conduct a formal procedure for Trustee training.

Organisational management

The Governing Body meets ten times per year. The work of developing its policies and monitoring the implementation of these is carried out by its four core Committees:

- The Academic Committee – which oversees admissions, the provision of tuition and supervision, and the creation of certain Fellowships.
 - The Finance Committee – which oversees charges, budgets, accounts, investments, and the estate.
 - The General Purpose & Bursarial Committee – which oversees room provision, maintenance and building works, and health and safety.
 - The Development Committee – which oversees fundraising.
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Report of the Governing Body

Year ended 31 July 2016

In addition, the Remuneration Committee advises on the remuneration of the Principal and Fellows of the College, including matters such as salaries, benefits, allowances, expenses, and pensions.

The key management personnel are the College Officers set out on page 4. The day-to-day running of the College is overseen by the Principal. Academic matters are delegated primarily to Dr R Wilkins (Senior Tutor), supported by Mr A Walters (Academic Administrator & Registrar). Administrative and financial matters are delegated primarily to Mr S Costa (Senior & Finance Bursar), supported by Ms Jayne Taylor (Domestic Bursar) and Mr C Wood (College Accountant) until 30 September 2015 being replaced by Ms J Lambert from 14 March 2016; Mr Costa is a member of all four core Committees, and he attends the Remuneration Committee as its Secretary.

Group structure and relationships

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

The College also has two wholly owned non-charitable subsidiaries, St Edmund Hall Enterprises Ltd, which has never traded and St Edmund Hall Design & Build Ltd, which has never traded; and one wholly owned multi-purpose subsidiary, St Edmund Hall Trading, which has never traded.

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 Principal or one of the Bursars. Financial risks are assessed by the Finance Committee and investment risks are monitored by the Investment Sub-Committee. In addition, the Domestic Bursar and domestic staff heads meet regularly to review health and safety issues. Training courses and other forms of career development are available, as required, to members of staff to enhance their skills in risk-related areas.

The Governing Body, which has ultimate responsibility for managing risks faced by the College, has given consideration to the major risks to which the College is 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.

Three particular risks identified by the College are:

- The potential impact of the UK leaving the European Union on students, academics and funding. The decision to leave the EU may have a significant adverse impact on research funding and on the College's ability to attract EU students and EU academics. The Governing Body is monitoring this area closely.
- The potential impact of the Teaching Excellence Framework on College funding and its academic reputation. The inappropriate application of the TEF may lead to the reputation of the College's teaching being damaged. There are controls in place in relation to the application of funding.
- The impact of reduced government funding on teaching and research. Reduced government funding risks eroding the quality of teaching and research and risks damaging Oxford and the College's ability to compete internationally for the best academics and the best students. The Governing Body, with the University, is considering this impact.

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Report of the Governing Body

Year ended 31 July 2016

OBJECTIVES AND ACTIVITIES

Charitable Objects and aims

The College's Objects are to provide, promote and engage in education, learning and research.

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, through the College's senior staff, 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.

Accordingly, the College's Objects are:

- Object 1: To provide for members of the University of Oxford a college wherein they may participate in the educational facilities offered by, and study for degrees in, the University of Oxford.
- Object 2: To do all such other things as are incidental or conducive to advancing education, learning and research in Oxford or elsewhere.

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

Activities and objectives of the College

The College's principal activity, as specified in the Statutes, is to provide, promote and engage in education, learning and research.

Accordingly, the College engages in activities and objectives which include:

- Carrying out education and research activities jointly with the University, involving payment of salaries and the provision of infrastructure including office space and administrative support;
- Supplementing 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 their fullest extent;
- Supplementing 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 and facilities for visiting researchers, including access to a valued library;
- Admitting undergraduate and graduate students without any restriction subject only to satisfaction of publicized academic criteria; Home/EU undergraduate students are eligible for Student Loans under the national scheme and for Oxford Bursaries on a means-tested basis;
- Providing 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;
- Supporting a number of access-related activities, ensuring that the information needed to apply for admission to the University is disseminated as widely as possible;
- Providing and supporting a Chapel affiliated with the Church of England and through the holding of regular services and associated events that are open to the public;

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Report of the Governing Body

Year ended 31 July 2016

- Employing a Chaplain to provide ministry to all students without regard to religious affiliation, and supporting a Chapel Choir;
- Employing welfare officers in order to provide counselling and pastoral care to the College.

Public benefit

The College is committed to the aims of providing public benefit in accordance with its Objects, and has continued to conduct its affairs during the year to 31 July 2016 in furtherance of these aims.

Object 1: The College: admits and educates undergraduate and graduate taught and research students; employs academic staff for the purposes of teaching and research; maintains premises and academic, welfare, pastoral, social and recreational facilities; admits students only through transparent procedures based on merit; and finances scholarships, bursaries and hardship funds in order that access should not be denied on grounds of financial need.

Object 2: The College: admits and accommodates visiting students and visiting academics; supports the intellectual, cultural, sporting and developmental activities of all its members, in Oxford and elsewhere, who contribute to national and international debate on intellectual, cultural and policy matters; maintains contacts with its former members for academic purposes, for fund-raising, and to use their skills and advice for the benefit of existing members; undertakes access and outreach activities; and may support the educational, research and cultural activities of other organisations.

More specifically, the College's public benefit activities include the following:

- The College admits students those who have the highest potential for benefitting from the education provided by the College and University, and employs academic staff who are best able to contribute to the academic excellence of the College, regardless of financial, geographical, ethnic, social, age or religious background. The College provides accommodation and meals to students at rates that are as reasonable as finances allow, and it offers accommodation to all first and final year undergraduates, and to all first year graduates. The College provides a substantial subsidy for student meals.
- In order to assist undergraduates entitled to financial support, the College provides funds to the Oxford Bursary scheme. In addition, the College provides a significant number of academic and academic-related awards, including book, equipment and writing-up support, and funding for individual and group non-academic pursuits through our Masterclass and Amalgamated Clubs funds. Further, the College operates a targeted Hardship Scheme, which makes awards to undergraduates and graduates who face unexpected financial issues.
- The College operates an outreach programme to raise educational aspirations within schools, and to attract outstanding applicants who might not otherwise have considered applying to the College; each year we engage with about 3,500 students at around 90 schools. It employs a full-time Schools Liaison 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 Sunday services which are open to the public, and other services at College events and other occasions. The Choir has also sung at venues around the country, and visited Pontigny in France, where St Edmund is buried. In addition, the College hosts, free of charge, a number of concerts by both College musicians and other Oxford-based ensembles. The College maintains its long-standing policy of not charging members of the public who wish to visit.

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Report of the Governing Body

Year ended 31 July 2016

ACHIEVEMENTS AND PERFORMANCE

During the academic year 2015-16, 105 undergraduates passed final examinations of which 38, representing many disciplines, achieved First Class degrees. The graduate population of the College, comprising Masters and DPhil students, now reflects Oxford's position as a world-class research University.

The College's students continue to impress with non-academic activities, and this year the College saw an inspiring series of performances in music, drama, art, writing and sport. College students won 29 Blues and Half Blues and represented the University in over 20 sports.

The talents of the Fellowship were recognised in many ways, and included Dr Dimitrios Tsomocos' award of the title of Professor of Financial Economics in the 2016 Oxford University Recognition of Distinction exercise. Dr Jenni Nuttall and Dr Karma Nabulsi were both given awards to recognise the quality of their teaching and mentoring. Professor Heidi Johansen-Berg was awarded a prestigious Wellcome Trust Principal Research Fellowship to support her research into brain plasticity. Professor Adrian Briggs (the Sir Richard Gozney Fellow in Law) received the honour of being appointed Queen's Counsel *honoris causa*. The award of an Honorary QC is made to lawyers who have made a major contribution to the law of England & Wales outside practice in the courts.

In 2015-16 the College celebrated the 3,000th female student joining the Hall since women students were first admitted in 1978. This coincided with another milestone – the election of Faith Wainwright, MBE FEng (1980, Engineering) and the Hon. Justice Elizabeth Hollingworth (1984, BCL) as the first female Honorary Fellows of the College.

This year the College received over £3.0m in donations, legacies and gifts from alumni, friends and other benefactors. The Hall is immensely grateful for this support which is vital to its annual activities and longer-term plans.

FINANCIAL REVIEW

The College continues to operate in difficult financial conditions, requiring the setting of tight budgets without adversely affecting the standard of education, learning and research it provides and promotes – and it has continued with its policies of maximising income and controlling expenditure. Expenditure reduced in 2015-16 by 1.9% to £8.6m (2014-15: £8.8m). Before accounting for donations and legacies, the College's operating loss before investment gains for 2015-16 was £525,000 (2014-15: £543,000). Donations and legacies for 2015-16 were £3.0m (2014-15: £4.5m). Investment gains for 2015-16 were £2.5m (2014-15: £3.3m). The College's net assets at 31 July 2016 had increased by 8.3% to £64.7m (31 July 2015: £59.7m).

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, to allow the College to be managed efficiently, and to provide a buffer that would ensure uninterrupted services.

The College's free reserves at the year-end amounted to £2.6m (2015: £2.5m), representing retained unrestricted income reserves excluding an amount of £14.4m for the book value of fixed assets less associated funding arrangements.

The net book value of fixed assets is disclosed as a designated fund. Endowment funds at year-end total £47.2m and restricted funds £1.8m. These are discussed further in note 18.

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;
- Producing a consistent and sustainable amount to support expenditure; and

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Report of the Governing Body

Year ended 31 July 2016

- Delivering these objectives within acceptable levels of risk. To meet these objectives the College's investments as a whole are managed by third party investment managers, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return.

The investment strategy, policy and performance are monitored by the Investment Sub-Committee. At the year end, the College's long-term investments, combining the securities and property investments, totalled £46.3m.

FUTURE PLANS

The core elements of the College's future plans are as follows:

- To continue its principal activity, as specified in the Statutes: to provide, promote and engage in education, learning and research.
- To continue those activities which support the public benefit Objects.
- To improve the quality of all provisions made by the College to its students, Fellows and others.
- To conduct development activities in order to secure the long-term future of the College.

The separate departments within the College assess their roles on an ongoing basis in order to ensure that the College continues to enhance its ability to provide a first-class education.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governing Body is responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and regulations.

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

Under charity law the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the College and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Governing Body is required to:

- Select the most suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the College will continue to operate.

The Governing Body is responsible for keeping proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with FRS102. 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 2 November 2016 and signed on its behalf by:

Professor Keith Gull

Principal

St Edmund Hall

Report of the Auditor to the Members of the Governing Body of St Edmund Hall

Year ended 31 July 2016

We have audited the financial statements of St Edmund Hall for the year ended 31 July 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the 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 FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the charity's Trustees, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's Trustees 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 charity and the charity's Trustees as a 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 Trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the 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 charity's affairs as at 31 July 2016 and of its 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; 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.

Crowe Clark Whitehill LLP

Statutory Auditor
London

Date:

Crowe Clark Whitehill 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 Statement of Financial Activities (SOFA), the Balance Sheet and the Statement of Cash Flows.

2. Basis of accounting

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, in particular 'FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

The College is a public benefit entity for the purposes of FRS 102 and a registered charity. The College has therefore also prepared its financial statements in accordance with 'The Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with FRS 102' ("The Charities SORP (FRS 102)").

The College has adopted FRS 102 for the first time when preparing these financial statements. The transition date to FRS 102 was 1 August 2014 and the last financial statements prepared under the previous financial reporting framework were prepared for the year ended 31 July 2015. An explanation and reconciliation of how the transition to FRS 102 has affected the reported financial position and financial performance is provided in note 29.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the measurement of investments and certain financial assets and liabilities at fair value with movements in value reported within the Statement of Financial Activities ("SOFA"). The principal accounting policies adopted are set out below and have been applied consistently throughout the year.

3. Accounting judgements and estimation uncertainty

In preparing financial statements it is necessary to make certain judgements, estimates and assumptions that affect the amounts recognised in the financial statements. The following judgements and estimates are considered by the Governing Body to have most significant effect on amounts recognised in the financial statements.

The Governing Body, in applying the accounting policies, has included an estimate for the College's share of the USS and OSPS pension scheme liabilities, and an estimate of the useful economic life of its buildings. Otherwise no judgements were required that have a significant effect on the amounts recognised in the financial statements.

4. Income recognition

All income is recognised once the College has entitlement to the income, the economic benefit is probable and the amount can be reliably measured.

a. Income from fees, HEFCE support and other charges for services

Fees receivable, less any scholarships, bursaries or other allowances granted from the College unrestricted funds, HEFCE support and charges for services and use of the premises are recognised in the period in which the related service is provided.

b. Income from donations, grants and legacies

Donations and grants that do not impose specific future performance-related or other specific conditions are recognised on the date on which the charity has entitlement to the resource, the amount can be reliably measured and the economic benefit to the College of the donation or grant is probable. Donations and grants subject to performance-related conditions are recognised as and when those conditions are met. Donations and grants subject to other specific conditions are recognised as those conditions are met or their fulfilment is wholly within the control of the College and it is probable that the specified conditions will be met.

Legacies are recognised following grant of probate and once the College has received sufficient information from the executor(s) of the deceased's estate to be satisfied that the gift can be reliably measured and that the economic benefit to the College is probable.

St Edmund Hall
Statement of Accounting Policies
Year ended 31 July 2016

Donations, grants and legacies accruing for the general purposes of the College are credited to unrestricted funds.

Donations, grants and legacies which are subject to conditions as to their use imposed by the donor or set by the terms of an appeal are 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 in kind (as distinct from cash or other monetary assets), they are measured at the fair value of those assets at the date of the gift.

Investment income

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

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

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

Donations are 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.

Donations received for the general purpose of the College are credited to unrestricted funds.

Donations which are subject to specific wishes of the donor are 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. Expenditure

Expenditure is accounted for on an accruals basis. A liability and related expenditure is recognised when a legal or constructive obligation commits the College to expenditure that will probably require settlement, the amount of which can be reliably measured or estimated.

Grants awarded that are not performance-related are charged as an expense as soon as a legal or constructive obligation for their payment arises. Grants subject to performance-related conditions are expensed as the specified conditions of the grant are met.

All expenditure including support costs and governance costs are allocated or apportioned to the applicable expenditure categories in the SOFA.

Support costs which includes governance costs (costs of complying with constitutional and statutory requirements) and other indirect costs are apportioned to expenditure categories in the SOFA 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.

6. Tangible fixed assets

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Expenditure on the acquisition or enhancement of land and on the acquisition, construction and enhancement of buildings which is directly attributable to bringing the asset to its working condition for its intended use and amounting to more than £5,000 together with expenditure on equipment costing more than £5,000 is capitalised.

Where a part of a building or equipment is replaced and the costs capitalised, the carrying value of those parts replaced is derecognised and expensed in the SOFA.

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

7. 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:

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Statement of Accounting Policies
Year ended 31 July 2016

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	50 years
Equipment	4-8 years

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

The cost of major renovation projects which increase the service potential of buildings is capitalised and depreciated over applicable periods.

8. Investments

Investment properties are initially recognised at their cost and subsequently measured at their fair value (market value) at each reporting date. Purchases and sales of investment properties are recognised on exchange of contracts.

Listed investments are initially measured at their cost and subsequently measured at their fair value at each reporting date. Fair value is based on their quoted price at the balance sheet date without deduction of the estimated future selling costs.

Investments such as hedge funds and private equity funds which have no readily identifiable market value are initially measured at their costs and subsequently measured at their fair value at each reporting date without deduction of the estimated future selling costs. Fair value is based on the most recent valuations available from their respective fund managers.

Changes in fair value and gains and losses arising on the disposal of investments are credited or charged to the income or expenditure section of the SOFA as 'gains or losses on investments' and are allocated to the fund holding or disposing of the relevant investment.

9. Other financial instruments

a. Cash and cash equivalents

Cash and cash equivalents include cash at banks and in hand and short term deposits with a maturity date of three months or less.

b. Debtors and creditors

Debtors and creditors receivable or payable within one year of the reporting date are carried at their at transaction price. Debtors and creditors that are receivable or payable in more than one year and not subject to a market rate of interest are measured at the present value of the expected future receipts or payment discounted at a market rate of interest.

10. Stocks

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

11. Foreign currencies

The functional and presentation currency of the College is the pound sterling.

Transactions denominated in foreign currencies during the year are translated into pounds sterling using the spot exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into pounds sterling at the rates applying at the reporting date.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the exchange rates at the reporting date are recognised in the income and expenditure section of the SOFA.

12. Fund accounting

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

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

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

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

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

13. Pension costs

The costs of retirement benefits provided to employees of the College through two multi-employer pension schemes are accounted for as if these were defined contribution schemes as information is not available to use defined benefit accounting in accordance with the requirements of FRS 102. The College's contributions to these schemes are recognised as a liability and an expense in the period in which the salaries to which the contributions relate are payable.

In addition, a liability is recognised at the balance sheet date for the discounted value of the expected future contribution payments under the agreements with these multi-employer schemes to fund the past service deficits.

The College also operates a defined contribution pension scheme. Contributions are charged to the SOFA in the period in which they are payable.

St Edmund Hall
Consolidated Statement of Financial Activities
For the year ended 31 July 2016

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2016 Total £'000	2015 Total £'000
INCOME AND ENDOWMENTS FROM:						
Charitable activities:	1					
Teaching, research and residential		6,218	-	-	6,218	6,172
Public worship		-	-	-	-	-
Heritage		-	-	-	-	-
Other Trading Income	3	823	-	-	823	748
Donations and legacies	2	1,075	796	1,144	3,015	4,502
Investments						
Investment income	4	-	-	1,067	1,067	1,342
Total return allocated to income	13	(18)	702	(684)	-	-
Other income		16	-	-	16	8
Total income		8,114	1,498	1,527	11,139	12,772
EXPENDITURE ON:						
Charitable activities:	5					
Teaching, research and residential		6,744	788	-	7,532	7,423
Generating funds:						
Fundraising		359	25	-	384	451
Trading expenditure		645	-	-	645	777
Investment management costs		77	11	-	88	162
Total Expenditure		7,825	824	-	8,649	8,813
Net Income/(Expenditure) before gains		289	674	1,527	2,490	3,959
Net gains/(losses) on investments	11	-	-	2,465	2,465	3,251
Net Income/(Expenditure)		289	674	3,992	4,955	7,210
Transfers between funds	17	78	10	(88)	-	-
Net movement in funds for the year		367	684	3,904	4,955	7,210
Fund balances brought forward	17	15,377	1,066	43,301	59,744	52,534
Funds carried forward at 31 July		15,744	1,750	47,205	64,699	59,744

St Edmund Hall
Consolidated and College Balance Sheets
As at 31 July 2016

	Notes	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
FIXED ASSETS					
Tangible assets	9	14,368	14,037	14,368	14,037
Heritage assets	10	-	-	-	-
Property investments	10	2,619	2,619	2,619	2,619
Other Investments	11	43,709	40,465	43,709	40,465
Total Fixed Assets		60,696	57,121	60,696	57,121
CURRENT ASSETS					
Stocks		173	181	173	181
Debtors	14	834	535	834	535
Investments		-	-	-	-
Cash at bank and in hand		5,413	4,013	5,413	4,013
Total Current Assets		6,420	4,729	6,420	4,729
LIABILITIES					
Creditors: Amounts falling due within one year	15	1,181	903	1,181	903
NET CURRENT ASSETS/(LIABILITIES)		5,239	3,826	5,239	3,826
TOTAL ASSETS LESS CURRENT LIABILITIES		65,935	60,947	65,935	60,947
CREDITORS: falling due after more than one year	16	32	24	32	24
NET ASSETS/(LIABILITIES) BEFORE PENSION ASSET OR LIABILITY		65,903	60,923	65,903	60,923
Defined benefit pension scheme liability	21	1,204	1,179	1,204	1,179
TOTAL NET ASSETS/(LIABILITIES)		64,699	59,744	64,699	59,744
FUNDS OF THE COLLEGE					
Endowment funds		47,205	43,301	47,205	43,301
Restricted funds		1,750	1,066	1,750	1,066
Unrestricted funds		14,386	14,055	14,386	14,055
Designated funds		14,386	14,055	14,386	14,055
General funds		2,562	2,501	2,562	2,501
Revaluation reserve		-	-	-	-
Pension reserve	21	(1,204)	(1,179)	(1,204)	(1,179)
		64,699	59,744	64,699	59,744

The financial statements were approved and authorised for issue by the Governing Body of St Edmund Hall on 2nd November 2016

Trustee:

Trustee:

St Edmund Hall
Consolidated Statement of Cash Flows
For the year ended 31 July 2016

	Notes	2016 £'000	2015 £'000
Net cash provided by (used in) operating activities	23	<u>758</u>	<u>2,487</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		2,211	2,110
Proceeds from the sale of property, plant and equipment		-	-
Purchase of property, plant and equipment		(790)	(3,331)
Proceeds from sale of investments		18,121	132
Purchase of investments		(18,900)	(939)
Net cash provided by (used in) investing activities		<u>642</u>	<u>(2,028)</u>
Cash flows from financing activities			
Repayments of borrowing		-	-
Cash inflows from new borrowing		-	-
Receipt of endowment		-	-
Net cash provided by (used in) financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>1,400</u>	<u>459</u>
Cash and cash equivalents at the beginning of the reporting period		4,013	3,554
Change in cash and cash equivalents due to exchange rate movements		1,400	459
Cash and cash equivalents at the end of the reporting period	24	<u>5,413</u>	<u>4,013</u>

St Edmund Hall
Notes to the financial statements
For the year ended 31 July 2016

1 INCOME FROM CHARITABLE ACTIVITIES	2016	2015
	£'000	£'000
Teaching, Research and Residential		
Unrestricted funds		
Tuition fees - UK and EU students	1,771	1,688
Tuition fees - Overseas students	1,005	958
Other fees	791	791
Other HEFCE support	184	250
Other academic income	126	125
College residential income	2,341	2,295
	<u>6,218</u>	<u>6,107</u>
Restricted funds		
Other academic income	-	65
College residential income	-	-
	<u>-</u>	<u>65</u>
Total Teaching, Research and Residential	<u>6,218</u>	<u>6,172</u>
Total income from charitable activities	<u>6,218</u>	<u>6,172</u>
<p>The above analysis includes £1,855k received from Oxford University from publicly accountable funds under the CFF Scheme (2015: £1,920k).</p> <p>Under the terms of the undergraduate student support package offered by Oxford University to students from lower income households, the college share of the fees waived amounted to £35k (2015: £42k). These are not included in the fee income reported above.</p>		
2 DONATIONS AND LEGACIES	2016	2015
	£'000	£'000
Donations and Legacies		
Unrestricted funds	1,075	2,890
Restricted funds	796	844
Endowed funds	1,144	768
	<u>3,015</u>	<u>4,502</u>
3 INCOME FROM OTHER TRADING ACTIVITIES	2016	2015
	£'000	£'000
Subsidiary company trading income	817	747
Other trading income	6	1
	<u>823</u>	<u>748</u>
4 INVESTMENT INCOME	2016	2015
	£'000	£'000
<i>Unrestricted funds</i>		
Commercial rent	218	207
Other property income	13	12
Equity dividends	99	452
Bank interest	33	30
Other interest	2	-
	<u>365</u>	<u>701</u>
<i>Restricted funds</i>		
Commercial rent	-	-
Other property income	-	-
Equity dividends	702	641
Bank interest	-	-
Other interest	-	-
	<u>702</u>	<u>641</u>
Total Investment income	<u>1,067</u>	<u>1,342</u>

St Edmund Hall
Notes to the financial statements
For the year ended 31 July 2016

5 ANALYSIS OF EXPENDITURE

	2016	2015
	£'000	£'000
Charitable expenditure		
Direct staff costs allocated to:		
Teaching, research and residential	3,562	3,503
Other direct costs allocated to:		
Teaching, research and residential	2,720	2,824
Support and governance costs allocated to:		
Teaching, research and residential	1,250	1,096
Total charitable expenditure	<u>7,532</u>	<u>7,423</u>
Expenditure on generating funds		
Direct staff costs allocated to:		
Fundraising	157	250
Trading expenditure	265	340
Other direct costs allocated to:		
Fundraising	138	119
Trading expenditure	273	333
Investment management costs	58	128
Support and governance costs allocated to:		
Fundraising	89	82
Trading expenditure	107	104
Investment management costs	30	34
Total expenditure on raising funds	<u>1,117</u>	<u>1,390</u>
Total expenditure	<u>8,649</u>	<u>8,813</u>

The 2015 resources expended of £8,813k respresented £8,058k from unrestricted funds, £755k from restricted funds and £0k from endowed funds.

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. Contributions are calculated annually in accordance with regulations made by the Council of the University of Oxford.

The teaching and research costs include College Contribution payable of £3k (2015 - £13k).

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2016 Total £'000
Financial administration	161	551	-	-	712
Human resources	10	36	-	-	46
IT	30	188	-	-	218
Depreciation	22	436	-	-	458
Other finance charges	3	22	-	-	25
Governance costs	-	17	-	-	17
	<u>226</u>	<u>1,250</u>	<u>-</u>	<u>-</u>	<u>1,476</u>

	Generating Funds £'000	Teaching and Research £'000	Public Worship £'000	Heritage £'000	2015 Total £'000
Financial administration	166	538	-	-	704
Human resources	8	25	-	-	33
IT	29	180	-	-	209
Depreciation	18	352	-	-	370
Other finance charges	-	-	-	-	-
Governance costs	-	-	-	-	-
	<u>221</u>	<u>1,095</u>	<u>-</u>	<u>-</u>	<u>1,316</u>

Financial and domestic administration, IT and human resources costs are attributed according to the estimated staff time spent on each activity.

Depreciation costs and profit or loss on disposal of fixed assets are attributed according to the use made of the underlying assets.

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

Governance costs are allocated according to the core business of the college.

	2016	2015
	£'000	£'000
Governance costs comprise:		
Auditor's remuneration - audit services	17	16
	<u>17</u>	<u>16</u>

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

St Edmund Hall
Notes to the financial statements
For the year ended 31 July 2016

7 GRANTS AND AWARDS	2016	2015
	£'000	£'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:		
Unrestricted funds		
Grants to individuals:		
Scholarships, prizes and grants	135	111
Bursaries and hardship awards	96	134
Grants to other institutions	-	-
Total unrestricted	231	245
Restricted funds		
Grants to individuals:		
Scholarships, prizes and grants	130	121
Bursaries and hardship awards	76	46
Grants to other institutions	-	-
Total restricted	206	167
Total grants and awards	437	412

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £103k (2015: £109k). Some of those students also received fee waivers amounting to £0k (2015: £0k).

8 STAFF COSTS	2016	2015
	£'000	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	3,835	3,963
Social security costs	268	229
Pension costs:		
Defined contribution schemes	525	497
	4,628	4,689
The average number of employees of the College, excluding Trustees, was as follows.		
	2016	2015
Tuition and research	33	35
College residential	78	80
Fundraising	5	5
Support	10	10
Total	126	130
The average number of employed College Trustees during the year was as follows.		
University Lecturers	23	23
CUF Lecturers	4	4
Other	2	2
Total	29	29

St Edmund Hall
Notes to the financial statements
For the year ended 31 July 2016

9 TANGIBLE FIXED ASSETS

College and Group	Leasehold land and buildings £'000	Freehold land and buildings £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost					
At start of year	-	19,013	-	903	19,916
Additions	-	619	-	171	790
Disposals	-	-	-	-	-
At end of year	-	19,632	-	1,074	20,706
Depreciation and impairment					
At start of year	-	5,216	-	663	5,879
Depreciation charge for the year	-	368	-	91	459
Depreciation on disposals	-	-	-	-	-
Impairment	-	-	-	-	-
At end of year	-	5,584	-	754	6,338
Net book value					
At end of year	-	14,048	-	320	14,368
At start of year	-	13,797	-	240	14,037

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.

10 PROPERTY INVESTMENTS

College and Group	Agricultural £'000	Commercial £'000	Other £'000	2016 Total £'000	2015 Total £'000
Valuation at start of year	-	2,619	-	2,619	2,619
Additions and improvements at cost	-	-	-	-	-
Disposals	-	-	-	-	-
Revaluation gains/(losses) in the year	-	-	-	-	-
Valuation at end of year	-	2,619	-	2,619	2,619

A formal valuation of the commercial and other properties was prepared by Cluttons Styles & Whitlock Chartered Surveyors as at 31 July 2014, the basis being market value. The value was reviewed and confirmed at 31 July 2016.

11 OTHER INVESTMENTS

All investments are held at fair value.

	2016 £'000		2015 £'000			
Group investments						
Valuation at start of year		40,465		36,407		
New money invested		18,900		900		
Amounts withdrawn		(18,121)		(132)		
Reinvested income		-		39		
(Decrease)/increase in value of investments		2,465		3,251		
Group investments at end of year		43,709		40,465		
Investment in subsidiaries		-		-		
College investments at end of year		43,709		40,465		
Group investments comprise:	Held outside the UK £'000	Held in the UK £'000	2016 Total £'000	Held outside the UK £'000	Held in the UK £'000	2015 Total £'000
Global multi-asset funds	-	43,340	43,340	1,647	38,505	40,152
Alternative and other investments	361	8	369	266	47	313
Total group investments	361	43,348	43,709	1,913	38,552	40,465

St Edmund Hall
Notes to the financial statements
For the year ended 31 July 2016

12 PARENT AND SUBSIDIARY UNDERTAKINGS

The College holds 100% of the issued share capital in St Edmund Hall Enterprises Ltd, St Edmund Hall Trading Ltd and St Edmund Hall Design & Build Ltd. None of these companies is trading.

13 STATEMENT OF INVESTMENT TOTAL RETURN

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 17th June 2015. The investment return to be applied as income is calculated as 4% (2015: 0%) of the average of the year-end values of the relevant investments in each of the last 3 years. The preserved (frozen) value of the invested endowment capital represents its open market value in 2015 together with all subsequent endowments valued at date of gift.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
At the beginning of the year:					
Gift component of the permanent endowment	42,691		42,691		42,691
Unapplied total return			-		-
Expendable endowment				610	610
Total Endowments	42,691	-	42,691	610	43,301
Movements in the reporting period:					
Gift of endowment funds	1,122		1,122	22	1,144
Recoupment of trust for investment		-	-		-
Allocation from trust for investment	-		-		-
Investment return: total investment income		1,067	1,067		1,067
Investment return: realised and unrealised gains and losses		2,465	2,465		2,465
Less: Investment management costs		(88)	(88)		(88)
Other transfers					-
Total	1,122	3,444	4,566	22	4,588
Unapplied total return allocated to income in the reporting period		(684)	(684)		(684)
Expendable endowments transferred to income					-
	-	(684)	(684)		(684)
Net movements in reporting period	1,122	2,760	3,882	22	3,904
At end of the reporting period:					
Gift component of the permanent endowment	43,813		43,813		43,813
Unapplied total return		2,760	2,760		2,760
Expendable endowment				632	632
Total Endowments	43,813	2,760	46,573	632	47,205

14 DEBTORS

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Amounts falling due within one year:				
Trade debtors	331	299	331	299
Amounts owed by College members	64	31	64	31
Loans repayable within one year	200	-	200	-
Prepayments and accrued income	199	203	199	203
Other debtors	40	2	40	2
Amounts falling due after more than one year:				
Loans	-	-	-	-
	834	535	834	535

15 CREDITORS: falling due within one year

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Trade creditors	412	337	412	337
Amounts owed to College Members	159	134	159	134
Taxation and social security	109	124	109	124
College contribution	11	11	11	11
Accruals and deferred income	469	288	469	288
Other creditors	21	9	21	9
	1,181	903	1,181	903

16 CREDITORS: falling due after more than one year

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Other creditors	32	24	32	24
	32	24	32	24

St Edmund Hall
Notes to the financial statements
For the year ended 31 July 2016

17 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2015 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2016 £'000
Endowment Funds - Permanent						
General Fund	24,489	36	-	-	1,577	26,102
Scholarships, Grants & Awards Funds	4,236	125	-	303	201	4,865
Bursary & Hardship Funds	960	73	-	50	46	1,129
General Fellowship Funds	5,938	887	-	-	294	7,119
Claud Jenkins Benefaction	1,399	-	-	-	65	1,464
William Miller Fellowship Fund	2,225	-	-	-	103	2,328
Fellowship in Geology Fund	1,593	-	-	-	74	1,667
Dr Emden Trust	1,360	-	-	-	63	1,423
Other Funds	491	1	-	-	22	514
Endowment Funds - Expendable						
General Fund	23	-	-	-	-	23
Scholarships, Grants & Awards Funds	194	7	-	(56)	5	150
Bursary & Hardship Funds	75	-	-	-	3	78
Other Funds	318	15	-	(2)	12	343
Total Endowment Funds - College	43,301	1,144	-	295	2,465	47,205
Endowment funds held by subsidiaries	-	-	-	-	-	-
Total Endowment Funds - Group	43,301	1,144	-	295	2,465	47,205
Restricted Funds						
Scholarships, Grants & Award	190	169	(143)	(1)	-	215
Bursary & Hardship	59	98	(85)	-	-	72
General Fellowship	9	222	(222)	-	-	9
Other permanent	793	748	(114)	-	-	1,427
Claude Jenkins Benefaction	-	52	(52)	-	-	-
William Miller Fellowship Fund	4	83	(83)	-	-	4
Fellowship in Geology Fund	-	59	(59)	-	-	-
Dr Emden Trust	-	51	(51)	-	-	-
Other expendable	11	16	(15)	11	-	23
Total Restricted Funds - College	1,066	1,498	(824)	10	-	1,750
Restricted funds held by subsidiaries	-	-	-	-	-	-
Total Restricted Funds - Group	1,066	1,498	(824)	10	-	1,750
Unrestricted Funds						
Designated funds	14,055	-	(459)	790	-	14,386
General funds	2,501	8,497	(7,341)	(1,095)	-	2,562
Revaluation reserve	-	-	-	-	-	-
Pension reserve	(1,179)	-	(25)	-	-	(1,204)
Total Unrestricted Funds - College	15,377	8,497	(7,825)	(305)	-	15,744
Unrestricted funds held by subsidiaries	-	-	-	-	-	-
Total Unrestricted Funds - Group	15,377	8,497	(7,825)	(305)	-	15,744
Total Funds	59,744	11,139	(8,649)	-	2,465	64,699

St Edmund Hall
Notes to the financial statements
For the year ended 31 July 2016

18 FUNDS OF THE COLLEGE DETAILS

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

Endowment Funds - Permanent

General Fund	To generate income for the general purposes of the charity.
Scholarships, Grants & Award Funds	To generate income to fund scholarships, grants and awards.
Bursary & Hardship Funds	To generate income for bursary and hardship awards.
General Fellowship Funds	To generate income for the funding of teaching fellowships.
Claude Jenkins Benefaction	To generate income to fund a St Edmund Hall Junior Research Fellowship.
William Miller Fellowship Fund	Capital balance of past donations where related income, but not the original capital, can be used to fund a Fellowship in Biochemistry, a Junior Research Fellowship in Life Sciences or Physical Sciences and three graduate scholarships.
Fellowship in Geology Fund	To generate income to fund a Fellowship in Geology.
Dr Emden Trust	To generate income for the maintenance of the Libraries, Chapels and Gardens.
Other Funds	To generate income to fund a variety of College expenditure.

Endowment Funds - Expendable

General Fund	To generate income for the general purposes of the charity.
Scholarships, Grants & Award Funds	To generate income to fund scholarships, grants and awards.
Bursary & Hardship Funds	To generate income for bursary and hardship awards.
Other Funds	To generate income to fund a variety of College expenditure.

Restricted Funds

Scholarships, Grants & Award Funds	Gifts, donations and unspent income to fund scholarships, grants and awards.
Bursary & Hardship	Gifts, donations and unspent income to fund bursary and hardship awards.
General Fellowship	Gifts and donations for the funding of teaching fellowships.
Other	Gifts and donations to fund a variety of College expenditure.
General Fellowship Funds	Income not spent to fund future fellowship costs.
Claude Jenkins Benefaction	Income not spent to fund a St Edmund Hall Junior Fellowship.
William Miller Fellowship Fund	Capital balance of past donations where related income, but not the original capital, can be used to fund a Fellowship in Biochemistry, a Junior Research Fellowship in Life Sciences or Physical Sciences and three graduate scholarships.
Fellowship in Geology Fund	Income not spent to fund a Fellowship in Geology.
Dr Emden Trust	Income not spent to fund future expenditure on the maintenance of the Libraries, Chapels and the Gardens.
Other Funds	Income not spent to fund a variety of College expenditure.
Other Funds	Income not spent to fund a variety of College expenditure.

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	14,368	-	-	14,368
Property investments	-	-	2,619	2,619
Other investments	(2,627)	1,750	44,586	43,709
Net current assets	5,239	-	-	5,239
Long term liabilities	(1,236)	-	-	(1,236)
	<u>15,744</u>	<u>1,750</u>	<u>47,205</u>	<u>64,699</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2015 Total £'000
Tangible fixed assets	14,037	-	-	14,037
Property investments	-	-	2,619	2,619
Other investments	-	-	40,465	40,465
Net current assets	2,543	1,066	217	3,826
Long term liabilities	(1,203)	-	-	(1,203)
	<u>15,377</u>	<u>1,066</u>	<u>43,301</u>	<u>59,744</u>

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20 TRUSTEES' REMUNERATION

The Fellows who are the Trustees of the College for the purposes of charity law receive no remuneration for acting as charity trustees but are paid by either or both of the University and the College for the academic services they provide to the College.

Trustees of the college fall into the following categories:

Head of House
 Professorial Fellow
 Official Fellow
 Fellow by Special Election
 Research Fellow

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. These salaries are paid on external academic and academic-related scales and often are joint arrangements with the University of Oxford.

All Official and Research Fellows are eligible for a Housing Allowance, which is disclosed within the salary figures below. Seven trustees live in houses owned by the college and pay market rent on a monthly basis.

The College has a Remuneration Committee which makes recommendations to Governing Body on pay and benefits which are outside of external scales. The composition of the Remuneration Committee is set out in page 3 of the section, Governing Body, Officers and Advisers.

Remuneration paid to trustees

Range	2016		2015	
	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £	Number of Trustees/Fellows	Gross remuneration, taxable benefits and pension contributions £
£4,000-£4,999	0	0	1	4,144
£12,000-£12,999	1	12,079	3	37,651
£13,000-£13,999	2	27,210	0	0
£14,000-£14,999	0	0	1	14,290
£15,000-£15,999	1	15,941	1	15,800
£16,000-£16,999	1	16,758	3	49,545
£17,000-£17,999	4	70,045	1	17,945
£18,000-£18,999	2	36,908	0	0
£19,000-£19,999	4	78,481	4	78,290
£20,000-£20,999	1	20,090	1	20,894
£22,000-£22,999	0	0	1	22,863
£23,000-£23,999	2	46,761	0	0
£24,000-£24,999	0	0	2	48,903
£25,000-£25,999	1	25,255	1	25,696
£27,000-£27,999	1	27,589	0	0
£31,000-£31,999	1	31,118	0	0
£33,000-£33,999	0	0	1	33,666
£34,000-£34,999	0	0	1	34,381
£36,000-£36,999	0	0	1	36,377
£37,000-£37,999	2	74,540	2	74,786
£40,000-£40,999	1	40,497	0	0
£42,000-£42,999	0	0	1	42,556
£44,000-£44,999	2	89,002	2	89,018
£45,000-£45,999	1	45,210	0	0
£77,000-£77,999	0	0	1	77,563
£78,000-£78,999	1	78,731	0	0
£88,000-£88,999	0	0	1	88,127
£91,000-£91,999	1	91,965	0	0
Total	29	828,180	29	812,495

11 trustees are not employees of the college and do not receive remuneration.

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

Other transactions with trustees

Fellows also receive reimbursement of personal expenses necessarily incurred in connection with their services to the College as Trustees. During the year a total of £828,180 (2015 - £812,495) was reimbursed to 29 (2015 - 29) of the Trustees for tuition and medical expenses.

See also note 30 Related Party Transactions

Key management remuneration

The total remuneration paid to key management was £399k (2015: £419k).

Key management are considered to be the Principal, Senior Tutor, Senior & Finance Bursar, Academic Administrator & Registrar, Domestic Bursar and College Accountant.

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21 PENSION SCHEMES

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf of its staff. Both schemes are contributory defined benefit schemes (i.e. they provide benefits based on length of service and pensionable salary). 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, as required by FRS 102 the College accounts for the schemes as if they were defined contribution schemes.

Both schemes have put in place agreements for additional contributions to fund their past service deficits. In accordance with the provisions of FRS 102 the College has recognised a liability for the future contributions that it estimates will be payable as a result of these deficit funding agreements.

Universities Superannuation Scheme

The pension charge for the year includes £270k (2015 - £464k) in relation to the USS. This represents contributions of £248k payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £22k.

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 at that date using pensionable salary and pensionable service immediately prior to that date and going forwards will be revalued in line with increases in official pensions (currently CPI); all members will accrue a pension of 1/75th and a cash lump sum of 3/75ths of salary each year of service in respect of salary up to a salary threshold, initially £55,000 p.a. with the threshold applying from 1 October 2016; 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% (8% employee, 12% employer) of salary in excess of the salary threshold; and optional additional contributions payable into the defined contribution section from 1 October 2016 of which the first 1% of salary is to be matched by employer contributions. 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 was 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 with the salary threshold and defined contribution section implemented this gives rise to deficit contributions of at least 2.1% p.a of salaries. At 31 March 2016 USS reported that the funding deficit had increased to £10.0 bn (83% funded) from £8.2bn (86% funded) at 31 March 2015.

USS' actuary has assumed that the investment return is 5.2% in year 1, decreasing linearly to 4.7% over 20 years. 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% p.a less an inflation risk premium) less RPI/CPI gap of 0.8% p.a. As noted above 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 (DB) (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 defined contribution benefits including employer matching contributions and certain investment management costs relating to the DC section.

A provision of £444k has been made at 31 July 2016 (2015 - £465k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the USS website www.uss.co.uk

Oxford Staff Pension Scheme

The pension charge for the year includes £320k (2015 - £320) in relation to the OSPS. This represents contributions of £273k payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £47k.

OSPS' actuarial valuation as at 31 March 2013 identified a required long-term employer contribution rate of 20.1% of total pensionable salaries with 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. At 31 March 2015 the scheme reported a funding deficit of £213.4m (71% funded) compared to £134.8m (77% funded) as at 31 March 2014. The next triennial valuation is due with an effective date of 31 March 2016.

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%.

A provision of £760k has been made at 31 July 2016 (2015 - £714k) for the present value of the estimated future deficit funding element of the contributions payable under this agreement. In determining the level of this provision it has been assumed that the College will continue to have a constant level of employee participation in this scheme and that the relevant earnings of these employees will increase in line with the actuary's projected long-term salary rate increases.

A copy of the full actuarial valuation report and other further details on the scheme are available on the University of Oxford website <http://www.admin.ox.ac.uk/finance/pensions/osps/>.

Pension charge for the year

The pension Charge recorded by the College during the accounting period was equal to the contributions payable after allowance for the deficit recovery plan as follows:

Scheme	2016 £000's	2015 £000's
Universities Superannuation Scheme	270	464
University of Oxford Staff Pension Scheme	320	320
Other Schemes - contributions	3	3
Total	593	787

Included in other creditors and accruals are pension contributions payable of £0k (2015: £0k).

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22 TAXATION

The College is able to take advantage of the tax exemptions available to charities from taxation in respect of income and capital gains received to the extent that such income and gains are applied to exclusively charitable purposes. No provision for taxation has been included in the financial statements.

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

	2016	2015
	Group	Group
	£'000	£'000
Net income/(expenditure)	4,955	7,210
Elimination of non-operating cash flows:		
Investment income	(1,067)	(1,342)
(Gains)/losses in investments	(2,465)	(3,251)
Endowment donations	(1,144)	(768)
Depreciation	459	369
(Surplus)/loss on sale of fixed assets	-	-
Decrease/(Increase) in stock	8	8
Decrease/(Increase) in debtors	(299)	(32)
(Decrease)/Increase in creditors	286	13
(Decrease)/Increase in provisions	-	-
(Decrease)/Increase in pension scheme liability	25	280
Net cash provided by (used in) operating activities	758	2,487

24 ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016	2015
	£'000	£'000
Cash at bank and in hand	5,413	4,013
Notice deposits (less than 3 months)	-	-
Bank overdrafts	-	-
Total cash and cash equivalents	5,413	4,013

25 CAPITAL COMMITMENTS

The College had contracted commitments at 31 July for future capital projects totalling £0k (2015 - £0k).

26 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 FRS 102

Members of the Governing Body, who are the trustees of the College and related parties as defined by FRS 102, 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 number of loans outstanding at 31 July with the balances in the following bands were as follows:

	2016	2015
	£'000	£'000
£90,000 - £100,000	2	-

Interest is charged on the above loans at 1% above the Bank of England base rate per annum. All loans are repayable on the 10th anniversary of the loan being made or upon any of the following events if earlier:

- 1 At any time, at the request of the recipient Fellow (partial repayments being allowed, subject to a minimum of £10,000.
- 2 If the recipient Fellow makes any payment of principal on the first mortgage (other than by monthly payments on a repayment mortgage).
- 3 Upon the sale of the property for any reason.
- 4 If the recipient Fellow ceases to reside in the property.
- 5 When the recipient Fellow ceases to be a Governing Body Fellow for any reason.
- 6 Upon the recipient fellow's retirement.
- 7 Within one year of the recipient Fellow's death.
- 8 If the recipient Fellow declares bankruptcy.
- 9 Upon any breach of the terms of the loan. For the avoidance of doubt, a reduction in the market value of the property will not in itself constitute a breach or default event.

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

	2016	2015
	£'000	£'000
Total net book value of properties owned jointly with trustees		

All joint equity properties are subject to sale on the departure of the trustee from the College. The trustees pay rent to the College on the College owned share of the properties at the assessed current market rate.

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27 CONTINGENT LIABILITIES

The College had no contingent liabilities at 31 July 2016.

28 POST BALANCE SHEET EVENTS

There are no post balance sheet events that require disclosure.

29 TRANSITION TO FRS 102

The College adopted FRS 102 on 1 August 2015. The date of transition is 1 August 2014. The net effect is set out below.

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000
Effect on the SOFA				
Net Income/(Expenditure) as previously stated	2,904	614	3,987	7,505
Recognition of pension deficit	(280)			(280)
Holiday Pay Accrual	(15)			(15)
Net Income/(Expenditure) restated	<u>2,609</u>	<u>614</u>	<u>3,987</u>	<u>7,210</u>
			As at 1 August 2014 £'000	As at 31 July 2015 £'000
Effect on the Balance Sheet				
Net Funds as previously stated			53,485	60,990
Unrestricted				
Recognition of pension deficit			(899)	(1,179)
Holiday pay accrual			(52)	(67)
Total unrestricted			<u>(951)</u>	<u>(1,246)</u>
Net Funds restated			<u>52,534</u>	<u>59,744</u>

The most significant change is the recognition of a liability in respect of the deficit reduction arrangements for multi-employer pension defined benefit pension schemes that are accounted for as defined contribution schemes.

FRS 102 explicitly requires accrued compensated absences to be accounted for. An accrual in respect of accrued holiday pay for non-academic staff has been recognised in the financial statements.

30 PRIOR YEAR COMPARATIVE SOFA

	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2015 Total £'000
INCOME AND ENDOWMENTS FROM:				
Charitable activities:				
Teaching, research and residential	6,172	0	0	6,172
Other Trading Income	748	0	0	748
Donations and legacies	2,890	844	768	4,502
Investments				
Investment income	701	641	0	1,342
Total return allocated to income	0	0	0	0
Other income	8	0	0	8
Total income	<u>10,519</u>	<u>1,485</u>	<u>768</u>	<u>12,772</u>
EXPENDITURE ON:				
Charitable activities:				
Teaching, research and residential	6,735	688	0	7,423
Generating funds:				
Fundraising	416	35	0	451
Trading expenditure	777	0	0	777
Investment management costs	130	32	0	162
Total Expenditure	<u>8,058</u>	<u>755</u>	<u>0</u>	<u>8,813</u>
Net Income/(Expenditure) before gains	<u>2,461</u>	<u>730</u>	<u>768</u>	<u>3,959</u>
Net gains/(losses) on investments	0	0	3,251	3,251
Net Income/(Expenditure)	<u>2,461</u>	<u>730</u>	<u>4,019</u>	<u>7,210</u>
Transfers between funds	148	(116)	(32)	0
Net movement in funds for the year	<u>2,609</u>	<u>614</u>	<u>3,987</u>	<u>7,210</u>
Fund balances brought forward	12,768	452	39,314	52,534
Funds carried forward at 31 July	<u>15,377</u>	<u>1,066</u>	<u>43,301</u>	<u>59,744</u>