



# THE QUEEN'S COLLEGE OXFORD

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2016

**The Queen's College, Oxford**  
**Annual Report and Financial Statements**  
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**The Queen's College, Oxford**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 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 during the year or subsequently are detailed below.

		1	2	3	4	5	6
Prof P A Madden (Provost)		•	•	•	•	•	•*
Prof R A G Pearson	Retired 30/09/2016	•~					
Dr A M Bowie (Pro-Provost)	Retired 30/09/2016		•~				
Prof W J Blair							
Prof P A Robbins		•					
Prof J Hyman			•	•			
Dr R B Nickerson		•				•	•*
Dr J H Davis							
Prof R A Taylor		•~					
Prof J A Langdale							
Prof E J C Mellor						•^	
Dr N J Owen				•		•	
Prof Sir J M Ball							
Prof O L Rees							
Mr N C Bamforth			•^				
Dr L Irving-Bell	Retired 30/09/2015						
Dr K A Q O'Reilly			•			•~	
Dr C B Louth		•^					
Prof C J Norbury							
Prof J P K Doye				•			
Prof M J Buckley		•^	•				
Prof S Aldridge				•			
Dr Y Capdeboscq		•					
Dr A Timms		•	•		•	•	
Dr P Papazoglou							
Dr L Lonsdale				•			
Dr R L Beasley				•		•	
Prof I P M Tomlinson							

**The Queen's College, Oxford**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2016**

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Dr C V Crowther								
Prof C A O'Callaghan			•					
Prof R N N Robertson								
Dr L Phalippou		•						
Dr D Meyer								
Dr A Gardner								
Dr P Tammaro								
Dr L A Turnbull								
Dr J L Guest								
Prof R B Parkinson								
Dr Y Heller	Resigned 30/09/2016							
Prof A Gordon-Reed	Resigned 30/09/2015							
Prof K L Hoganson	Elected 21/10/2015; resigned 30/09/2016							
Dr C M S Metcalf	Elected 19/10/2016							
Dr S A Whidden	Elected 19/10/2016							
Prof A S Taylor	Elected 19/10/2016							

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

Fellows served on committees during the year unless otherwise indicated.

The ~ symbol indicates that a Fellow has ceased membership of a committee since 31 July 2016.

The ^ symbol indicates that a Fellow has joined a committee since 31 July 2016.

The \* symbol indicates non-voting membership of a committee.

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

- 1 Estates and Finance Committee
- 2 Domus Committee
- 3 Academic Committee
- 4 Development Committee
- 5 Personnel Committee
- 6 Remuneration Committee

Governing Body members of the Remuneration Committee who receive remuneration from the College are in attendance only and are not entitled to vote.

The external members of the Remuneration Committee are:

Mr A Beecroft, Mr C Doley, Mr D Gillard, Mr N Kitchen, Mr P Newton, Mr D Seymour (chairman), Ms Z Wright.

**The Queen's College, Oxford**  
**Governing Body, Officers and Advisers**  
**Year ended 31 July 2016**

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**COLLEGE MANAGEMENT**

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

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

They are supported in particular by the following senior staff:

Domestic Bursar	Ms M Bracey (from 3 Nov 2015)
Finance Officer	Mr G R Spankie
Academic Administrator	Ms J T Millar
Director of Development	Ms A Thorne (from 14 Sep 2015)
Chaplain	Canon D Knight (The Revd Dr D Inman to 10 Oct 2016)
Librarian	Ms A J Saville

**COLLEGE ADVISERS**

**Investment property managers**

Savills, Wytham Court, 11 West Way, Oxford, OX2 0QL

Lambert Smith Hampton, 5 Town Quay, Southampton, SO14 2HJ

**Investment portfolio advisor**

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

**Auditors**

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

**Bankers**

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

**Solicitors**

Bond Dickinson LLP, Oceana House, 39-49 Commercial Road, Southampton, SO15 1GA

Knights, Midland House, West Way, Botley, Oxford, OX2 0PH

**College address**

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

**Website**

[www.queens.ox.ac.uk](http://www.queens.ox.ac.uk)

The members of the Governing Body present their Annual Report for the year ended 31 July 2016 under the Charities Act 2011 together with the audited financial statements for the year.

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Provost and Scholars of the Queen's College in the University of Oxford, which is known as The Queen's College ("the College"), is an eleemosynary, chartered charitable corporation aggregate. It was founded, under licence granted 18 January in the year 1341 by King Edward the Third, by Robert de Eglesfield, Clerk, Chaplain to Queen Philippa. The College registered with the Charity Commission on 23 June 2011 (registered number 1142553).

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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing documents**

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

### **Governing Body**

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

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

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

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

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

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

### **Remuneration of Members of the Governing Body and Senior College Staff**

The members of the Governing Body are primarily teaching and research employees of the College or University and receive no remuneration or benefits from their trusteeship of the College. Those trustees who are employees of the College receive remuneration for their work as employees of the College which is set based on the advice of the College's Remuneration Committee, the voting members of which are Old Members of the College not in receipt of remuneration from the College. Where possible, remuneration is set in line with that awarded to the University's academic staff or comparable College posts.

The remuneration of senior College staff is set by the Governing Body with reference to scales applied to academic-related staff in the University.

### **Organisational management**

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

- The Estates and Finance Committee includes the Provost, Bursar, two former holders of the office of Estates Bursar, and four further Fellows, and meets nine times per year. The Finance Officer attends meetings. The role of the Committee is to examine the management of the College's property and assets and all matters connected with the finances of the College.
- The Domus Committee includes the Provost, Bursar, Dean, Tutor for Undergraduates, IT Fellow, Steward of Common Room, and two elected Fellows, and meets six times per year. The Chaplain, Domestic Bursar, IT Officer and Conference and Functions Officer attend meetings together with student representatives. The Committee oversees the use of facilities, routine maintenance and refurbishment, accommodation and catering, IT provision, and conference and trading activities.
- The Academic Committee includes the Provost, Senior Tutor, Tutor for Undergraduates, Tutor for Graduates, Tutor for Admissions, and at least two further Fellows, together with two student representatives, and meets six times per year. It oversees the academic activities of the College and in particular makes recommendations to the Governing Body in relation to academic appointments, strategy, feedback, and governance.
- The Development Committee consists of the Provost, Bursar, two further Fellows, and a number of Old Members, and meets three times per year. The Director of Development and Old Members' Officer attend meetings. Its role is to maintain good relationships with Old Members of the College and to oversee the College's fundraising activities.
- The Personnel Committee consists of the Provost, Bursar, Senior Tutor, Equalities Officer, and two further Fellows. The Domestic Bursar attends meetings. Its role is to consider personnel matters that relate to the non-academic employees of the College.
- The Remuneration Committee meets to consider the remuneration of members of the Governing Body. The Committee consists of seven members elected by the Governing Body from among the Honorary, Emeritus, and Professorial Fellows, and Old Members of the College who are not members of the Governing Body. It is attended by the Provost and another Fellow who acts as secretary. No voting member of the committee may draw a stipend from the College.

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

### **Group structure and relationships**

The College also administers many trusts and specific funds, as outlined in notes 19 and 20 to the financial statements and has two wholly owned non-charitable subsidiaries: The Queen's College Oxford Trading Limited ("QCOTL"; a company registered in England and Wales, number 07192549) and The Queen's College Oxford Developments Limited ("QCODL"; a company registered in England and Wales, number 09668661).

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

QCODL was incorporated on 2 July 2015 for design and development services in respect of the College's buildings. Any profits are donated to the College through Gift Aid. This company commenced trading during the 2015-16 financial year.

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

## **OBJECTIVES AND ACTIVITIES**

### **Charitable Objects and Aims**

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

The College's aims for the public benefit are:

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

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

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

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

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

The aim of The Queen's College Oxford Developments Limited is to provide design and development services in respect of the College's buildings.



**The Queen's College, Oxford**  
**Report of the Governing Body**  
**Year ended 31 July 2016**

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The College admitted 99 new undergraduate students and 71 postgraduate students during the year, bringing the total numbers in residence to 309 and 164 respectively, plus three registered visiting students. One new full-time and three new part-time College Lecturers were appointed to supplement the teaching provided by Fellows. Three Research Fellows were appointed. Two residential Junior Deans were appointed from among the graduate students of the College and a third Junior Dean from another college.

College representatives made 58 visits to address pupils from groups of schools to explain the admissions procedure and the benefits of studying at Oxford. These events involved over 1,600 prospective applicants from 71 schools (this figure includes schools visiting through combined college events). The College's commitment to improving access to higher education for all, and in particular for those from backgrounds without a strong tradition of university education, was affirmed through increasing the resources allocated to Schools Liaison and Outreach, where a total of £138,262 was spent in the year.

The College believes that the best academic work takes place in a balanced environment and supported undergraduate sport, music and other non-academic activities during the year. £107,906 was spent in support of all sports, £23,155 in support of music (in addition to support of the Chapel Choir), and £30,172 on the student common rooms.

The Library was open to students 24 hours a day during all three terms. It purchased new resources as required in support of the students at a cost of £29,069.

Members of the College were very active in research in a wide range of fields. The College supported this work with research grants and allowances to a total of £40,531. This contribution makes a significant difference to the final quality of work that can be achieved in many disciplines.

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

### **Public benefit**

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

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

It provides accommodation and meals to students at reasonable rates. It offers accommodation to all of the undergraduate body and to roughly half of the graduates, including all of those in their first year of study. The yearly level of subsidy applied by the College to these costs is estimated at £938 per capita. In order to assist undergraduates entitled to financial support the College provides funds to the Oxford Opportunity Bursary Scheme (OOPS). For the academic year 2015–16 the number of awards made to Queen's students was 66 the total value of which was £178,660. Furthermore, 9 Queen's students were awarded Moritz-Heyman Bursaries totalling £52,000. In addition the College awarded 20 Scholarships, each with a value of £450, 30 Junior Scholarships, each with a value of £300, and nine Exhibitions, each with a value of £150, to undergraduates on academic merit, without reference to background. To support the costs of graduate students the College made a number of Scholarship awards, including a small number of fully funded studentships for both fees and living costs, to a total value of £162,548. In addition the College operates a targeted Hardship Scheme, which makes awards to both undergraduates and graduates up to a total value of £15,000.

The College provides academic support to students through book and equipment grants and an academic travel grant scheme which together made awards totalling £29,994 in 2015–16.

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

During term-time the Chapel hosts daily morning and evening services on weekdays (the evening service taking the form of Choral Evensong on Wednesdays and Fridays), and Holy Communion and Choral

Evensong on Sundays. All services are open to the public and Choral Evensong, in particular, is very well attended thanks, in part, to the outstanding quality of the Chapel Choir. The Choir also sang for several external events around the country and toured Portugal during the 2016 summer vacation.

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

As well as providing an excellent service to current members of the College, the Library holds an outstanding collection of pre-1800 books and manuscripts, many of which are unique. 297 external readers consulted 383 items from the special collections. In addition, a substantial number of public interest visits to the Library to view the building and parts of the collection were hosted. An underground extension to the Library is now under construction, which will result in a significant expansion of reader spaces and greatly improved storage conditions for the historic collections and archives.

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

#### **ACHIEVEMENTS AND PERFORMANCE**

97 undergraduates passed final examinations in June 2016, including 21 with first class honours, and during the course of the 2015–16 academic year 16 post-graduates completed doctoral research degrees. A further 22 completed post-graduate taught courses and four completed the Clinical Medicine (BM BCh) degree.

In the financial year 2015–16 the College received £1,295,000 in gifts from Old Members and other benefactors. The College is very grateful for this generous support. Total income received in donations, together with the sums spent to raise these donations, were in line with the College's expectations.

QCOTL undertook the letting of College facilities to various clients. Turnover was in line with expectations.

QCODL contracted with the College to undertake the procurement of an extension to the Library. The project, though causing some inevitable disruption to the day-to-day life of the College, has not encountered particularly significant difficulties, and forecast expenditure is within budget.

#### **FINANCIAL REVIEW**

The College's financial performance during the year was satisfactory. Income from charitable activities was in line with in-year forecasts, and fund-raising receipts improved somewhat as the Old Members' Office returned to its desired staffing level. Total expenditure was well within budget.

Net income before gains was £357,000. The fall in net income compared with last year was primarily driven by increased investment management costs, notably including coupon payments on the newly issued senior notes.

The endowment assets produced a total return of 11.7%, of which 10.2% was capital growth. This was an acceptable result at the end of a volatile year, reflecting to a significant extent the devaluation of sterling in the aftermath of the EU membership referendum. At the end of the year the funds of the College had increased from £263,489,000 to £288,652,000 net of long term borrowings of £35,000,000.

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

### **Reserves policy**

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

Total funds of the College and its subsidiaries at the year-end amounted to £288,652,000 (2015: £263,489,000). This includes endowment capital of £233,837,000 and unspent restricted income funds totalling £5,855,000. Free reserves at the year-end amounted to £5,528,000 (2015: £5,137,000), representing retained unrestricted income reserves excluding an amount of £26,158,000 for the book value of tangible fixed assets less associated funding arrangements, and funds designated at the year-end amounting to £17,274,000 (2015: £14,220,000).

Designated reserves at the year-end consisted of £17,274,000 for the maintenance and refurbishment of the College's buildings, to be spent as required and usually within 10 years.

The statuses of the College's funds, including free and designated reserves, are described in notes 19 and 20 to the financial statements. The Governing Body, advised by the Estates and Finance Committee, has determined the reserves to be sufficient and in line with the reserves policy.

### **Risk management**

The College has processes which operated throughout the financial year to identify, evaluate and manage the principal risks and uncertainties faced by the College and its subsidiaries in undertaking their activities. When it is not able to assess risks using internal resources, the College takes advice from experts external to the College with specialist knowledge. Policies, procedures, and the risk register are reviewed by the relevant College committee, chaired by the Provost. Financial and investment risks are assessed by the Estates and Finance Committee. In addition, the Domestic Bursar and domestic heads of sections meet regularly to review health and safety and personnel matters. Training courses and other forms of career development are available, when requested, to members of staff to enhance their skills in risk-related areas. A health and safety audit was carried out in May 2016 and a plan has been devised to address a small number of matters requiring further action.

The Governing Body, which has ultimate responsibility for managing any risks faced by the College, has reviewed the processes in place for managing risk and the principal identified risks to which the College and its subsidiaries are exposed and has concluded that adequate systems are in place to manage these risks. In particular, in 2015–16 the Governing Body has identified and reviewed a register of risks in the following areas: governance, finances, academic matters, and operations.

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

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

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

To meet these objectives the College's investments as a whole are managed on a total return basis, maintaining diversification across a range of asset classes in order to produce an appropriate balance between risk and return. In line with this approach, the College statutes allow the College to invest permanent endowments to maximise the related total return and to make available for expenditure each year an appropriate proportion of the unapplied total return. The initial value of the trust for investment and the initial value of the unapplied total return were established on 25 June 2011 and take effect from 1 August 2002. These values were established by examination, to the extent reasonably possible, of the terms (where known) of historical benefactions to the College.

The investment strategy, policy, and performance are monitored by the Estates and Finance Committee. At the year end, the College's long term investments, combining the securities and property investments, totalled £274,734,000.

Under the total return accounting basis, it is the Governing Body's policy to extract as income a percentage of the total endowment value. The figure depends on the split between property and securities and in the current year was 3.2% (plus the costs of running the endowment). To smooth and moderate the amounts withdrawn this figure is calculated using the average of the year-end endowment values in each of the last five years, corrected for inflation.

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

## **FUTURE PLANS**

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

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

Specific development plans have been agreed, where necessary, for the separate departments within the College to ensure that the College continues to enhance its ability to provide a first-class education in an academic environment rooted in research. In the year 2016–17 the College will:

- complete the construction of an underground extension to the Library;
- consider alternatives to the planned refurbishment of the Florey Building;
- continue to investigate ways of improving the academic results attained by its undergraduates.

## **STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

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

Charity law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

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 income or expenditure 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, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether a Statement of Recommended Practice (SORP) applies and has been followed, subject to any material departures which are explained in the financial statements.
- 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 30 November 2016 and signed on its behalf by:

Prof P A Madden  
Provost

## **The Queen's College, Oxford**

### **Report of the Auditor to the Members of the Governing Body of The Queen's College, Oxford**

We have audited the financial statements of The Queen's College, Oxford for the year ended 31 July 2016 which comprise the Statement of Accounting Policies, the Consolidated Statement of Financial Activities, the Consolidated and College Balance Sheets, the Consolidated Statement of Cash Flows and the related notes numbered 1 to 33.

This report is made solely to the College's Governing Body in accordance with sections 144 and 151 of the Charities Act 2011 and regulation made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the College and its Governing Body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Governing Body and auditor**

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

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

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

#### **Scope of the audit of the financial statements**

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

We read all the information in the Report of the Governing Body to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us during the course of performing our audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charity's affairs as at 31 July 2016 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:

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 Statement of Cash Flows for the College and its wholly owned subsidiaries, The Queen's College Oxford Trading Limited and The Queen's College Oxford Developments Limited. The subsidiaries have been consolidated from the date of their formation being the date from which the College has exercised control through voting rights in the subsidiaries. No separate SoFA has been presented for the College alone as currently permitted by the Charity Commission on a concessionary basis for the filing of consolidated financial statements. A summary of the results and financial position of the charity and each of its material subsidiaries for the reporting year are disclosed in note 13.

## **2. Basis of accounting**

The College's individual and consolidated 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 individual and consolidated 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 33.

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 College carries investment property at fair value in the balance sheet, with changes in fair value being recognised in the income and expenditure section of the SoFA. Independent valuations are obtained to determine fair value at the balance sheet date.

Before legacies are recognised in the financial statements, the Governing Body has to exercise judgement as to what constitutes sufficient evidence of entitlement to the bequest. Sufficient entitlement exists once notification of payment has been received from the executor(s) of the estate or estate accounts are available which indicate there are sufficient funds in the estate after meeting liabilities for the bequest to be paid.

With respect to the next financial year, the most significant areas of uncertainty that affect the carrying value of assets held by the College are the level of investment return and the performance of investment markets.

## **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, 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.

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.

**c. Investment income**

Interest on bank balances is accounted for on an accrual basis with interest recognised in the period to which the interest relates.

Income from fixed interest debt securities is recognised using the effective interest rate method.

Dividend income and similar distributions are recognised on the date the share interest becomes ex-dividend or when the right to the dividend can be established.

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

**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 Statement of Financial Activities (the SoFA).

Support costs, which include 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.

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

**6. Leases**

Leases of assets that transfer substantially all the risks and rewards of ownership are classified as finance leases. The costs of the assets held under finance leases are included within fixed assets and depreciation is charged over the shorter of the lease term and the assets' useful lives. Assets are assessed for impairment at each reporting date. The corresponding capital obligations under these leases are shown as liabilities and recognised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. Lease payments are apportioned between capital repayment and finance charges in the SoFA so as to achieve a constant rate of interest on the remaining balance of the liability.



Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals payable under operating leases are charged in the SoFA on a straight line basis over the relevant lease terms. Any lease incentives are recognised over the lease term on a straight line basis.

#### **7. 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 £10,000 together with expenditure on equipment costing more than £10,000 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.

#### **8. Depreciation**

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

Freehold properties, including major extensions	50 years
Leasehold properties	50 years or period of lease if shorter
Building improvements	10 - 50 years
Equipment	4 - 10 years

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

At the end of each reporting period, the residual values and useful lives of assets are reviewed and adjusted if necessary. In addition, if events or change in circumstances indicate that the carrying value may not be recoverable then the carrying values of tangible fixed assets are reviewed for impairment.

#### **9. Heritage Assets**

The College has a number of assets, including items of art and historic texts that meet the definition of heritage assets under the SORP. The College has chosen to hold heritage assets at cost, but 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, the depreciated historic cost of these items is considered to be now immaterial.

#### **10. 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.

## **11. 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 transaction price. Debtors and creditors that are receivable or payable in more than one year (which are not classified as concessionary loans) 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.

## **12. 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.

## **13. Foreign currencies**

The functional and presentation currency of the College and its subsidiaries 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 except when deferred and initially credited or charged in 'other recognised gains and losses' as qualifying cash flow hedges.

## **14. 'Total return' investment accounting**

The College's statutes authorise the College to adopt a 'total return' basis for the investment of its permanent endowment. The College can invest its permanent endowments without regard to the capital/income distinctions of standard trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated as a component of the endowment known as the unapplied total return that can be either be retained for investment or release to income at the discretion of the Governing Body.

## **15. Fund accounting**

The total funds of the College and its subsidiaries are allocated to unrestricted, restricted or endowment funds based on the terms set by the donors or set by the terms of an appeal. 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 specified that the funds are to be used for particular purposes of the College. 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 or permitted the capital to be maintained and with the intention that the income will be used for specific purposes within the College's objects.

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

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

**16. 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 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 Queen's College, Oxford  
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
<b>INCOME AND ENDOWMENTS FROM:</b>						
<b>Charitable activities:</b>	1					
Teaching, research and residential		4,986	-	-	4,986	4,978
<b>Other Trading Income</b>	3	548	-	-	548	389
<b>Donations and legacies</b>	2	-	358	937	1,295	716
<b>Investments</b>						
Investment income	4	379	76	4,294	4,749	4,403
Total return allocated to income	14	5,960	897	(6,857)	-	-
Other income	9	-	-	-	-	351
<b>Total income</b>		<b>11,873</b>	<b>1,331</b>	<b>(1,626)</b>	<b>11,578</b>	10,837
<b>EXPENDITURE ON:</b>						
	5					
<b>Charitable activities:</b>						
Teaching, research and residential		8,693	752	98	9,543	8,876
<b>Generating funds:</b>						
Fundraising		130	-	-	130	80
Trading expenditure		295	-	-	295	217
Investment management costs		100	20	1,133	1,253	645
<b>Total Expenditure</b>		<b>9,218</b>	<b>772</b>	<b>1,231</b>	<b>11,221</b>	9,818
<b>Net Income/(Expenditure) before gains</b>		<b>2,655</b>	<b>559</b>	<b>(2,857)</b>	<b>357</b>	<b>1,019</b>
Net gains/(losses) on investments	11, 12	1,958	639	22,209	24,806	15,698
<b>Net Income/(Expenditure)</b>		<b>4,613</b>	<b>1,198</b>	<b>19,352</b>	<b>25,163</b>	16,717
<b>Transfers between funds</b>	19	3,849	(665)	(3,184)	-	-
<b>Net movement in funds for the year</b>		<b>8,462</b>	<b>533</b>	<b>16,168</b>	<b>25,163</b>	16,717
Fund balances brought forward	19	40,498	5,322	217,669	263,489	246,772
<b>Funds carried forward at 31 July</b>		<b>48,960</b>	<b>5,855</b>	<b>233,837</b>	<b>288,652</b>	263,489

**The Queen's College, Oxford**  
**Consolidated and College Balance Sheets**  
**As at 31 July 2016**

	Notes	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
<b>FIXED ASSETS</b>					
Tangible assets	9	26,158	21,141	26,158	21,141
Heritage assets	10	-	-	-	-
Property investments	11	75,470	72,739	75,470	72,739
Other Investments	12	199,264	179,878	199,264	179,878
<b>Total Fixed Assets</b>		<b>300,892</b>	<b>273,758</b>	<b>300,892</b>	<b>273,758</b>
<b>CURRENT ASSETS</b>					
Stocks		386	362	386	362
Debtors	15	1,824	1,552	5,494	1,504
Cash at bank and in hand		24,203	5,979	20,289	5,974
<b>Total Current Assets</b>		<b>26,413</b>	<b>7,893</b>	<b>26,169</b>	<b>7,840</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	16	2,388	1,732	2,144	1,679
<b>NET CURRENT ASSETS</b>		<b>24,025</b>	<b>6,161</b>	<b>24,025</b>	<b>6,161</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>324,917</b>	<b>279,919</b>	<b>324,917</b>	<b>279,919</b>
<b>CREDITORS: falling due after more than one year</b>	17	<b>34,841</b>	<b>15,000</b>	<b>34,841</b>	<b>15,000</b>
<b>NET ASSETS BEFORE PENSION LIABILITY</b>		<b>290,076</b>	<b>264,919</b>	<b>290,076</b>	<b>264,919</b>
Defined benefit pension scheme liability	23	1,424	1,430	1,424	1,430
<b>TOTAL NET ASSETS</b>		<b>288,652</b>	<b>263,489</b>	<b>288,652</b>	<b>263,489</b>
<b>FUNDS OF THE COLLEGE</b>					
<b>Endowment funds</b>	19	<b>233,837</b>	<b>217,669</b>	<b>233,837</b>	<b>217,669</b>
<b>Restricted funds</b>	19	<b>5,855</b>	<b>5,322</b>	<b>5,855</b>	<b>5,322</b>
<b>Unrestricted funds</b>	19				
Designated funds		43,432	35,361	43,432	35,361
General funds		5,528	5,137	5,528	5,137
		<b>288,652</b>	<b>263,489</b>	<b>288,652</b>	<b>263,489</b>

The financial statements were approved and authorised for issue by the Governing Body of The Queen's College, Oxford on 30 November 2016

Trustee:

Trustee:

**The Queen's College, Oxford**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 July 2016**

	Notes	2016 £'000	2015 £'000
<b>Net cash used in operating activities</b>	26	<b>(4,413)</b>	<b>(3,437)</b>
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments		4,749	4,403
Proceeds from the sale of property, plant and equipment		-	355
Purchase of property, plant and equipment		<b>(5,579)</b>	<b>(3,095)</b>
Proceeds from sale of investments		<b>2,784</b>	12,859
Purchase of investments		<b>(95)</b>	<b>(7,852)</b>
<b>Net cash provided by investing activities</b>		<b>1,859</b>	<b>6,670</b>
<b>Cash flows from financing activities</b>			
Repayments of borrowing		-	-
Cash inflows from new borrowing		<b>19,841</b>	-
Receipt of endowment		<b>937</b>	637
<b>Net cash provided by financing activities</b>		<b>20,778</b>	<b>637</b>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>18,224</b>	<b>3,870</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>5,979</b>	2,109
<b>Cash and cash equivalents at the end of the reporting period</b>	27	<b>24,203</b>	<b>5,979</b>

The Queen's College, Oxford  
Notes to the financial statements  
For the year ended 31 July 2016

**1 INCOME FROM CHARITABLE ACTIVITIES**

	<b>2016</b>	2015
	<b>£'000</b>	£'000
<b>Teaching, Research and Residential</b>		
Unrestricted funds		
Tuition fees - UK and EU students	1,431	1,416
Tuition fees - Overseas students	544	433
Other HEFCE support	238	226
Other academic income	72	39
College residential income	2,701	2,864
<b>Total Teaching, Research and Residential</b>	<b>4,986</b>	<b>4,978</b>
<b>Total income from charitable activities</b>	<b>4,986</b>	<b>4,978</b>

The above analysis includes £1,620k received from the University of Oxford from publicly accountable funds under the CFF scheme (2015: £1,567k).

Under the terms of the undergraduate student support package offered by the University of Oxford to students from lower income households, the College share of the fees waived amounted to £30k (2015: £0k). These are not included in the fee income reported above.

**2 DONATIONS AND LEGACIES**

	<b>2016</b>	2015
	<b>£'000</b>	£'000
<b>Donations and Legacies</b>		
Restricted funds	358	79
Endowed funds	937	637
	<b>1,295</b>	<b>716</b>

**3 INCOME FROM OTHER TRADING ACTIVITIES**

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Subsidiary company trading income	548	389
	<b>548</b>	<b>389</b>

**4 INVESTMENT INCOME**

	<b>2016</b>	2015
	<b>£'000</b>	£'000
<i>Unrestricted funds</i>		
Agricultural rent	43	40
Commercial rent	179	148
Other property income	6	2
Equity dividends	146	128
Bank interest	5	1
	<b>379</b>	<b>319</b>
<i>Restricted funds</i>		
Agricultural rent	9	10
Commercial rent	36	36
Other property income	1	1
Equity dividends	29	31
Bank interest	1	1
	<b>76</b>	<b>79</b>
<i>Endowed funds</i>		
Agricultural rent	486	496
Commercial rent	2,028	1,862
Other property income	64	30
Equity dividends	1,658	1,604
Bank interest	58	13
	<b>4,294</b>	<b>4,005</b>
<b>Total Investment income</b>	<b>4,749</b>	<b>4,403</b>

**The Queen's College, Oxford**  
**Notes to the financial statements**  
**For the year ended 31 July 2016**

5 ANALYSIS OF EXPENDITURE	2016 £'000	2015 £'000
<b>Charitable expenditure</b>		
Direct staff costs allocated to:		
Teaching, research and residential	4,605	4,615
Other direct costs allocated to:		
Teaching, research and residential	3,655	2,870
Support and governance costs allocated to:		
Teaching, research and residential	1,283	1,391
<b>Total charitable expenditure</b>	<u>9,543</u>	<u>8,876</u>
<b>Expenditure on generating funds</b>		
Direct staff costs allocated to:		
Fundraising	83	54
Trading expenditure	89	85
Other direct costs allocated to:		
Fundraising	47	26
Trading expenditure	137	103
Investment management costs	223	218
Support and governance costs allocated to:		
Trading expenditure	69	29
Investment management costs	1,030	427
<b>Total expenditure on generating funds</b>	<u>1,678</u>	<u>942</u>
<b>Total expenditure</b>	<u>11,221</u>	<u>9,818</u>

The 2015 resources expended of £9,818k represented £8,506k from unrestricted funds, £661k from restricted funds and £651k 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 £240k (2015 - £220k).



The Queen's College, Oxford  
Notes to the financial statements  
For the year ended 31 July 2016

6 ANALYSIS OF SUPPORT AND GOVERNANCE COSTS

	Generating Funds £'000	Teaching and Research £'000	2016 Total £'000
Financial administration	296	395	691
Human resources	-	35	35
IT	30	221	251
Depreciation	-	562	562
Loan interest payable	773	-	773
Other finance charges	-	55	55
Governance costs	-	15	15
	<b>1,099</b>	<b>1,283</b>	<b>2,382</b>

	Generating Funds £'000	Teaching and Research £'000	2015 Total £'000
Financial administration	259	604	863
Human resources	-	36	36
IT	4	164	168
Depreciation	-	563	563
Loss/(profit) on fixed assets	-	-	-
Loan interest payable	193	-	193
Other finance charges	-	8	8
Governance costs	-	16	16
	<b>456</b>	<b>1,391</b>	<b>1,847</b>

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 to teaching and research.

**Governance costs comprise:**

Auditor's remuneration - audit services

	2016 £'000	2015 £'000
Auditor's remuneration - audit services	15	16
	<b>15</b>	<b>16</b>

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.

**The Queen's College, Oxford**  
**Notes to the financial statements**  
**For the year ended 31 July 2016**

7 GRANTS AND AWARDS	2016 £'000	2015 £'000
During the year the College funded research awards and bursaries to students from its restricted and unrestricted fund as follows:		
<b>Unrestricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	42	42
Bursaries and hardship awards	98	117
Graduate Studentships	67	58
<b>Total unrestricted</b>	<u>207</u>	<u>217</u>
<b>Restricted funds</b>		
Grants to individuals:		
Scholarships, prizes and grants	60	88
Bursaries and hardship awards	4	5
Graduate Studentships	108	80
<b>Total restricted</b>	<u>172</u>	<u>173</u>
<b>Total grants and awards</b>	<u>379</u>	<u>390</u>

The figure included above represents the cost to the College of the Oxford Bursary scheme. Students of this college received £179k (2015: £201k). Some of those students also received fee waivers amounting to £83k (2015: £121k).

The above costs are included within the charitable expenditure on teaching and research.

**The Queen's College, Oxford**  
**Notes to the financial statements**  
**For the year ended 31 July 2016**

**8 STAFF COSTS**

	<b>2016</b>	2015
	<b>£'000</b>	£'000
The aggregate staff costs for the year were as follows.		
Salaries and wages	<b>4,429</b>	4,203
Social security costs	<b>344</b>	293
Pension costs:		
Defined benefit schemes (Note 23)	<b>659</b>	843
Other benefits	<b>35</b>	97
Redundancy	<b>-</b>	124
	<b><u>5,467</u></b>	<u>5,560</u>

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

	<b>2016</b>	2015
Tuition and research	<b>34</b>	26
College residential	<b>74</b>	76
Fundraising	<b>4</b>	2
Support	<b>43</b>	44
Total	<b><u>155</u></b>	<u>148</u>

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

University Lecturers	<b>20</b>	19
CUF Lecturers	<b>10</b>	10
Other teaching and research	<b>1</b>	1
Other	<b>2</b>	3
Total	<b><u>33</u></b>	<u>33</u>

Redundancy payments are accounted for in the period in which the employee was informed of the decision. Where redundancy costs are uncertain, the figure in the accounts represents a best estimate. These costs will be met through unrestricted funds.

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

The number of employees (excluding the College Trustees) during the year whose gross pay and benefits (excluding employer NI and pension contributions) fell within the following bands was:

£60,001-£70,000	<b>2</b>	2
	<b><u>2</u></b>	<u>2</u>

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

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

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**9 TANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Freehold land and buildings £'000</b>	<b>Fixtures, fittings and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At start of year	26,576	66	<b>26,642</b>
Additions	5,579	-	<b>5,579</b>
Disposals	(522)	(16)	<b>(538)</b>
<b>At end of year</b>	<b>31,633</b>	<b>50</b>	<b>31,683</b>
<b>Depreciation and impairment</b>			
At start of year	5,464	37	<b>5,501</b>
Depreciation charge for the year	553	9	<b>562</b>
Depreciation on disposals	(522)	(16)	<b>(538)</b>
<b>At end of year</b>	<b>5,495</b>	<b>30</b>	<b>5,525</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>26,138</b>	<b>20</b>	<b>26,158</b>
At start of year	21,112	29	<b>21,141</b>
<b>College</b>			
<b>Cost</b>			
At start of year	26,576	66	<b>26,642</b>
Additions	5,579	-	<b>5,579</b>
Disposals	(522)	(16)	<b>(538)</b>
<b>At end of year</b>	<b>31,633</b>	<b>50</b>	<b>31,683</b>
<b>Depreciation and impairment</b>			
At start of year	5,464	37	<b>5,501</b>
Charge for the year	553	9	<b>562</b>
On disposals	(522)	(16)	<b>(538)</b>
<b>At end of year</b>	<b>5,495</b>	<b>30</b>	<b>5,525</b>
<b>Net book value</b>			
<b>At end of year</b>	<b>26,138</b>	<b>20</b>	<b>26,158</b>
At start of year	21,112	29	<b>21,141</b>

During 2015 the College disposed of a freehold property which had been used as staff accommodation. The profit on disposal of £351,000 was included in other income. No disposals occurred in the year under review.

The College has long-held historic assets which are used in the course of the College's teaching and research activities. These principally comprise the listed buildings on the College site. 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 HERITAGE ASSETS**

The College has long-held heritage assets. These comprise 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.

There have been no material acquisitions or disposals of heritage assets in recent years and there is no standing policy to acquire or dispose of such assets. Heritage assets are conserved and managed by College officers and relevant members of staff, who take external professional advice when judged necessary. The College maintains catalogues of its heritage assets. Access to heritage assets, subject to risk assessment, is granted to those for whom they are the necessary subject of legitimate academic research.

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**11 PROPERTY INVESTMENTS**

Group				2016	2015
	Agricultural £'000	Commercial £'000	Other £'000	Total £'000	Total £'000
Valuation at start of year	40,687	31,095	957	<b>72,739</b>	61,753
Additions and improvements at cost	95	-	-	<b>95</b>	7,852
Disposals	(1,393)	(4)	(4)	<b>(1,401)</b>	(96)
Revaluation gains/(losses) in the year	1,986	2,052	(1)	<b>4,037</b>	3,230
<b>Valuation at end of year</b>	<b>41,375</b>	<b>33,143</b>	<b>952</b>	<b>75,470</b>	<b>72,739</b>

  

College				2016	2015
	Agricultural £'000	Commercial £'000	Other £'000	Total £'000	Total £'000
Valuation at start of year	40,687	31,095	957	<b>72,739</b>	61,753
Additions and improvements at cost	95	-	-	<b>95</b>	7,852
Disposals	(1,393)	(4)	(4)	<b>(1,401)</b>	(96)
Revaluation gains/(losses) in the year	1,986	2,052	(1)	<b>4,037</b>	3,230
<b>Valuation at end of year</b>	<b>41,375</b>	<b>33,143</b>	<b>952</b>	<b>75,470</b>	<b>72,739</b>

A formal valuation of the agricultural properties was prepared by Smiths Gore (now Savills) as at 31 July 2013. This valuation was updated to 31 July 2016.

A formal valuation of the commercial and other properties was prepared by Lambert Smith Hampton as at 31 July 2013. This valuation was updated to 31 July 2016.

**12 OTHER INVESTMENTS**

All investments are held at fair value.

	2016 £'000	2015 £'000
<b>Group investments</b>		
Valuation at start of year	<b>179,878</b>	180,173
Amounts withdrawn	<b>(1,383)</b>	(12,763)
(Decrease)/increase in value of investments	<b>20,769</b>	12,468
<b>Group investments at end of year</b>	<b>199,264</b>	179,878
<b>College investments at end of year</b>	<b>199,264</b>	179,878
<b>Group investments comprise:</b>		
	<b>2016 Total £'000</b>	<b>2015 Total £'000</b>
Equity investments	<b>172,478</b>	155,782
Alternative and other investments	<b>26,786</b>	24,096
<b>Total group investments</b>	<b>199,264</b>	<b>179,878</b>

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**13 PARENT AND SUBSIDIARY UNDERTAKINGS**

The College holds 100% of the issued share capital in The Queen's College Oxford Trading Limited ("QCOTL"), a company providing letting of the College facilities for conference and other events when not in use by the College, and 100% of the issued share capital in The Queen's College Oxford Developments Limited ("QCODL"), a company providing design and development services in respect of the College's buildings.

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

	Parent College £'000	QCOTL £'000	QCODL £'000
Income	11,325	548	3,758
Expenditure	(11,322)	(295)	(3,657)
Donation to College under gift aid	354	(253)	(101)
Investment gains	24,806	-	-
Net income for the year	<u>25,163</u>	<u>-</u>	<u>-</u>
Total assets	327,305	139	4,085
Total liabilities	(38,653)	(139)	(4,085)
Net funds at the end of year	<u>288,652</u>	<u>-</u>	<u>-</u>

**14 STATEMENT OF INVESTMENT TOTAL RETURN**

The Trustees have adopted a duly authorised policy of total return accounting for the College investment returns with effect from 1 August 2002. The investment return to be applied as income is based on the return on the classes of investments held and the average of the year-end values of the relevant investments in each of the last five years, adjusted for inflation. The preserved (frozen) value of the invested endowment capital represents its open market value in 2002 together with all subsequent endowments valued at date of gift.

	Trust for Investment £'000	Permanent Endowment Unapplied Total Return £'000	Total £'000	Expendable Endowment £'000	Total Endowments £'000
<b>At the beginning of the year:</b>					
Gift component of the permanent endowment	77,540		77,540		77,540
Unapplied total return		120,028	120,028		120,028
Expendable endowment				20,101	20,101
<b>Total Endowments</b>	<b>77,540</b>	<b>120,028</b>	<b>197,568</b>	<b>20,101</b>	<b>217,669</b>
<b>Movements in the reporting period:</b>					
Gift of endowment funds	84		84	853	937
Investment return: total investment income		3,894	3,894	400	4,294
Investment return: realised and unrealised gains and losses		20,090	20,090	2,119	22,209
Less: Investment management costs		(1,027)	(1,027)	(106)	(1,133)
Other transfers				(3,282)	(3,282)
<b>Total</b>	<b>84</b>	<b>22,957</b>	<b>23,041</b>	<b>(16)</b>	<b>23,025</b>
Unapplied total return allocated to income in the reporting period		(6,357)	(6,357)	(401)	(6,758)
Expendable endowments transferred to income				(99)	(99)
	-	(6,357)	(6,357)	(500)	(6,857)
<b>Net movements in reporting period</b>	<b>84</b>	<b>16,600</b>	<b>16,684</b>	<b>(516)</b>	<b>16,168</b>
<b>At end of the reporting period:</b>					
Gift component of the permanent endowment	77,624	-	77,624		77,624
Unapplied total return		136,628	136,628		136,628
Expendable endowment				19,585	19,585
<b>Total Endowments</b>	<b>77,624</b>	<b>136,628</b>	<b>214,252</b>	<b>19,585</b>	<b>233,837</b>

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15 DEBTORS

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
<b>Amounts falling due within one year:</b>				
Trade debtors	235	210	220	153
Amounts owed by College members	175	194	175	194
Amounts owed by Group undertakings	-	-	101	9
Loans repayable within one year	103	109	103	109
Prepayments and accrued income	442	14	4,027	14
<b>Amounts falling due after more than one year:</b>				
Loans	869	1,025	868	1,025
	<b>1,824</b>	<b>1,552</b>	<b>5,494</b>	<b>1,504</b>

16 CREDITORS: falling due within one year

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Trade creditors	586	340	174	340
Amounts owed to Group undertakings	-	-	121	-
Taxation and social security	-	155	239	135
College contribution	235	230	235	230
Accruals and deferred income	1,191	618	999	585
Other creditors	376	389	376	389
	<b>2,388</b>	<b>1,732</b>	<b>2,144</b>	<b>1,679</b>

17 CREDITORS: falling due after more than one year

	2016 Group £'000	2015 Group £'000	2016 College £'000	2015 College £'000
Bank loans	15,000	15,000	15,000	15,000
Senior Notes	19,841	-	19,841	-
	<b>34,841</b>	<b>15,000</b>	<b>34,841</b>	<b>15,000</b>

The bank loans and senior notes are unsecured.

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

On 24 September 2015 the College issued £20m of senior notes, with a coupon of 3.41% payable semi-annually in arrears, maturing on 24 September 2045. The fees for the notes are being amortised over the term of the notes.

All loans are included at amortised cost as they are classified as basic financial instruments.

18 PROVISIONS FOR LIABILITIES AND CHARGES

There are no provisions for liabilities and charges requiring disclosure.

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19 ANALYSIS OF MOVEMENTS ON FUNDS

	At 1 August 2015 £'000	Income £'000	Expenditure £'000	Transfers £'000	Gains/ (losses) £'000	At 31 July 2016 £'000
<b>Endowment Funds - Permanent</b>						
Corpus Permanent Endowment	142,808	2,812	(742)	(4,591)	14,516	154,803
Trusts within College objects	42,591	839	(221)	(1,369)	4,328	46,168
Trusts outside College objects	201	4	(1)	(6)	20	218
Endowment Funds	11,968	323	(63)	(391)	1,226	13,063
<b>Endowment Funds - Expendable</b>						
Corpus Expendable Endowment	10,630	209	(105)	(292)	1,080	11,522
Donations Fund	6,464	985	(42)	(3,335)	733	4,805
Pension Fund	3,007	59	(57)	(57)	306	3,258
						-
<b>Total Endowment Funds</b>	<b>217,669</b>	<b>5,231</b>	<b>(1,231)</b>	<b>(10,041)</b>	<b>22,209</b>	<b>233,837</b>
<b>Restricted Funds</b>						
Trusts within College objects	2,377	47	(361)	502	242	2,807
Trusts outside College objects	99	2	(1)	6	10	116
Endowment funds	136		(371)	389	13	167
Specific funds	1,182	385	(39)	(665)	152	1,015
Specific balances	1,528				222	1,750
<b>Total Restricted Funds</b>	<b>5,322</b>	<b>434</b>	<b>(772)</b>	<b>232</b>	<b>639</b>	<b>5,855</b>
<b>Unrestricted Funds</b>						
General Funds	5,137	5,633	(7,020)	1,265	513	5,528
Fixed Assets Reserve	21,141		(562)	5,579		26,158
Building Fund	14,220	280	(1,636)	2,965	1,445	17,274
<b>Total Unrestricted Funds</b>	<b>40,498</b>	<b>5,913</b>	<b>(9,218)</b>	<b>9,809</b>	<b>1,958</b>	<b>48,960</b>
<b>Total Funds</b>	<b>263,489</b>	<b>11,578</b>	<b>(11,221)</b>	<b>-</b>	<b>24,806</b>	<b>288,652</b>



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**20 FUNDS OF THE COLLEGE DETAILS**

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

**Endowment Funds:**

**Permanent**

Corpus Permanent Endowment

A consolidation of gifts and donations where income, but not capital, can be used for the general purposes of the College

Trusts within College objects

Capital element of gifts and donations held in formal trusts where income but not capital may be used for particular purposes within the College objects

Trusts outside College objects

Capital element of gifts and donations held in formal trusts where income but not capital may be used for particular purposes falling outside College objects

Endowment Funds

A consolidation of gifts and donations whose donor has specified that income but not capital may only be used for particular purposes within the College objects

**Expendable**

Corpus Expendable Endowment

A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the College, but will normally be held for the long term

Donations Fund

A consolidation of gifts and donations where either income, or income and capital, can be used for the general purposes of the College, but will normally be held for the long term. During this year a transfer out was made in respect of the extension to the library which is reflected in the fixed assets reserve.

Pension Fund

A fund held for the payment of certain pensions where income and capital can be used for the purpose but will normally be held for the long term

**Restricted Funds:**

Trusts within College objects

Accumulated income from gifts and donations held in formal trusts which may be used for particular purposes within the College objects

Trusts outside College objects

Accumulated income from gifts and donations held in formal trusts which may be used for particular purposes outside the College objects

Endowment Funds

Accumulated income from gifts and donations whose donor has specified that income but not capital may only be used for particular purposes within the College objects

Specific funds

A consolidation of gifts and donations where the donor has specified they may only be used for particular purposes within the College objects

Specific balances

A consolidation of gifts and donations where the donor has specified they may only be used for particular purposes within the College objects and where the investment is held in particular assets specified by the donor

**Unrestricted Funds:**

**General Funds**

Fixed Assets Reserve

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

An allocation from general funds to represent the accumulated net book value of the College fixed assets

**Designated Funds**

Building Fund

Unrestricted Funds allocated by the Fellows for future costs of maintenance and refurbishment of College buildings

**21 ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2016 Total £'000
Tangible fixed assets	26,158	-	-	26,158
Property investments	64	1,301	74,105	75,470
Other investments	166	5,155	193,943	199,264
Net current assets	24,025	-	-	24,025
Long term liabilities	(1,453)	(601)	(34,211)	(36,265)
	<u>48,960</u>	<u>5,855</u>	<u>233,837</u>	<u>288,652</u>

	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Funds £'000	2015 Total £'000
Tangible fixed assets	21,141	-	-	21,141
Property investments	4,504	1,169	67,066	72,739
Other investments	11,050	4,394	164,434	179,878
Net current assets	6,161	-	-	6,161
Long term liabilities	(2,358)	(241)	(13,831)	(16,430)
	<u>40,498</u>	<u>5,322</u>	<u>217,669</u>	<u>263,489</u>

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**22 TRUSTEES' REMUNERATION**

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

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

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

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

There were three trustees, Prof P A Madden (Provost), Dr L Irving-Bell (Home Bursar until 30/09/2015), and Dr A Timms (Bursar) who worked full-time on management.

Some trustees are eligible for College housing schemes. Some may be eligible for a housing allowance which is disclosed within the salary figures below. Thirteen trustees live in houses partly funded by loans from the College. Details of these loans are disclosed in note 30.

Some trustees receive additional allowances for additional work carried out as part-time College officers. These amounts are included within the remuneration figures below.

**Remuneration paid to trustees**

Range	Number of Trustees	2016	Number of Trustees	2015
		Gross remuneration, taxable benefits and pension contributions		Gross remuneration, taxable benefits and pension contributions
		£		£
£1 - £4,999	5	15,128	5	11,263
£10,000 - £14,999	1	12,954	1	10,045
£15,000 - £19,999	1	16,361	0	0
£25,000 - £29,999	0	0	2	57,613
£30,000 - £34,999	10	328,456	8	257,937
£35,000 - £39,999	3	107,768	3	112,290
£40,000 - £44,999	2	83,652	1	40,126
£50,000 - £54,999	1	54,198	3	155,385
£55,000 - £59,999	2	111,005	2	115,857
£60,000 - £64,999	3	190,133	3	185,817
£65,000 - £69,999	3	203,727	2	133,672
£70,000 - £74,999	1	71,062	0	0
£85,000 - £89,999	0	0	1 *	87,488
£90,000 - £94,999	0	0	1	90,868
£95,000 - £99,999	1	95,346	0	0
£105,000 - £109,999	0	0	1 ^	106,754
£115,000 - £119,999	1	118,997	0	0
Total	<b>34</b>	<b>1,408,787</b>	<b>33</b>	<b>1,365,115</b>

5 (2015: 7) 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.

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

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

**Other transactions with trustees**

No trustee claimed expenses for any work performed in discharge of duties as a trustee.

See also note 30 (Related Party Transactions)

**Key management remuneration**

The total remuneration paid to key management, including Employers National Insurance, was £1,530k (2015: £1,469k).

Under the terms of the Charities SORP all trustees are regarded as key personnel. Their names and roles are detailed on pages 2 and 3 of this report.

**The Queen's College, Oxford**  
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**23 PENSION SCHEMES**

The College participates in the Universities Superannuation Scheme ("the USS") and the University of Oxford Staff Pension Scheme ("the OSPS") on behalf 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 the USS and the 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 £363,000 (2015 - £522,000) in relation to the USS. This represents contributions of £334,000 payable to the USS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £29,000.

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](http://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.

A provision of £563,000 has been made at 31 July 2016 (2015 - £534,000) 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](http://www.uss.co.uk)

**Oxford Staff Pension Scheme**

The pension charge for the year includes £296,000 (2015 - £321,000) in relation to the OSPS. This represents contributions of £331,000 payable to the OSPS as adjusted by the change in the deficit funding liability between the opening and closing balance sheet dates of £35,000.

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 £861,000 has been made at 31 July 2016 (2015 - £896,000) 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/ep/pensions/schemes/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:

<b>Scheme</b>	<b>2016</b>	2015
	<b>£'000</b>	£'000
Universities Superannuation Scheme	<b>363</b>	522
University of Oxford Staff Pension Scheme	<b>296</b>	321
	<b>659</b>	<b>843</b>

Included in other creditors and accruals are pension contributions payable of £81k (2015: £70k).

**The Queen's College, Oxford**  
**Notes to the financial statements**  
**For the year ended 31 July 2016**

**24 TAXATION**

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

No liability to corporation tax arises in the College's subsidiary companies because the directors of these companies have indicated that they intend to make donations each year to the College equal to the taxable profits of the company under the Gift Aid scheme. Accordingly no provision for taxation has been included in the financial statements.

**25 FINANCIAL INSTRUMENTS**

All loans are included at amortised cost as they are classified as basic financial instruments, as shown in note 17

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

	<b>2016</b>	2015
	<b>Group</b>	Group
	<b>£'000</b>	£'000
<b>Net income/(expenditure)</b>	25,163	16,717
Elimination of non-operating cash flows:		
Investment income	(4,749)	(4,403)
(Gains) in investments	(24,806)	(15,698)
Endowment donations received	(937)	(637)
Depreciation	562	563
(Surplus) on sale of fixed assets	-	(351)
(Increase) / decrease in stock	(24)	10
(Increase) in debtors	(272)	(22)
Increase in creditors	656	145
(Decrease) / increase in pension scheme liability	(6)	239
<b>Net cash used in operating activities</b>	<b>(4,413)</b>	<b>(3,437)</b>

**27 ANALYSIS OF CASH AND CASH EQUIVALENTS**

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Cash at bank and in hand	<b>24,203</b>	5,979
<b>Total cash and cash equivalents</b>	<b>24,203</b>	5,979

**28 FINANCIAL COMMITMENTS**

There are no financial commitments that require disclosure.

**29 CAPITAL COMMITMENTS**

In respect of the construction of an extension to its Library the College has a remaining capital commitment of £3,652k (2015: £6,600k).

**The Queen's College, Oxford**  
**Notes to the financial statements**  
**For the year ended 31 July 2016**

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

	<b>2016</b>	2015
	<b>£'000</b>	£'000
Aldridge S	52	58
Beasley R	0	75
Buckley M	87	95
Crowther C	110	122
Doye J	55	60
Gardner A	116	123
Lonsdale L	65	70
Louth C	31	36
Madden P	25	25
Meyer D	106	113
Owen NJ	18	21
Papazoglou P	96	112
Phalippou L	103	109
Rees OL	<b>105</b>	<b>112</b>

No interest is charged on the above loans, which are secured on the trustees' homes. This results in a benefit in kind which is included within the remuneration disclosed in note 22.

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

Certain trustees made donations to the College during the year, totalling £5,569 (2015: £4,167).

**31 CONTINGENT LIABILITIES**

There are no contingent liabilities at the year end.

**32 POST BALANCE SHEET EVENTS**

There are no post-balance sheet events requiring disclosure.

**33 TRANSITION TO FRS 102**

The College adopted FRS 102 at 31 July 2016. The date of transition is 1 August 2014. The net effect is set out below

<b>Effect on the SoFA</b>	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	<b>2015 Total £'000</b>
Net Income / (Expenditure) as previously stated	5,487	(110)	11,579	16,956
Pension scheme deficit movement	(239)			(239)
Net Income / (Expenditure) as restated	<b>5,248</b>	<b>(110)</b>	<b>11,579</b>	<b>16,717</b>
			<b>As at 1 August 2014 £'000</b>	<b>As at 31 July 2015 £'000</b>
Net Funds (as previously stated)			247,963	264,919
<b>Unrestricted Funds</b>				
Recognition of pension deficit			(1,191)	(1,430)
Net Funds (as restated)			<b>246,772</b>	<b>263,489</b>

The 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.